

College Savings Board selects TIAA-CREF to administer Oregon College Savings Plan

The Oregon 529 College Savings Board, at its July 23, 2009 meeting, unanimously selected New York-based TIAA-CREF Tuition Financing Inc. as the new administrator for the Oregon College Savings Plan. The decision came after an intensive three-month-plus effort to research the six companies that submitted bids to run the popular program.

The detailed evaluation of finalists considered a range of factors, including their financial history, customer service capabilities, investment expertise, and commitment to keep costs low for Oregon families.

The contract with the current administrator of the Oregon College Savings Plan, OppenheimerFunds, expires at the end of 2009.

The Board will immediately enter into contract negotiations with TIAA-CREF and begin the transition from OppenheimerFunds. The transition will occur in early 2010. As we get further into the transition process, we will inform investors of a final transition date.

All college savings assets are held in trust by the State. Under the supervision of the Board, OppenheimerFunds will continue to invest the funds and manage the Plan during the orderly transition. Investors are not required to do anything with their accounts during the transition. Investors can continue to make contributions to and withdrawals from their accounts, open new accounts, and conduct business as usual. Investors will experience no disruption in service and incur no additional cost as a result of the transition.

The Board's decision to hire TIAA-CREF was isolated to the administration of the plan, which includes recordkeeping, customer statements, account servicing, maintaining the Internet infrastructure and providing the family of mutual funds. Decisions about specific funds, asset allocation and other investment options will be made at a future Board meeting later this year.

TIAA-CREF is the administrator of college savings plans in eight states, with assets totaling \$5.4 billion.

Background on the Selection Process

The Oregon 529 College Savings Board voted at its January 22, 2009, board meeting to issue a Request for Proposal (RFP) for a Program Manager for the Oregon College Savings Plan.

An RFP was issued on April 1, 2009, and closed on May 5, 2009. The State received responses from six firms: College Savings Bank, Fidelity, TIAA-CREF, Union Bank & Trust Company, UPromise/Vanguard, and ValMark Advisers.

An evaluation committee, which is an advisory committee to the Oregon 529 College Savings Board, evaluated and scored the responses based on the criteria and questions listed in the RFP. Committee members included Office of the State Treasurer Staff, a Board member, the Board's investment consultant, and a representative of the public.

Criteria for selection included the applicants' investment management performance, administration, account servicing capabilities, plan materials and promotion, transition planning (moving the participant records and money from one Program Manager to another), and fees.

Please continue to check our website at www.oregon529network.com for updates and information regarding the Oregon College Savings Plan and the transition to TIAA-CREF.