

May 8, 2007
FOR IMMEDIATE RELEASE
CONTACT: BILL NORBERT
1-800-228-3734 ext. 3540
(207) 242-1236 (cell)

FAME BOARD INCREASES NEXTGEN MATCHING GRANT INCOME ELIGIBILITY

AUGUSTA, ME - The Finance Authority of Maine (FAME) Board of Directors has approved broadening the maximum family adjusted gross income eligibility range to receive a NextGen College Investing Plan® Matching Grant from \$57,000 to \$75,000. As a result, 83% of Maine taxpayers now are eligible to participate in the NextGen Matching Grant Program.

“We are pleased to be able to increase availability of the NextGen Matching Grant for account holders. It has never been more important to start saving for college, and this incentive should help further promote the concept of replacing debt with savings,” stated FAME Board Chair Joyce Maker.

While there are no income limits to open a NextGen account, FAME established the NextGen Matching Grant Program to provide an incentive for lower to moderate income families to save for college expenses. “Savings always place families in a better position when it comes to paying for college costs. Any amount of money people save today is money that won’t have to be borrowed later to pay for college,” noted FAME CEO John Witherspoon.

The NextGen Matching Grant Program works as follows: If either the NextGen account owner or the NextGen account beneficiary is a Maine resident, and if the account owner’s family adjusted gross income was \$75,000 or less in 2006, the account owner may apply for a matching grant. There are two components to the Matching Grant Program: the Initial Matching Grant and the Annual Matching Grant.

The Initial Matching Grant Program provides a one-time \$200 matching grant when an individual opens a new NextGen account with at least a \$50 initial contribution. The Annual Matching Grant Program provides a 50% matching grant on contributions made the previous calendar year to an existing NextGen account up to an annual award of \$200.

FAME also provides other unique benefits for Maine residents saving for college through the NextGen College Investing Plan, such as the First Step Grant Program. Through the First Step Program, a \$50 grant is now available to each child born or adopted in Maine to help open their first college savings account, regardless of family income. Every Maine family that has a child born this year

will be mailed an announcement that explains how to obtain \$50 for use in a NextGen account opened for their newborn. If the family's adjusted income in 2006 was \$75,000 or less, the family may combine the \$50 First Step Grant with the \$200 Initial Matching Grant and receive a \$250 contribution to open their NextGen account.

NextGen is a Section 529 plan administered by the Finance Authority of Maine. Investment oversight is provided by the Maine State Treasurer. Merrill Lynch is the Program Manager and underwriter of the plan.

FAME is an independent state agency that develops and administers programs related to the financing of both higher education and business in the State of Maine. Its primary goal is to provide targeted financing tools, information and solutions that enable Maine citizens and businesses to take advantage of opportunities to further their education and grow Maine's economy.

To learn more about the NextGen College Investing Plan and its Matching Grant Program, contact FAME at 1-800-228-3734 or visit www.FAMEmaine.com for a list of participating Maine banks and financial advisors.

###