

Offering Appropriately-priced Financial Products Resource List

Savings bonds

Doorways to Dreams (D2D) Fund seeks to expand access to financial services, especially asset building opportunities, for low-income families by creating, testing and deploying innovative financial products and services.

D2D works with the financial services industry, national non-profit groups, grassroots community agencies, and public policy organizations to generate promising ideas, pilot test systems and programs, build awareness of the needs and potential of low-income communities, and advocate progressive social and economic policy. www.d2dfund.org

D2D has conducted a savings bond demonstration over the last 2 years and is seeking additional partners to work with. The pilot demonstration found that:

- Demand for U. S. Savings Bonds among tax filers is strong.
- Bond purchasers bought bonds as gifts for their offspring.
- Tax filers bought bonds for the *long term*.
- Bonds may represent starter or first time savings.
- Take-up for bonds was higher than competing products (savings account, IRA)

College Savings Plans

The College Savings Plans of Maryland is an independent State agency that offers two plans the Maryland Prepaid College Trust and the Maryland College Investment Plan, which launched in 2001 and is managed and distributed by T. Rowe Price.

Both plans are 529 plans, named after the section of the Internal Revenue Code that permits states to establish and administer tax-advantaged college saving plans. Each has its own set of features and benefits, and both offer generous federal and Maryland State tax incentives. Also, students may use their account at nearly any accredited college nationwide. <http://www.collegesavingsmd.org/>

Auto-build CDs

An Auto-Build Certificate of Deposit makes it easier than ever to open a CD because you can open it with a minimum deposit of just \$25.00. The customer may also make unlimited deposits to the CD during the CD term. Once the average daily balance reaches \$500.01, the interest rate will increase. Once the average daily balance reaches \$5,000.00, the rate will increase again. The Auto-Build CD product is available in twelve-month or twenty-four month terms. <http://www.mecu.com/pages/savingsinfo.html>

Other CD products include: Bump-Up Certificate of Deposit allows for the interest rate to be "bumped" or increased sometime during the term of the CD; SuperFlex Certificate of Deposit accounts, deposits are permitted into the account during the term. Part of the funds can be withdrawn from the account prior to maturity without paying a penalty; the balance remaining must be at least \$1,000.00.