

For Immediate Release
April 2, 2007

Michigan Education Savings Program fee reduction means more college savings for families

*25 percent fee reduction will result in increased college savings of approximately \$1.75 million in MESP in 2007**

Lower fees will add up to big savings for Michigan families who invest in the Michigan Education Savings Program (MESP), Michigan's 529 college savings plan. Effective April 1, 2007, families that invest in MESP will pay fees that are 25% less than those previously charged.

TIAA-CREF Tuition Financing Inc. (TFI), the program manager for MESP, lowered the program management fee by 25 percent from .60% to .45% annually which means existing and new MESP account owners will benefit from more of their investment going towards savings rather than fees.

For example, an hypothetical account owner who starts saving for a newborn child, and contributes \$5,000 per year for 18 years (total investment of \$90,000) with an assumed annual return of 6% (before fees) will see their savings increase by an additional \$2,407 due to the fee reduction by their 18th birthday. There are no other fees associated with MESP.

"With college costs increasing every year, there is no better time to start saving than today," said State Treasurer Robert J. Kleine. "We are proud to offer this tremendous savings opportunity to Michigan families. MESP is a very popular savings vehicle that also works very well in tandem with the Michigan Education Trust, our prepaid tuition program."

The Michigan Department of Treasury first selected TFI in 2000 to serve as MESP's program manager. After a competitive review process, TFI was recently awarded the contract to continue to serve as the Program Manager for MESP for the next three

years. TFI has a reputation for exceptionally low fees, innovative products, solid investment performance, trustworthiness and superior customer service.

MESP has grown to \$1.6 billion in assets with accounts established for approximately 100,000 children.

“There has been exceptional growth in MESP since it was launched in November of 2000,” said Bruce Sheinhaus, MESP program director. “This reduction in fees along with other state benefits truly sets MESP apart from any other 529 program in the nation.”

Like most states, Michigan established its 529 Plan to encourage parents, grandparents and other family members to save for college expenses. A MESP account can be opened with as little as \$25. MESP contributions can grow free from federal and state taxes and withdrawals used for qualified education expenses are not taxed. In addition, state residents may also be eligible for a state income tax deduction of up to \$10,000 for joint filers (\$5,000 for single filers) and a State matching grant. Please see the Program Disclosure Booklet for details.

“There is continuing competition among programs to reduce fees, which is certainly good for the consumer,” said Joe Hurley, author of “The Best Way to Save for College – A Complete Guide to Section 529 Plans” and founder of savingforcollege.com.

More information about MESP is available at www.misaves.com. Additionally, MESP offers free Webinars the first and third Tuesday of each month at noon to assist investors as they explore savings options.

* Based on MESP program assets as of March 23, 2007 of \$1.5 billion multiplied by the fee reduction of .15% over a nine month period.

ABOUT TIAA-CREF

The TIAA-CREF group of companies is a national financial services organization with more than \$406 billion in combined assets under management (as of 12/30/06) and the leading provider of retirement services in the academic, research, medical and cultural fields. Further information can be found at www.tiaa-cref.org.

Consider the investment objectives, risks, charges and expenses before investing in MESP. Please visit misaves.com for a Disclosure Booklet containing this and other information. Read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your Beneficiary reside in or have taxable income in has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in that state's 529 plan.

The tax information contained herein is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. It was written to support the promotion of MESP. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

The State of Michigan, its agencies, TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America and its affiliates do not insure any Account or guarantee its principal or investment return except for TIAA-CREF Life Insurance Company's guarantee to MESP under the Funding Agreement for the Principal Plus Interest Option. Account value will fluctuate based upon a number of factors, including general market conditions.

© 2007 TIAA-CREF Tuition Financing, Inc., program manager. TIAA-CREF Individual & Institutional Services, LLC, distributor, member NASD, SIPC.
C38163

###