

April 3, 2012

Mr. Niels Holch  
Executive Director  
Coalition of Mutual Fund Investors  
400 North Capitol Street NW, Suite 585  
Washington DC 20001

Dear Mr. Holch:

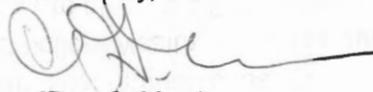
Thank you for your recent correspondence and study of fees and costs in 529 plans. You focus on the cost differences between direct and advisor programs. Differences do exist, reflecting the work of financial advisors and the resulting fees. Your letter appears to assume that a move to omnibus accounts has, or will have, an impact on the expense ratio of 529 programs. For CollegeAmerica, as I pointed out in my earlier letter to you, that is not the case.

I appreciate your recognition of the below average expense ratios for all of Virginia 529's programs. Virginia 529 offers a variety of investment options through our four 529 programs, to suit various investing styles, resources, and college savings time horizons. For the many who prefer to work with a financial advisor, we sponsor CollegeAmerica - with expense ratios lower than most mutual funds. For those who prefer to invest directly, we offer two direct savings programs, VEST and CollegeWealth, as well as our prepaid program. As you noted, the expense ratios in VEST compare quite favorably to all other 529 programs. In addition, CollegeWealth, which offers FDIC-insured bank savings accounts, has no fees and a current minimum APY of 2.0%.

I take issue with your dismissive attitude about the value of financial advisors, but the bottom line is that the decision whether to work with a financial advisor is appropriately left to individuals making decisions about how to invest their money. An abundance of choices exists. A great deal of information about all Virginia 529 programs, including investment options, investment performance and expense ratios (also providing average costs of investing \$10,000 over a 10 year period), is readily available in a number of forums including our website at Virginia529.com. In addition, the College Savings Plans Network and savingforcollege.com websites provide information on all 529 programs in the country and the ability to compare those 529 plans according to many factors.

The mission of Virginia 529 is to offer "superior, affordable, innovative, tax-advantaged college savings options." In meeting that mission, Virginia 529 is proud to provide four 529 programs with a wide range of investment options and styles and competitive costs.

Sincerely,



Mary G. Morris