

Education Savings Account (ESA) Application



Use this form to open a Coverdell Education Savings Account with Homestead Funds.

Return your completed application to Homestead Funds using the postage-paid envelope provided, or mail to:

Regular Mail

Homestead Funds
c/o BFDS
P.O. Box 219486
Kansas City, MO 64121-9486

Overnight Mail

Homestead Funds
c/o BFDS
330 W. 9th Street, 1st Floor
Kansas City, MO 64105-1514
Attn: Shareholder Services

Before completing this application, see the prospectus, which is available at homesteadfunds.com. If you have any questions, call us at 800.258.3030.

Important Notice — The USA Patriot Act

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. This information will be verified to ensure the identity of all individuals opening a mutual fund account.

1. Ownership

We cannot process your application if the information below is not provided. Homestead Funds does not accept accounts registered to foreign individuals, including foreign correspondent accounts.

Be sure to sign your completed form (Section 12).

A. Student

First Name Middle Initial Last Name

Social Security Number Date of Birth (mm/dd/yyyy) / /

Check one:

U.S. Citizen U.S. Resident Check if a 'special needs' student

B. Responsible Individual (Parent or Guardian. List only one individual.)

Parent/Guardian's First Name Middle Initial Last Name

Social Security Number Date of Birth (mm/dd/yyyy) / /

Check one:

U.S. Citizen U.S. Resident

Check one:

Mother Father Guardian (Provide proof of guardianship)

Daytime Telephone Number (in case we have questions)

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C. Donor (if different than Parent or Guardian.)

Donor's First Name Middle Initial Last Name

Social Security Number

Check one:

U.S. Citizen U.S. Resident

2. Address

Provide the student's residential street address:

Student's Residential Street Address

City State Zip Code

Provide the parent/guardian's residential street address if different from the student's:

Parent/Guardian's Street Address

City State Zip Code

◆ **If you want account correspondence sent to an address other than the student's street address**

Mailing Address (Your mailing address may be a P.O. Box)

City State Zip Code

3. Telephone and Internet Services

We will act on your instructions to buy, exchange, or sell shares by phone and/or online, unless you check the boxes below to opt out of those services. Online distributions are not available for ESA accounts.

Neither Homestead Funds nor the Transfer Agent will be liable for properly acting upon telephone instructions believed to be genuine.

Check to Opt Out:

- I DO NOT want to be able to authorize **purchases** by phone or online
- I DO NOT want to be able to authorize **exchanges** between identically registered accounts by phone or online
- I DO NOT want to be able to authorize **distributions** by phone

A P.O. Box will not be accepted as a residential street address. A rural route, APO or FPO address will be accepted.

Please note that for phone and online purchases we must have bank instructions on file. Complete **Section 10**.

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4. Funding Source

Check one:

Annual Contributions. Each student may receive a total of \$2,000 in Education Savings Account contributions annually.

Total Dollars (\$200 minimum) \$

Indicate whether this is a contribution for the prior or current tax year. If no tax year is specified, your contribution will be deemed a current-year contribution.

Prior-year contribution tax year (yyyy)

You have until the tax-filing deadline to make a prior year contribution

Current-year contribution tax year (yyyy)

Indicate method of investment.

By check.

By ACH transfer. Upon receipt of this application, we will initiate an electronic funds transfer from the account you indicate in **Section 10**.

Transfer from an existing ESA custodian. Also complete an IRA and ESA Transfer Form available at homesteadfunds.com

If you are opening your new account with a check, ACH transfer, or transferring from another Education Savings Account custodian complete this section. If you are funding your account only by establishing the Automatic Investing Program, you may skip **Sections 4 and 5**.

We accept personal checks with preprinted name and address made payable directly to Homestead Funds. We do not accept third-party checks, credit card convenience checks, bank account starter checks, cash or cash equivalents (including money orders, traveler's checks or bearer bonds).

5. Fund Selections

Indicate how the amount in **Section 4** should be allocated.

Daily Income Fund (168)	\$ <input type="text"/>	or	<input type="text"/> %
Short-Term Government Securities Fund (170)	\$ <input type="text"/>	or	<input type="text"/> %
Short-Term Bond Fund (172)	\$ <input type="text"/>	or	<input type="text"/> %
Stock Index Fund (174)	\$ <input type="text"/>	or	<input type="text"/> %
Value Fund (176)	\$ <input type="text"/>	or	<input type="text"/> %
Small-Company Stock Fund (178)	\$ <input type="text"/>	or	<input type="text"/> %
International Equity Fund (180)	\$ <input type="text"/>	or	<input type="text"/> %
Growth Fund (182)	\$ <input type="text"/>	or	<input type="text"/> %
Total (Must match amount from Section 4)	\$ <input type="text"/>	or	<input type="text"/> %

If you are only transferring from another ESA custodian then only provide your fund selections on the IRA and ESA Transfer Form.

Need Help?

Homestead Funds Client Service Representatives are available on business days from 8:30 a.m. to 5:00 p.m. E.T.

Call **1.800.258.3030**

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6. Automatic Investing Program

In addition to or instead of providing an initial investment in **Section 4**, you may elect to fund your account by making regular investments transferred directly from your bank account (complete **Section A**) or paycheck (complete **Section B**).

A. ACH transfer from Bank Account

Transfer frequency (Transfers will be made on or about the 20th of the month):

Monthly Quarterly Semi-annually Annually

First Purchase (mm/yyyy)

/

Indicate how much you want to automatically purchase into each fund.

Daily Income Fund (168)	\$	<input type="text"/>
Short-Term Government Securities Fund (170)	\$	<input type="text"/>
Short-Term Bond Fund (172)	\$	<input type="text"/>
Stock Index Fund (174)	\$	<input type="text"/>
Value Fund (176)	\$	<input type="text"/>
Small-Company Stock Fund (178)	\$	<input type="text"/>
International Equity Fund (180)	\$	<input type="text"/>
Growth Fund (182)	\$	<input type="text"/>
Total		\$ <input type="text"/>

B. Payroll Deduction

Select the funds you will be investing in. You do not need to indicate investment amount at this time.

- | | |
|---|---------------------------------|
| Daily Income Fund (168) | Value Fund (176) |
| Short-Term Government Securities Fund (170) | Small-Company Stock Fund (178) |
| Short-Term Bond Fund (172) | International Equity Fund (180) |
| Stock Index Fund (174) | Growth Fund (182) |

7. Daily Income Fund Checkwriting (Optional)

Sign the signature card as you will sign your checks. In signing this signature card, you agree to be subject to the rules and regulations of UMB Bank, n.a., Custodian, as amended from time to time and subject to the conditions printed in the Homestead Funds prospectus.

Print the Parent/Guardian's Name

Signature

Complete this section to sign up for the Automatic Investing Program and have money moved regularly from your bank account to your fund account. You must also complete **Section 10**.

Contributions made automatically are considered current-year contributions for the year in which they are received. **It is your responsibility to not exceed the \$2,000 annual ESA contribution limit.**

Complete this section to set up an account for receipt of payroll deductions to be sent by your employer. We will mail your new account numbers and other information you will need to provide to your payroll office to initiate deposits.

This service is available only to Daily Income Fund investors. There is a \$100 per check minimum. This account will be charged a nominal fee for checkbooks. Student's may not sign checks.

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8. Dividends and Capital Gains

All distributions will be automatically reinvested in your fund account unless you make a different election here.

Dividends and Short-Term Capital Gains:
 Pay by Check Sent to Address of Record
 Pay by Direct Deposit to Bank Account
 You must also complete Section 10.

Long-Term Capital Gains:
 Pay by Check Sent to Address of Record
 Pay by Direct Deposit to Bank Account
 You must also complete Section 10.

9. Beneficiary Designation

Designate who should receive account assets in the event of the student's death. Assets are divided among primary beneficiaries first. If all primary beneficiaries predecease the student, assets are divided among secondary beneficiaries. Attach a separate sheet if you have more than two beneficiaries, and provide all of the information requested here for each beneficiary. Please note beneficiaries must be an eligible family member of the minor and be under the age of 30.

A. Primary Beneficiaries

Name	Relationship	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/> %
Date of Birth (mm/dd/yyyy)	If minor, name of parent/guardian	
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	
Name	Relationship	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/> %
Date of Birth (mm/dd/yyyy)	If minor, name of parent/guardian	
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	

(Percentages listed for Primary Beneficiaries in Section 9A. must total 100%) **Total 100 %**

B. Secondary Beneficiaries

Name	Relationship	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/> %
Date of Birth (mm/dd/yyyy)	If minor, name of parent/guardian	
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	
Name	Relationship	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/> %
Date of Birth (mm/dd/yyyy)	If minor, name of parent/guardian	
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	

(Percentages listed for Secondary Beneficiaries in Section 9B. must total 100%) **Total 100 %**

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10. Bank Information

By completing this section, you authorize Homestead Funds to deduct money from your bank account via ACH to purchase shares into your Homestead Funds account and to send redemption proceeds via wire or ACH to your bank account of record.

Be sure to complete this section if you:

- Elected to send your investment by ACH transfer (**Section 4**)
- Signed up for the Automatic Investing Plan and chose to have money moved by ACH transfer from your bank account (**Section 6**)
- Elected to have distributions deposited directly in your bank account (**Section 8**)
- Want the option of having redemption proceeds deposited directly in your bank account

Account type. Check one: Checking Savings

Your request cannot be processed without a voided check or deposit slip for the account you wish to designate as your bank account of record unless you opt for us to use your initial purchase check.

John Q. Smith
123 Main Street
Anytown, USA 12345-67890102

VOID

Pay to the Order of _____ \$ __________ Dollars

Message _____Signature _____

⑆01⑆12⑆6678⑆ 22253⑆56089012⑆45⑆ 0102

Attach voided check here.

Check this box if you wish to use your initial purchase check enclosed with this application to establish banking instructions instead of including an additional voided check.

Checks must be preprinted with your name and address. At least one common name must match exactly between your Homestead Funds and bank account. We do not accept starter checks. If you do not have a preprinted check please include a letter from your bank, on their letterhead, confirming your bank account registration, account number and routing number.

11. Electronic Delivery

If you consent, an e-mail will be sent each time your fund materials are available for viewing online. Instructions for accessing your materials will be provided in the e-mail. You may revoke e-delivery consent at any time allowing you to receive printed materials.

I elect to receive notification of the following checked fund documents electronically to the e-mail address provided below:

Account Statements Prospectus & Shareholder Reports

E-mail address

Please note: no confidential information will be sent over the Internet and confirmation statements confirming individual transactions are not able to be sent electronically at this time.

You must sign this form in Section 12 on the next page.

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12. Certifications and Signatures

By signing this application, I represent and warrant that:

- (a) I have received, read and agree to the terms of the Homestead Funds prospectus and the Custodial Agreement and Disclosure Statement (available at homesteadfunds.com or by calling **800.258.3030**). This application incorporates by reference the Custodial Agreement and Disclosure Statement.
- (b) I am a U.S. citizen or resident and that the Social Security Numbers provided in Section 1 of this application are correct.
- (c) If making an annual contribution to an Education Savings Account, that the student is less than 18 years old or is a 'special needs' student and that all contributions made on a student's behalf to this or any other Education Savings Accounts do not exceed \$2,000 in a single tax year.
- (d) If transferring an existing Education Savings Account, that the student is less than 30 years old or is a 'special needs' student.
- (e) If this is a contribution from a corporate entity, that the donor has the requisite authority to sign this application on behalf of such entity and that the establishment of the account and contribution thereto have been duly approved by all requisite corporate actions.
- (f) I acknowledge that under certain circumstances, if no activity occurs in an account within a time period specified by state law, my shares in Homestead Funds may be transferred to the state (i.e. escheated). I may consult my state's website or call my state government's escheatment customer service number for more details.
- (g) I acknowledge that adverse income tax consequences (including possible penalties) may apply for providing false or incorrect information and certifies that the information provided above is accurate and correct.

Sign Below:

Parent/Guardian's Signature **(Required)**

Date (mm/dd/yyyy)

 / /

Donor's Signature **(if different than Parent/Guardian)**

Date (mm/dd/yyyy)

 / /

Student's Signature

Date (mm/dd/yyyy)

 / /

(Required and valid only if the student has obtained the age of majority in his/her state.)

**Be sure to sign this form.
We cannot act on your
instruction without all
required signatures.**

If the student is a minor under the laws of the student's state of residence, acceptance by the custodian of the contribution to this account is expressly conditioned upon the agreement of the parent (identified in Section 1) to be responsible for all requirements of the student under the documents governing the account, and to exercise the powers and duties of the student with respect to the operation of the account. Upon reaching the age of majority in the state in which the student resides, the student may advise the custodian in writing (accompanied by such supporting documentation as the custodian may require) that he or she is assuming sole responsibility to exercise all powers and duties associated with the administration of the account. Absent such written notice by student, the custodian shall have no responsibility to acknowledge the student's exercise of such powers and duties of administration.

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REVOCAION OF ACCOUNT

The donor may revoke this custodial account at any time within seven days after they have established the account. Upon revocation, Homestead Funds will return to them the entire amount contributed to the account without penalty, service charge, administrative expenses or other deduction. To revoke the account, mail the form entitled "IRA Revocation Form" to Homestead Funds within seven days of establishing the account. The law considers notice of revocation mailed on the date of the postmark (or on the date of certification or registration if sent by certified or registered mail) provided they deposit the form in the United States mail in an envelope or other appropriate wrapper, first class postage prepaid, properly addressed to Homestead Funds