

Savings Bonds

Due to many parents and youth having questions and concerns with the Savings Bonds they have received for awards through the *ASPC/AMHR/ASPR Youth Program*, the following will help explain how and when the bonds mature. To seek further information, please visit the Treasury Direct Website. This website has more information and a Bond Calculator to figure the value of your savings bonds and when they will reach full maturity. <http://www.treasurydirect.gov/BC/SBCPrice>

Rate Structure For Series EE Bonds

Series EE Savings Bonds have always been a reliable investment, and they're about to become even more reliable. Instead of waiting to find out what rate your EE bonds will earn every six months, you'll now have the advantage of knowing what they're worth at all times, thanks to the new fixed rate for this series.

On April 4, Treasury announced that EE bonds issued May 2005 and later earn fixed interest rates. The fixed rate for bonds purchased May 2005 through October 2005 is 3.50%. EE bonds earn interest for 30 years; the fixed rate applies during the first 20 years and will automatically be extended for 10 more years unless Treasury announces different terms for the final 10-year period. Rates for new issues will be announced each May 1 and November 1.

You can cash EE bonds any time after they're one year old, but there's a three-month interest penalty for cashing them less than five years from their issue date. Treasury guarantees that an EE bond issued May 2005 or later will at least double in value at its 20-year original maturity. If the fixed rate fails to double a bond's value by 20 years, Treasury will make a one-time adjustment to make up the difference.

The information above was taken from the following web address:

http://www.treasurydirect.gov/indiv/research/articles/res_invest_articles_newratestructure_0405.htm