



American Savings Bonds

Nominal Savings Bonds cannot be sold, transferred, traded, or purchased in the secondary markets. They are only available for initial issue from banks and the United States treasury. The US government (as of this writing) issues them in the EE series only. They are directly tied to your social security number and can never be reassigned to another person. You should note that your purchase of EE series savings bonds is capped at \$10,000 per calendar year per social security number. Paper EE savings bonds were once available, but have since been discontinued. Only electronic bonds can be purchased.

They come in a wide variety of denominations; you can easily purchase them in values from \$25 up to \$10,000. Savings bonds selected online and directly ordered from the US government give the widest selection of savings bonds denominations. The face value of the EE Series is double its purchase price; this amount is received at its actual maturity.

The current EE series bonds pay fixed rates of return, they paid a variable rate if purchased before April 2005. The rates of the bonds themselves are extremely low, less than half a single percent of inflation. They are typically within the range 0.15% and 0.25%. This interest is earned monthly, but compounds semiannually for the entire duration of the bond. The interest received is subject to federal income tax, but never state or local within the US.

These savings bonds are intended to be long term investments, lasting up to thirty years before maturing. You don't actually have to wait that long, you can easily cash them in after a single year, but you will lose 3 months of interest if you do not wait a minimum of 5 years.