



LEGACY TREASURY DIRECT
INVESTOR KIT

1•800•722•2678

www.treasurydirect.gov

WELCOME TO... LEGACY TREASURY DIRECT ►

Legacy Treasury Direct is a service that lets you buy Treasury securities and hold them electronically in accounts with the U.S. Treasury. You can hold all your marketable Treasuries in a single account or in several accounts, if you prefer.

With Legacy Treasury Direct, enjoy the convenience and safety of investing from the comfort of your own home—directly with Treasury. Saving for retirement? Looking for flexible investment options? Planning for education? Treasury securities fit just about any need you have. Whether you're new to our program or a veteran investor, this kit gives you the tools you need to establish and maintain a Legacy Treasury Direct account.

Legacy Treasury Direct is one of several investment services offered by the U.S. Treasury through the Bureau of the Public Debt. Our newest program, TreasuryDirect, lets you manage your account online for savings bonds (Series EE and I) as well as a wider range of marketable securities. Visit us at www.treasurydirect.gov.

► Why Legacy Treasury Direct?

When you buy a security through Legacy Treasury Direct, it's deposited in your account at Treasury, giving you access and control when it's convenient for you. That way, you eliminate the middleman and the costs of buying through a broker or bank. You manage your own account with quality customer service from us!

► Doing Business With Us:

By Internet: www.treasurydirect.gov

By Phone: 1-800-722-2678 (including electronic services)
304-480-6464 (if you're out of the country)

By Mail: (If you don't already know which Treasury Retail Securities Site serves you, call us toll-free or visit our website to find out.)

[Treasury Retail Securities Site](#)

P.O. Box 567
Pittsburgh, PA
15230-0567

[Treasury Retail Securities Site](#)

P.O. Box 9150
Minneapolis, MN
55480-9150

Information in this publication is current as of the publication date (March 2009). However, because Treasury continuously adapts to changing market conditions, you should always confirm offerings, auction schedules, securities, and other specific information by visiting our website at www.treasurydirect.gov or by calling 1-800-722-2678.

The Legacy Treasury Direct Investor Kit (PD P 009) is an introductory publication. Information in this publication is not part of the contract or regulations offering or governing U.S. Treasury Securities. Please consult the U.S. Treasury Marketable Securities sections of the [U.S. Code of Federal Regulations](#) for definitive guidance.





TABLE OF CONTENTS

1 Marketable Securities	1
Bills, Notes, Bonds, and TIPS	1
How Do I Actually Buy a Security?	2
Let's Talk About Auctions	3
What am I Actually Paying?	4
2 Investing Through Legacy Treasury Direct	6
The Legacy Treasury Direct Investor Account	6
Some Common Registration Options	6
Treasury Retail Securities Sites	8
A Word About Fees	10
Filling Out a Tender—Electronic or Otherwise	10
3 Statement of Account and Confirmation Notices	14
4 Maintaining Your Account	16
Electronic Services for Treasury Bills, Notes, and Bonds	16
Transactions and Inquiries	19
Typical Transactions & Inquiries (table)	20
Selling Your Securities	21
Transferring Securities	21
5 Taxes and Other Miscellaneous Stuff	23
6 Glossary	26
7 The Internet Connection	28



MARKETABLE SECURITIES

Marketable securities are called “marketable” because once they’ve been issued, you can buy or sell them in the commercial market at prevailing prices. You’re probably aware of marketable government securities; nearly everyone’s heard of “Treasuries,” but not everyone knows the difference between a bill, note, bond, or TIPS. We’ll break it down.

Public Debt regularly sells marketable securities in terms ranging from several days to 30 years (although you cannot buy the shortest or longest terms through Legacy Treasury Direct). We sell these securities at auctions held regularly throughout the year. Buying Treasury securities through Legacy Treasury Direct costs you nothing—except, of course, the cost of the security. (We do have an annual maintenance fee for accounts over \$100,000 and a per-transaction fee if you ask us to sell an unmatured security for you. More about them later.)

You can buy and maintain Treasury securities easily, quickly—and with no commission or purchase fee—when you use Legacy Treasury Direct.

Why Do We Sell Marketable Securities?

The Bureau of the Public Debt has a mission. We’re responsible for financing the public debt (no, not your debt—Uncle Sam’s). Just like you, the Federal Government needs money to operate. One of the ways we make sure there’s money available is by selling Treasury securities to the public.

Bills, Notes, Bonds and Treasury Inflation-Protected Securities (TIPS).

The difference between bills, notes, and bonds is straightforward. It depends on how long (something we call “term”) you’re willing to loan your money to us for a return on your investment.

Treasury Bills. A bill is a short-term investment issued for a year or less. You typically buy bills at a discount from their par (or “face”) value. The difference between your original purchase price and par value is your interest; you don’t get interest payments during the life of the bill. Interest from your bill is taxable in the year you sell it or it matures, which might not be the year you bought it. It’s possible for a bill auction to result in a price equal to par, which means that Treasury would issue and redeem the securities at par value.

Treasury Notes. When you invest in a note, on the other hand, you lend your money to the government for 2-10 years. Notes have fixed interest rates, and you’ll get semiannual interest payments until maturity.

Treasury Bonds. Bonds are long-term securities issued for more than 10 years. You can no longer buy marketable bonds through Legacy Treasury Direct. However, there are some older bonds issued before 2007 that can be bought and sold in the commercial market—these can be transferred into your Legacy Treasury Direct account, but you must use a





broker/dealer to buy them. Like notes, bonds have fixed interest rates and semiannual interest payments.

The Treasury Inflation-Protected Security (TIPS). TIPS keep pace with inflation since the principal value is tied to the U.S. Bureau of Labor Statistics' Consumer Price Index for all Urban Consumers (CPI-U).



With TIPS, we pay interest on the inflation-adjusted principal. (The principal is adjusted at each interest payment date by the current index ratio. The ratio is based on changes in the CPI-U between the issue date and each interest payment date.) At maturity, we redeem your securities at their inflation-adjusted principal or the original par amount whichever is more. So, if inflation rises, the value of the security rises along with it. If deflation prevails, you're guaranteed your security's value won't drop below the original par amount.



Should the accepted yield for your TIPS be 0% or less, it will not have regular semiannual interest payments. It will, of course, be adjusted for inflation throughout its lifetime, thus posting changes at maturity (or sale). This will only happen if the accepted yield of a particular auction for TIPS is below 0% (-1%, for instance). In this case, the yield will be automatically set at 0% (never anything lower) for all buyers.

Any year the inflation-adjusted principal goes up, the amount of increase is considered reportable income, even though you don't get the principal until maturity. To find out more about tax reporting for TIPS, please see Chapter 5.

► How Do I Actually Buy a Security?

Treasury sells its securities to the public through single-price auctions, where all successful bidders buy securities at a price equal to the highest accepted yield (notes) or the highest accepted discount rate (bills). The highest accepted rate is set by competitive bidders.

About a week before each auction, we'll issue a press release announcing the security being sold, the amount we're selling, the auction date, and other pertinent information. (You'll find the auction announcements in the financial section of most major newspapers, or you can visit our website at www.treasurydirect.gov or call Legacy Treasury Direct.) See page 13.

Here's how we calculate your inflation compensation.

INVESTOR TIP:

The par amount of inflation-protected securities is tied to the non-seasonally adjusted Consumer Price Index for All Urban Consumers (CPI-U). We calculate the index ratio by dividing the current CPI-U level by the CPI-U level that applied when the securities were issued. For more information on this process, see our website at www.treasurydirect.gov

► Bidding.

A noncompetitive bid simply means you're willing to accept the rate set at auction by competitive bidders in the commercial market. It guarantees you'll get the full amount of the security you want at the rate or yield determined at the auction. In fact, everyone gets the same rate or yield. See the next page on auctions, which explains how we determine your purchase price.

Competitive Bidding. Competitive bidders tell us what rate/yield they want to receive. Individuals can bid competitively, but not through Legacy Treasury Direct. Most competitive bidders are large financial institutions and brokers/dealers very familiar with the securities market. They submit their bids seconds before the deadline on auction day.

► Let's Talk About Auctions.

Treasury's financing policy decisions and borrowing requirements sometimes force changes in the regular pattern of financing. To be safe, always look for current information on auctions at www.treasurydirect.gov, in many newspapers, or by calling us. [Click here](#) to access the most updated information at Treasury's website.

To help you stay updated, we also offer e-mail lists for auction announcements and results. Sign up online at www.treasurydirect.gov.

► How Does an Auction Really Work?

Everyone gets the highest yield/rate accepted at that particular auction. Specifically, we award securities after the auction closes, first accepting all noncompetitive bids before moving to the lowest yield/rate offered among the competitive bids and continuing upward until there are enough bids to cover the announced offering amount. We never award less than \$100, and the total amount is always in \$100 increments. After that, we calculate the purchase price and determine the interest or investment (discount) rate. (The interest rate may already be set if the auction is for a reopening of an existing security.) We announce the results and put them on our website and post them to our toll-free phone line later that day. Most financial electronic news services and the financial press will report auction results immediately, and the regular media usually report them the next day.

If You Bought a Bill: The auction results tell you the range of accepted discount rates, and the price and investment rate for the highest accepted discount rate.

Discount rate. An annualized rate of return based on the par value of the bill. The discount rate is calculated on the actual number of days to maturity by using a 360-day basis (figuring 12 months with 30 days each). You can't use the discount rate to compare the rate of return on a bill with other instruments.





Investment rate (equivalent coupon yield). An annualized rate based on the bill's purchase price. The investment rate is based on the purchase price and calculated on a 365-day basis (or 366-day basis during leap year). You can use the investment rate to compare bill yields with other instruments.

If You Bought a Note or TIPS: The results tell you the annual interest (coupon) rate, the yield to maturity, and the purchase price per \$100.



Interest (or coupon) rate. The interest rate your note or TIPS will earn. When multiplied against your par amount and divided by two, it gives the amount of your semiannual payments.

Yield to Maturity. Yield, also called "yield to maturity," means the annualized rate of return to maturity on a fixed principal security expressed as a percentage. Yield to maturity is based on the price you paid for the security and the interest rate. For an inflation-protected security, yield means the real yield.



▶ What Am I Actually Paying?

If You Bought a Bill: We translate the discount rate you are awarded into a price per \$100, and use that figure to determine your purchase price.

If You Bought a Note and TIPS: We translate the yield you are awarded into a price per \$100, and use that figure to determine your purchase price, which may be less than, equal to, or more than par. Depending on how you pay for your security, we may send you a refund or an invoice for a premium and/or accrued interest.

▶ When You Owe More Money ... About Premiums, Accrued Interest, and Reopenings.

Premium. If your security sells higher than the par amount (if the price per \$100 is \$102.787878, for instance), then you may owe a premium. (Of course, if you use Pay Direct®, we automatically collect the par amount plus the premium on the issue date so you won't need to send in a separate payment. If you pay by check, or for reinvestments, you'll owe a separate payment.)

Accrued Interest. This is the amount of interest a security earns before it's actually issued. A security starts earning interest on what's called the "dated date," or the established date for issuing that security. Normally, the dated date is the same as the issue date, but there are two exceptions. You might owe accrued interest if the new security is a reopening and/or if its dated date is a non-business day.

Reopenings. A reopening is when we re-auction a previously issued security with the same maturity date and interest rate as the original, but with a different issue date (which creates a shorter overall term) and, usually, a different purchase price.

While most reopenings are planned, Treasury occasionally has a “surprise” reopening if, at auction, a security sells at the same interest rate and the same interest period as a previously auctioned security. In this case, Treasury may choose to reopen the original rather than auction a new issue.

For example: you buy a 10-year note in May. In June, the U.S. Treasury reopens that 10-year note with the same maturity date and interest rate—just a month later. You buy another 10-year note in June. Consequently, the security you bought in May and the one you bought in June are basically the same security—except for the term and the purchase price. The differences: (1) you bought your second security one month after the original, so your second security’s **term** is 9 years and 11 months instead of an even 10 years; and (2) you may pay more or less for the second security, because the **price** will be refigured at the second auction. If it’s higher than par, you’ll owe a premium plus the accrued interest for May.

Payment Due Notice. This is how we let you know if you owe a premium and/or accrued interest. The notice simply shows the net difference of any accrued interest plus or minus the premiums or discounts. You must pay any accrued interest and/or premiums before we can release your security into Legacy Treasury Direct and complete the purchase. Please be sure to send your money promptly. It’s payable upon receipt of the notice.

Federal regulations allow us to levy a penalty (1% of the par amount of securities awarded) if you don’t pay for the security in a timely manner (in the case of a payment being returned for insufficient funds, for instance). You can find this provision in the Code of Federal Regulations (31 CFR, Part 356.34).

INVESTOR TIP:
If you owe additional money (premium or accrued interest, for example) but it’s less than \$1.00, we won’t collect it. On the other hand, if we owe you \$1.00 or less (discount or refund), we won’t pay you—unless you request the refund in writing or by phone. You may contact us at 1-800-722-2678.





INVESTING THROUGH LEGACY TREASURY DIRECT ►

► The Legacy Treasury Direct Investor Account.

Now you know something about Treasury securities, and since you're still with us, it probably means you're interested in buying some bills, notes, or TIPS for your portfolio. Great! Here's how it all works. When you buy your first Treasury security through Legacy Treasury Direct, we'll create an Investor Account in your name. It's a single account to hold all your marketable Treasury securities. You'll usually have only one account, but it's possible to have several—if, for instance, your holdings require a different ownership registration or different payment instructions. It all depends on your needs and investment goals.

You have many choices when registering ownership, including registering them in an individual's name or in the name of an estate, trust, private organization, or corporation. Consider carefully how to establish clear ownership and survivorship rights.

Note: If you have two names in the registration and don't include a connective ("and," "or") we'll reject the tender. Also, when using "and" in the registration, please select either with right of survivorship or without right of survivorship. If you don't, we automatically use without right of survivorship.

► Some Common Registration Options.

If your security is owned by:

- **One person**

Single Ownership—*Mary Benson Doe*

- **Two people**

Joint Ownership Without Right of Survivorship (both owners must authorize most transactions)

John B. Smith and Mary B. Doe, without right of survivorship

Joint Ownership With Right of Survivorship (both owners must authorize most transactions)

John B. Smith and Mary B. Doe, with right of survivorship

Co-ownership (either owner may authorize transactions)

James Black or Carolyn Black

- **One person with a designated beneficiary** (the owner authorizes transactions; no consent is needed from the beneficiary)

Beneficiary

Jane Investor, payable on death to Junior Investor, a minor

*Jack S. Jones, payable on death to Ellen H. Jones
George Citizen, POD U.S. Treasury to reduce the public debt (31
USC 3113)*

● **A minor or incompetent with a guardian or other representative**

Natural Guardian of a minor (guardian authorizes most transactions; for co-guardians, both must sign)

Mary E. Doe as natural guardian of James S. Doe, a minor

Mary E. Doe and John B. Doe, as natural guardians of James S. Doe, a minor

Custodian

Mary E. Doe as custodian for James Doe under the Virginia Uniform Transfers to Minors Act

Mary E. Doe as custodian for James Doe, an incompetent

● **A deceased person's estate** (you may need to submit evidence when requesting a transaction)

Estate Representative

John Smith and James Jones, [Executors of the Will

of/Administrators of the Estate of] James B. Brown, deceased

● **A trust** (You may need to submit evidence when requesting a transaction)

Trust Registration

Robert C. Jones, Trustee Under Agreement With Sara B. Jackson, DTD 9/2/76

● **An Individual Retirement Account**

IRA Registration

XYZ Bank, Trustee for John B. Doe IRA, U/A dated 12/12/90

● **Organizations** (You may need to submit evidence when requesting a transaction)

Private Organization

The Standard Manufacturing Corporation Board of Trustees of Anytown, USA, an unincorporated association

Government Entities and Officers

Commonwealth of Massachusetts, Trustee of John Jones Cemetery Trust Fund under Ch____ Sec____ Annotated Laws of Massachusetts

If you fill out a tender to buy your first security through Legacy Treasury Direct, we'll automatically set up your Investor Account without any other paperwork. However, some investors like to set up an account before actually buying securities—to take advantage of buying electronically for their first purchase. They use a *New Account Request* (PD F 5182) to do that.





Once you establish your account, that's where we'll deposit all of your Legacy Treasury Direct marketable securities. Even though you may hold several different securities, we keep track of their individual details in one account, identified by your account number. You'll have access to your account in several ways—via the Internet, over the telephone, or through the Treasury Retail Securities Site that services your account. Look for the name, address, and phone number of the Legacy Treasury Direct office in the upper right corner of the first page of your Statement of Account.



We'll send Statements of Account whenever you establish an account, buy (or reinvest) a marketable security in Legacy Treasury Direct, or change your holdings in a way that affects the dollar amount of securities in your account. You may also ask for a statement any time. For more information on Statements of Account, see page 14.

► Treasury Retail Securities Sites.

We have two servicing sites. The one that will handle your written business is clearly shown on your Statement of Account. You can also call us at 1-800-722-2678.



Whenever you call us, please have your Legacy Treasury Direct account number or taxpayer identification number with you. To protect the confidentiality of your account, we'll also ask you to provide some basic information about your account before we respond to your questions.

► Direct Deposit.

We look for the safest and most convenient ways to administer Treasury securities. Direct deposit fits the bill, the note—and the TIPS! In fact, direct deposit is how Legacy Treasury Direct makes payments.

We automatically deposit all your interest and principal payments to the bank account you choose (or credit union, Savings & Loan, or other financial institution). When your security matures, or if you use our *Sell Direct*® program to sell your security before it matures, we'll automatically deposit those payments, too.

With direct deposit, there's no more cashing checks or standing in line to deposit them. It's convenient and safe—not to mention reliable. In fact, Legacy Treasury Direct customers find their payments are made timely, correctly, and confidentially.

When you first buy Treasury securities through Legacy Treasury Direct or you set up a new account, we'll need information about your account at the financial institution where you want us to (1) send interest and redemption payments and/or (2), deduct the cost of your future security purchases. Specifically, you'll need to know your routing number and bank account number, the type of account you have (checking or savings) and the name(s) on the bank account. (At least one name on the Legacy

Treasury Direct account must also be on the bank account.) It may be easiest to send along a voided check with your tender or *New Account Request*. If you bank with a credit union, confirm the routing number with them ahead of time, because it may not be the same as what's printed on your checks.

Once we have this information, we'll send your financial institution a notice to make sure routing and account numbers are valid. When that's verified, we can then begin depositing payments into or deducting purchases electronically from your bank account.

When you provide your direct deposit information, it applies to every security you hold (or will hold) in that particular Legacy Treasury Direct account. We won't change any direct deposit information unless we get other instructions from you (or your co-owner, if you have one). However, your financial institution can request changes for routine banking maintenance—for instance, if its routing number changes because of a merger.

Of course, if you want or need to change any direct deposit information, it's easy. Just fill out a *Transaction Request* (PD F 5178) and send it to your Treasury Retail Securities Site. You can find this form and others at www.treasurydirect.gov. (**Please note:** this form requires signature certification.)

► Now, About Paying for Securities.

We know your time and money are valuable, so we designed *Pay Direct*®—automatic withdrawal payment option—to make buying quick and easy. Once your Legacy Treasury Direct account has been established for at least two weeks, you can buy securities at original issue without submitting a check.

Pay Direct is convenient because you don't have to go to the bank for a cashier's check or write a personal check. In fact, it operates the same safe way as direct deposit. We electronically collect the security's purchase price from the checking or savings account at your financial institution—the one you designated for payments when you set up your Legacy Treasury Direct account. You do need to verify with your bank that your account will allow debit withdrawals.

Your money stays in your bank account until we actually issue the security; because you don't have to mail a check early, you can keep earning interest on your money up to the last minute.

Let's talk about interest on bills and discount payments for a moment. If you don't choose *Pay Direct*, you will receive a discount payment when you buy your bill. In most cases, this will equal the interest you'll earn at the bill's maturity date. If you hold the bill until maturity, the interest is not taxable until the security matures, which may happen the same year or the following year. The interest is reportable to the IRS based on the maturity date, not the issue date.

INVESTOR TIP:





If you send a check with your tender, we are required to deposit that check at once, even if we receive it several days (or weeks) before the auction. (See page 13 for more information.)

If you decide not to use our automatic withdrawal payment option, you have other ways to pay:

Treasury Bills

Certified personal checks
Cashier's checks
Checks issued to you by any FRB

Treasury Notes or TIPS

Certified personal checks
Cashier's checks
Checks issued to you by any FRB
Personal check



We don't accept two-party checks or credit cards.

There's a penalty (1% of the par amount of securities awarded) if you don't pay for your security in a timely manner (in the case of a payment being returned for insufficient funds, for instance). You can find this provision in the Code of Federal Regulations (31 CFR, Part 356.34).

Requesting Automatic Reinvestment at Purchase. You can request automatic reinvestments of a 13-, 26-, or 52-week Treasury bill when you buy it. Following your instructions on the tender, we'll automatically reinvest the bill noncompetitively for up to two years after its first maturity date. (And, if you later change your mind, you can cancel a scheduled reinvestment at least 10 business days before the security matures.)



Notes can't be scheduled for automatic reinvestment when you buy them, but you may get the chance to reinvest them as they near maturity, depending on Treasury's auction pattern. This happens if Treasury schedules a new note to be issued within five days of your security's maturity date. We'll notify you if that happens. For more about reinvestments, turn to Reinvestments on page 17.

A Word About Fees. Your Legacy Treasury Direct account service is free if the total par balance is \$100,000 or less. If your account tops \$100,000, we charge an annual maintenance fee (currently \$100). We'll send an invoice for that fee in the spring; it's due within 30 days. Be sure to make your payment on time since the law requires us to assess penalties on unpaid fees. The fee is authorized by Public Law 103-329 and is part of a broader effort to reduce the cost of government to all taxpayers.

There's an even easier way to pay—you can authorize us to debit your bank account for the fee. Just call our electronic services at 1-800-722-2678.

Filling Out a Tender—Electronic or Otherwise. Once you've established your account, the simplest, quickest way to buy securities noncompetitively is online or over the phone using Electronic Services for Treasury Bills, Notes, and Bonds. If you don't yet have a Legacy Treasury Direct account or you don't want to buy electronically, use a *Treasury Marketable Securities Tender* (PD F 5381).

Paper Tender (By mail only). You must either type your information on the tender or complete the form in ink, without alterations or corrections.

Don't Have an Account Yet? If you're a first-time buyer and you're setting up an account at the same time you're making your purchase, you'll need to fill out more information than an established owner. Here's a quick overview:

1. **Legacy Treasury Direct Account Number.** Leave this area blank, and we'll automatically establish an account for you.
2. **Noncompetitive Bid Information (Par Amount) and Term Selection.** How much you want to buy (in increments of \$100) and what term you're buying (13-week, 26-week, 52-week, 2-year, etc.).
3. **Account Name and Taxpayer ID Number.** Print or type the name(s) of the owner(s) exactly as you want the security to be registered. See the section on registrations for options. You'll also need to provide your Taxpayer Identification Number (social security number or employer identification number).
4. **Address and Telephone Numbers.** Provide your complete mailing address and phone number(s).
5. **Payment Information.** Include all the pertinent information in this section.
6. **Purchase Method.** Remember, new accounts can't use the automatic debit option. You must have an existing Legacy Treasury Direct account number to take advantage of that program.
7. **Authorization.** Sign in ink and date this section, regardless of the purchase method. Generally, either owner can sign tenders when an account is in the names of two people. But if the tender is for a new account and only the second-named owner signs, then you'll also need to send an IRS Form W-9 signed by the first-named owner.

Keep us at the top of your list of organizations to notify whenever you change crucial information like addresses, telephone numbers, or banks! We strive to send your interest and principal payments as well as account information on time. But we also must rely on you to let us know when you change banks or when you move. If your changes don't reach us, we sometimes can't deliver your payments or supply the information you may need in a timely way, and we know you don't want that to happen.

INVESTOR TIP:



For Backup Withholding: If the IRS has notified you that you are subject to backup withholding and you haven't received notice that the withholding is terminated, strike out the language on the tender certifying that you are not subject to backup withholding.



► Online (www.treasurydirect.gov)

1. Log on to www.treasurydirect.gov and click the link for "Individuals" to reach the Welcome Page for TreasuryDirect.
2. Click the link to "Electronic Services for Treasury Bills, Notes & Bonds" in the upper left box under "Log in Now."
3. You'll reach the Individual Login Page. Click "Go" underneath "Electronic Services for Treasury Bills, Notes & Bonds" to go to the "Virtual Lobby".
4. Click "Continue" to reach the lobby doors.
5. Enter your Legacy Treasury Direct account number and click "Enter the Lobby." Once inside, select "Purchase Securities." (This is also where you can choose other options for managing your account.)
6. Follow the directions on the screen.
7. Always print a copy of the confirmation page and number(s) for your records.



Here's an important navigation tip: Don't use your browser's back button to return to a previous screen; it won't work even though it may look as though it does. Instead, be sure to use the navigation provided by Electronic Services.

Telephone: (1-800-722-2678) | Out of the country: (304-480-6464)

Buying over the phone is easy, too.

1. Call us at 1-800-722-2678 (or, if you're outside the United States, 304-480-6464)
2. Select the first option ("1") to reach the electronic services, including purchases. (This is also where you can choose other options for managing your account.)
3. Follow the prompts and make your selections as indicated.
4. When you're finished, you'll get a Confirmation Number. Always be sure to write down the Confirmation Number and keep it with your records.

Deadlines. We Have Deadlines. Each security has an auction date and an issue date. On the auction date, the Bureau of the Public Debt announces the resulting rate, yield, and price. The issue date is when we deliver securities to your Legacy Treasury Direct account and you normally begin earning interest. These dates vary for each type of security. Usually, we announce auctions about one week before the actual event, but you should probably check our website, the media, or call your Treasury Retail Securities Site to confirm all dates and times.

We must receive your tender with authorization for automatic withdrawal (or with attached payment) by the auction deadline. Remember, once the auction deadline has passed, you can't withdraw submitted tenders.

Submitting Your Tender. We must receive tenders before the auction closing times listed on the offering announcement. These deadlines may vary, so it's important to always refer to the offering announcements.

For Legacy Treasury Direct tenders submitted via the Internet or telephone, the deadline is generally before Noon Eastern Time on the auction date for noncompetitive bids. We'll accept tenders submitted by mail if they are postmarked at least one day before the auction date and received by the issue date of the security.

Tender Submitted Too Late or Too Early? If a tender for a 13-, 26-, or 52-week bill is postmarked timely (at least one day before the auction date) but doesn't arrive by the issue date, we'll place it in the next auction.

If a tender for any note is postmarked timely but doesn't arrive by the issue date, we'll return it, unless you've selected our automatic payment withdrawal option. If so, we'll keep the tender and schedule your purchase for the next available auction for the security you selected. As long as *Pay Direct*® is the sole payment method, we'll take your tender any time.

If you're buying your securities using a check and the tender arrives within three weeks prior to the auction date, we'll deposit your check and schedule your purchase accordingly. If, however, you're buying your securities with a check and your tender arrives more than three weeks before an auction date, we'll try once to contact you for confirmation. (We do this because we're required to deposit your check immediately. You won't earn interest on your funds until the security is issued.) If we can't reach you, we'll return the tender and your check.

General Pattern of Treasury Offerings. Here's a [chart](#) that shows the general pattern of all securities offerings in place today (remember, though, that bonds, 20-year TIPS, 7-year notes, and 4-week bills aren't available through Legacy Treasury Direct). While this chart shows when securities are likely to be sold, an offering isn't official until Treasury makes a public announcement (press release). Treasury financing policy decisions and borrowing needs will sometimes change the general pattern of offerings.

Always check with your Treasury Retail Securities Site or refer to the auction announcement.

If your account balance is more than \$100,00, you'll get a fee assessment notice for your annual maintenance fee. The fastest and easiest way to pay? Call **1-800-722-2678** to authorize us to electronically collect it from your bank account. If you choose not to use the easy electronic method, be sure to write your remittance number on your check. That ensures your payment is properly credited. Make your checks payable to Legacy Treasury Direct and mail to the address on the fee assessment notice. This address is a drop box for fee payments only, so please don't send other mail there!

INVESTOR TIP:





STATEMENT OF ACCOUNT (SOA) AND CONFIRMATION NOTICES



Statement of Account (SOA). Your *Statement of Account* is a record of all the marketable securities you hold in your Legacy Treasury Direct account. We divide your statement into four components: (1) your Legacy Treasury Direct Investor Account information (registration, address, etc.); (2) a listing of all the securities you currently own; (3) a history of recent transactions; and, (4) an Important Message area to keep you updated.

Some of the items on your statement include:

- a history of recent par, interest, and any refund payments you've received
- beginning and ending balances for the statement period
- annual discount rate for Treasury bills
- annual investment rate/yield for Treasury bills, notes, and bonds
- any reinvestments you've already scheduled
- advance notice of when we'll make your next payments
- your taxpayer identification number (TIN)—but only once (on the first SOA you get after setting up your account. After that, we replace it with the word "confidential").

Even though your statement looks like a bank statement, it's not necessarily sent monthly. Depending on how active your Legacy Treasury Direct investments are, you might get a statement more or less frequently, and, for low-activity accounts, you may not get a statement more often than once a year.

We send a statement whenever you:

- establish a new account
- purchase, redeem, or reinvest securities
- transfer securities into or out of Legacy Treasury Direct accounts
- ask for one
- have not received one for at least 12 months prior to December 31 (mailed in January).

We mail statements to the address of record on your account. Whenever ownership changes—like when a security is transferred into another Legacy Treasury Direct account—we send a statement to the new owner (and to the former owner, if the security was originally held in Legacy Treasury Direct).

Confirmation Notices. Sometimes there's no need for a full statement, and that's when we send a Confirmation Notice instead. You'll get one of these notices when you:

- change your investor account information (address, direct deposit information, etc.)
- schedule a reinvestment through the mail
- cancel or change a previously scheduled reinvestment.

You'll also get a special type of confirmation if you hold TIPS. Because interest payments are calculated against your inflation-adjusted par, we don't know the amount until about a week before the payment's issued. That's when we send a *Confirmation of Interest on Treasury Inflation-Protected Security*, so you'll know how much money to expect.





MAINTAINING YOUR ACCOUNT

Once your Legacy Treasury Direct account is established, you'll probably need to take care of some basic transactions and maintenance details. We make it as easy as possible, especially with our Electronic Services for Treasury Bills, Notes, and Bonds.

You'll need to have a Taxpayer Identification Number (TIN)—your social security or employer identification number—to use these services. For our customers without a TIN: Contact the Internal Revenue Service (www.irs.gov or 215-516-4846) to ask about an Individual Taxpayer Identification Number (ITIN).

Electronic Services for Treasury Bills, Notes, and Bonds.

Online. You can buy and reinvest your securities, check your account balance, change your address/telephone information, and order a Statement of Account or a duplicate interest income statement (IRS 1099-INT) with a click or two of the mouse—plus, you can get balances for individual CUSIPs (securities) in your account. Visit www.treasurydirect.gov.

Telephone. If you're not at a computer, a toll-free telephone call from anywhere in the United States will give you the same access, with the exception of changing your address/telephone information and getting balances for individual CUSIPs, which are not available through electronic services by phone. Just dial 1-800-722-2678. (Outside the country? Call 304-480-6464.)

Here's a chart of our electronic services:

To:	Use This:	Hours:
Purchase Securities (established account holders using electronic payments).	Phone; Web	8 a.m. - Midnight ET M-F*
Reinvest Securities (available through electronic services only after you receive a <i>Reinvest Direct Notice</i> , which we typically mail about 45 days before the security matures. You'll need the validation number from the form to reinvest electronically. You do have other options if you do not have this number or your <i>Reinvest Direct Notice</i> .)	Phone; Web	24 hours/day, 7 days/week Cutoff time for same-day posting is 3 p.m. ET

Order a <i>Statement of Account</i> or duplicate 1099-INT (Feb. 1 - Nov. 30 for 1099-INT)	Phone; Web	8 a.m. - Midnight ET M-F*
Check Account Balance	Phone; Web	8 a.m. - Midnight ET M-F*
Change Address or Phone Number	Phone**; Web	8 a.m. - Midnight ET M-F*
Pay Account Maintenance Fee (accounts over \$100,000; automatic debit option).	Phone	24 hours/day, 7 days/week May to mid-October

* excluding Federal holidays

** not through electronic services; only when talking with a representative

Electronic Purchases. If you're an established account holder who pays by *Pay Direct*®, you can buy electronically. You'll be asked to identify yourself by supplying your Legacy Treasury Direct account number and your taxpayer identification number. You'll get complete instructions when you access electronic services between 8 a.m. and Midnight ET Monday through Friday (excluding Federal holidays).

We'll accept any purchase entered this way as long as it arrives before the deadline for noncompetitive bids. The submission is "time-stamped" when you end your session, so be sure to allow enough time to complete your online purchase. At the end of the session, you'll get a confirmation number. Please record it or print the screen for reference.

Reinvestments. Customers are responsible for managing their portfolios in Legacy Treasury Direct, and that includes knowing when your security matures and scheduling reinvestments. If you buy notes, or if you didn't choose the automatic reinvestment option when you bought your Treasury bill, you'll find our reinvestment service a real convenience as your security nears maturity. As a courtesy to customers, we typically send a *Reinvest Direct Notice* about 45 days before your security matures, but you should not rely on that notification—be sure to independently track your securities when planning reinvestments. You'll have two electronic options (in addition to mailing the request): Reinvest online at www.treasurydirect.gov or call toll-free at 1-800-722-2678. Both are available 24 hours a day, 7 days a week! Just follow the instructions on your *Reinvest Direct Notice* form.

When reinvesting by phone or web, you won't get a mailed confirmation. So, be sure to write down your confirmation number or print the webpage. Remember, a confirmation number simply confirms that you have entered valid account numbers and CUSIP numbers.

By Telephone. We give you the same confirmation number for all the securities you reinvest during a single session by telephone. However, if you go to other electronic services between reinvestments or make separate calls for each one, you'll get different confirmation numbers.





Online. Reinvesting on the web operates a little differently. Be sure to navigate using the electronic services navigation on the actual page—NOT your browser's back button! Otherwise, it may appear to work when you use the browser's back button, but it really doesn't. If you've correctly reinvested multiple securities over the web, you'll get different confirmation numbers.



We do have a cutoff time for same-day posting of reinvestments. We post requests received after 3 p.m. ET on the next business day. In any event, the deadline for scheduling a reinvestment is 11 calendar days before the security matures. If you haven't scheduled a reinvestment by then, we will automatically redeem your security on the maturity date and deposit the proceeds in your financial institution account.



If the date your security matures doesn't coincide with the issue date of the security you're buying through reinvestment, we'll hold your redemption proceeds up to five days until the new security is issued. No interest accrues or is paid on your funds while in that holding status; that's why we limit the time we'll hold it to five calendar days or less.

If you're interested in reinvesting only a portion of your maturing security, if you want to cancel a previously scheduled reinvestment, or if you did not receive your *Reinvest Direct Notice*, you can schedule a reinvestment, but not with the *Reinvest Direct Notice*. Just call your Treasury Retail Securities Site or use a *Reinvestment Request* (PD F 5180).

Ordering a Statement of Account. We automatically send you a statement whenever there's a change in your holdings. If, however, you need a statement on demand, order one by calling our toll-free telephone number or visiting our website between 8 a.m. and Midnight ET, Monday through Friday (excluding Federal holidays).

Statements are generated at the end of each week and mailed at the beginning of the following week. The balance on the statement is the total par balance as of the close of business on Friday, unless that day is a Federal-banking holiday. In that case, it reflects the balance as of the last business day before Friday.

Ordering a Duplicate 1099-INT. For your convenience, we'll provide duplicate interest income statements, or IRS Form 1099-INTs, between February 1 and November 30 for the previous tax year. Whether you order online or by phone, we'll place it in the mail the next business day. It will be sent to the address we have on file for you, so if you've recently moved, you may want to check the address to make sure it's right. Call your Treasury Retail Securities Site if you need a duplicate 1099-INT for an earlier tax year.

Here's a tip for navigating through Electronic Services for Treasury Bills, Notes and Bonds. Don't use the "back" button on your web browser—use the buttons at the bottom of each screen. Although it may look as though the browser's back button works, it really doesn't. Check your confirmation numbers—if you used the "back" button, they'll be identical, and only the first one will count.

INVESTOR TIP:

Checking Your Account Balance. Talk about convenience! If you need to know your Legacy Treasury Direct account balance, you can get it quickly through electronic services (8 a.m. - Midnight ET Monday through Friday excluding Federal holidays). The balance you get is a real-time balance: it's accurate as of the very moment you request it.

Plus, if you have more than one account, you can get those balances at the same time. And, on the web, you'll be able to request additional details about your account—like balances for individual CUSIPs (securities) in your account.

Paying Your Account Maintenance Fee. If your account is subject to the yearly account maintenance fee, avoid the hassle of mailing a check. After you get your invoice, just call our toll-free number and follow the prompts to authorize a debit from the bank account you originally designated to receive payments. It's simple, quick, and easy. This service is available 24 hours a day, 7 days a week, from May to mid-October.

Changing Your Address and Phone Number. Online, you can quickly check to see what address and phone number we currently have listed, and make whatever changes you need. You can also call us and speak directly with a customer service representative to make changes.

If you move permanently, your Legacy Treasury Direct mail won't forward even if you have filed a change of address with the post office. To be sure you get this important mail, you must change the address listed on your account.

If you move temporarily, like from one home to another as the seasons change, your mail can forward automatically if you take one simple action. Designate your move as "temporary" when you submit your change of address information to the post office. Your mail will automatically forward, and there's no need to change the address on your account.

Transactions and Inquiries. Of course, not everything you'll need to maintain your account is available through Electronic Services for Treasury Bills, Notes, and Bonds. If you need to change something about your Investor Account, you generally need to submit a form. These changes can include addresses, phone numbers, payment instructions, name changes, or other transactions. So, for your convenience, here are the most typical transactions you'll encounter with instructions on what we require from you: (See chart on next page.)

How to request a Statement of Account? It's easy.

We offer several ways to fit everyone's style. You can call our Electronic Services for Treasury Bills, Notes, and Bonds line at **1-800-722-2678**, or visit us at **www.treasurydirect.gov**. Statements are printed on Fridays and then mailed at the beginning of the next week. Whichever method you choose, we'll mail it right out to you.

INVESTOR TIP:





▶ Typical Transactions and Inquiries.

To:	Use these forms and/or methods:
Change a Wrong Name.	<i>Transaction Request</i> (PD F 5178), certified
Add or Remove a Second Owner or Beneficiary (but not a first-named owner)	
Change an Address or Phone Number.	Web; Phone (speak to an agent); <i>Transaction Request</i> (PD F 5178); <i>Treasury Marketable Securities Tender</i> (PD F 5381); written request
Change an Incorrect Taxpayer Identification Number (TIN). (minor changes; e.g. two numbers transposed)	<i>Transaction Request</i> (PD F 5178)
Change an Incorrect Taxpayer Identification Number (TIN). (major changes)	Establish a new account with a <i>New Account Request</i> (PD F 5182); then transfer securities with <i>Security Transfer Request</i> (PD F 5179)
Schedule a Reinvestment.	If you have your <i>Reinvest Direct Notice</i> , use the web, phone, or mail. With or without the <i>Reinvest Direct Notice</i> , you may send a written request (see page 17)
Schedule a Partial Reinvestment.	<i>Reinvestment Request</i> (PD F 5180); Phone (speak to an agent); written request
Cancel a Reinvestment (up to 10 business days before it matures)	
Change Banking and Payment Information.	<i>Transaction Request</i> (PD F 5178), certified
Consolidate Accounts. (With the same name, address, TIN, direct deposit instructions)	<i>Transaction Request</i> (PD F 5178)
Ask a Question	Call us at 1-800-722-2678
Transfer Securities. (Between Legacy accounts, to TreasuryDirect, or to a financial institution for safekeeping or sale)	<i>Security Transfer Request</i> (PD F 5179), certified

Sell Securities.
(Using our sales program)

Sell Direct Request (PD F 5179-1),
certified

Request More Complex Transactions. Call us at 1-800-722-2678

► Moving Into, Out of, and Around Legacy Treasury Direct.

Legacy Treasury Direct is flexible. We designed our program for you to hold securities from issue to maturity, but we know it's convenient to have access so you can take advantage of market trends. Plus, many Legacy Treasury Direct customers are opening online TreasuryDirect accounts and moving their holdings from Legacy Treasury Direct to that system.

Because we collect the actual amount owed when you use *Pay Direct*, it makes issuing refunds and collecting premiums a thing of the past—for original issue purchases, anyway.

INVESTOR TIP:

If you're interested in selling Treasury securities before they mature, you have two options. We can sell them for you or transfer them to the commercial book-entry system. If you're interested in moving between Legacy Treasury Direct accounts, we can handle that, too.

Selling Your Securities. If you want to sell your securities before maturity, we'll do it for you. There's no need to set up a special account with a bank or a broker. All you need to do is complete one simple form—the *Sell Direct Request* (PD F 5179-1). Send the completed, signed, and certified form to the Federal Reserve Bank of Chicago, who will get competitive quotes from different brokers and give you the best offer available. Then, we'll directly deposit the proceeds from the sale, minus a competitive transaction fee (currently \$45 per CUSIP), into the financial institution account you designate in your Legacy Treasury Direct account.

That's all there is to it! The Federal Reserve Bank of Chicago will send you a confirmation, and of course, you'll get a Statement of Account that shows your new balance, plus the appropriate IRS 1099 forms.

Transferring Securities Out. If you need to move securities out of a Legacy Treasury Direct account, we can make that transfer for you. Simply submit a certified *Security Transfer Request* (PD F 5179) to a Treasury Retail Securities Site. It's very important to include the electronic transfer information for the financial institution, broker, or new TreasuryDirect account that will receive the securities.





You can't transfer securities out of Legacy Treasury Direct within 30 days of original issue. And, to guarantee processing, we must receive any transfer request at least 10 days before the next interest or principal payment date. However, you can check with us about exceptions to these rules.

Transferring Securities Between Legacy Accounts. It's also easy to transfer securities between existing Legacy Treasury Direct accounts. Submit a certified *Security Transfer Request* (PD F 5179), showing the "to" and "from" account numbers along with specific instructions about the securities being transferred.



Transferring Securities In. Marketable securities can be transferred from a brokerage firm or bank that has the ability to transfer securities. You don't need a form for the transaction, but you must use the following wire instructions for the transfer:

- Unique ABA#—031099996
- Receiving Bank—Treas Direct
- Your Account—Your 11-digit Legacy Treasury Direct account number without dashes
- Text—Your TIN with dashes / the price per \$100 of par, including decimal points



**Example: 031099996/Treas Direct/48006399999/123-45-6789/
the price per \$100**

For incoming Treasury bills, be sure to include the amount you paid for the security because we'll use that figure to calculate your interest for tax reporting.

If you don't already have a Legacy Treasury Direct account, you'll need to open one first using a *New Account Request* (PD F 5182).

TAXES AND OTHER MISCELLANEOUS STUFF

Like they say, taxes are a certain thing, and it's no different with Legacy Treasury Direct. The interest you earn on Treasury securities is subject to Federal tax, but it's exempt from state and local income taxes.

We can help you plan for taxes. Treasury can withhold some of your interest payments to help defray your tax burden. Just write to your Treasury Retail Securities Site, and give your account number and the percentage (up to 50%) you want withheld. We'll transfer your withholdings to the Internal Revenue Service and note that on your 1099-INT.

The annual account maintenance fee on accounts of more than \$100,000 (Page 10) may be tax deductible. See IRS Publication 550.

Has your 1099-INT not arrived?

INVESTOR TIP:
Have you ordered a statement—more than two weeks ago—that hasn't arrived yet? Don't automatically request another item until you check your address of record. Have you moved? If so, you need to contact your Treasury Retail Securities Site and change your address—unless you've filed a temporary change of address with your Post Office.



Interest Income Reporting.

We report annually to the IRS all semiannual interest payments on Treasury notes and bonds and all interest earned on Treasury bills. Each year you'll receive an IRS form 1099-INT showing the interest you've earned. We report the interest earned on bills for the year the bills mature, not the year the refund was made.

Whenever interest income on Treasury notes or bonds is scheduled to be paid on December 31, and that date isn't a business day, we'll report the income as being earned on the first Federal banking day of the following year.



Inflation-Protected Securities and Original Issue Discount.

Not only do you get a 1099-INT for any inflation-protected securities, you also get a form 1099-OID (Original Issue Discount) reporting how much your TIPS increased because of inflation. Even though you never physically received the money reported as OID income, you did earn interest on that amount, so the IRS requires us to report the increased value of the security as income.

If you see a negative amount on your 1099-OID, it means inflation dropped after you bought your security, which dropped the value of the security below what you paid for it (or below what it was during the last tax year). We only report negative OID amounts to you, not to the IRS.





Original Issue Discount is taxable as interest over the life of your TIPS and, as long as you own TIPS, you'll include a part of the OID in your gross income each year your inflation-adjusted principal goes up. This amount of interest income is in addition to your regular semiannual interest payments.

If you get two 1099-OID forms—one from us and one from your broker, it's probably because you transferred TIPS from the broker to Legacy Treasury Direct or vice versa. Just like us, your brokers must report the amount of OID while it was maintained in their system.



► **Broker Reporting.**

Sometimes customers use a broker to buy Treasury securities and then transfer them into their Legacy Treasury Direct accounts. When this happens, brokers are required to report any interest income while the security was held in their system. Likewise, we're required to report any interest income while it's held in our system. For this reason, it's possible for customers to get more than one 1099 for the same security.

If you need more information on taxes and Treasury securities, contact the nearest IRS office.



► **Current Record-Keeping.**

Always remember to update your address with us, even if you have no holdings at the end of the year in case you have a 1099 coming to you in January.

We strongly encourage you to make sure someone else knows you have an account. This could be as simple as recording your Legacy Treasury Direct account number and registration and putting them in a safe deposit box, giving them to your attorney, noting them in your will, or telling another family member.

► **Selected Regulations Governing U.S. Treasury Securities.**

The Legacy Treasury Direct Investor Kit (PD P 009) is an introductory publication. Information in this publication is not part of the contract or regulations offering or governing U.S. Treasury securities. Please consult the U.S. Treasury Marketable Securities sections of the [U.S. Code of Federal Regulations](#) for definitive guidance.

You may request copies of these publications from your Treasury Retail Securities Site. You can also find them online by visiting <http://www.treasurydirect.gov/deptcirculars.htm>

[Department of the Treasury Circular, Public Debt Series No. 2-86, \(31 CFR Part 357\)](#)

Regulations Governing Book-Entry Treasury Bonds, Notes, and Bills Held in Legacy Treasury Direct

Department of the Treasury Circular,
Public Debt Series No. 1-93,
(31 CFR Part 356)
*Sale and Issue of Marketable Book-Entry
Treasury Bills, Notes, and Bonds*

Department of the Treasury, Department
Circular No. 300 Fourth Revision,
(31 CFR Part 306)
*General Regulations Governing U.S.
Securities (registered and bearer
securities)*

Department of the Treasury Circular,
(31 CFR Part 370)
*Regulations Governing the Electronic Transactions and Transfer of Funds
by Electronic Means on Account of United States Securities*

INVESTOR TIP:

Need more forms? Call us at **1-800-722-2678** or visit our website at **www.treasurydirect.gov**. On our website you can place an order or download our fillable forms.





GLOSSARY ▶

Accrued Interest—The amount of interest a security earns before it's actually issued to you. Here's why: A security starts earning interest on what's known as the "dated date"—the established date for issuing that security. The dated date is normally the same as the issue date. However, there are exceptions: (1) if the security's dated date falls on a weekend or holiday with the issue date on the following business day and (2) if the security has been reopened and you're buying it after the original issue date. You're responsible for paying the accrued interest when you buy the security, but you get it back in the next scheduled semiannual interest payment (the scheduled payment is a fixed amount, and it includes that accrued interest).

Auction—Public sale of Treasury securities. It's how we determine the rate or yield and the purchase price.

Bill—A short-term obligation of a year or less. U.S. Treasury Bills currently come in 4-, 13-, 26-, and 52-week maturities. While you can't buy 4-week bills through Legacy Treasury Direct, you can buy them through our online TreasuryDirect program or through the commercial market. Also available are very short-term Cash Management Bills (CMBs), only available in the commercial market.

Bond—A long-term marketable obligation of more than 10 years. The U.S. Treasury offers a 30-year bond and a 20-year TIPS bond, but neither one is available for purchase through Legacy Treasury Direct. Earlier 30-year bonds and other existing bonds are available to buy through the secondary market. (Marketable bonds are not the same as Savings Bonds.)

Book-Entry—Securities maintained as computer records rather than in paper form. Engraved paper certificates are not issued for new Treasury bill, note, and TIPS purchases.

Commercial Book-Entry System—The book-entry system for securities held in book-entry form by financial institutions and other entities that maintain book-entry securities for their customers.

CPI-U—The Consumer Price Index for all Urban Consumers. We use this index to calculate payments on inflation-protected securities (TIPS). It's what determines how much these securities rise or fall in value. You can find it at the U.S. Department of Labor (www.bls.gov).

CUSIP—(Pronounced "Q-sip") Stands for Committee for Uniform Security Identification Procedures. It's a unique number that identifies Treasury securities maturing on a specific date. You'll find the CUSIP number under the "Account Holdings/Security" section of your *Statement of Account*.

Direct Deposit—A payment method that electronically deposits funds in your checking or savings account. Legacy Treasury Direct payments are made by direct deposit.

Discount—The amount by which the auction price of a bill, note, or bond is lower than its face value. The discount on Treasury bills, which is paid when purchased, is considered the earned interest when the bill matures. Discount also is referred to as “refund” on your *Statement of Account*. It’s not refunded if it’s \$1 or less.

Electronic Services for Treasury Bills, Notes and Bonds—These services allow you to conduct business using a (touch tone) telephone (1-800-722-2678) and on the Internet (www.treasurydirect.gov). Among transactions you can request: purchases, reinvestments, ordering a Statement of Account or a duplicate 1099-INT, requesting your account balance, and paying annual account maintenance fees (on accounts over \$100,000). You can also order or download forms at our website. Investors outside the country should call 304-480-6464.

Investor Account—An account established for each investor in Legacy Treasury Direct. It contains registration and payment information that applies to all marketable securities held in the account. We’ll automatically create an Investor Account when we receive your very first tender, or, if you prefer, you can request one before making any purchases.

Issue Date—The date a security is issued. Interest normally begins to accrue on this date.

Marketable Securities—Treasury bills, notes, bonds, and TIPS that are transferable and may be sold in the secondary securities market, either through us or through a broker/dealer.

Maturity Date—The date a security matures—comes due and is payable—and stops earning interest.

Non-Marketable Securities—Securities that can’t be transferred to another owner or traded in the secondary market (examples: U.S. Savings Bonds (Series EE, I, and HH)).

Note—A medium-term obligation of 2-10 years. U.S. Treasury Notes are currently issued in 2-, 3-, 5-, 7-, and 10-year maturities. The 7-year note isn’t offered for purchase in Legacy Treasury Direct.

Par Amount—The full face value (or the principal amount) of a security.

Premium—The amount by which the auction price of a note is higher than its face value. If you’ve paid the par amount by check, you’ll get an invoice for the difference.

Reopening—When a previously issued security is re-auctioned with the same maturity date and interest rate as the original security, but with a different issue date. However, the purchase price and yield depend on the auction results. Customers must pay the interest accrued from the dated date (the original issue date) to the reopened issue date. Then, we pay the full semiannual interest payment to the customer when it’s due.

Signature Certification—Available at a bank or most financial institutions. Acceptable certifications include a financial institution’s seal or stamp





(such as Corporate Seal, Signature Guaranteed Stamp, or Medallion Stamp). Brokers must use a Medallion Stamp. Certification by a notary is ONLY acceptable for minor name corrections submitted without supporting evidence.

Tender—The electronic or paper form you use to buy a Treasury bill, note, or TIPS.

TIPS (Treasury Inflation-Protected Security)—TIPS are auctioned just like our other securities. The only difference is that the par value is linked to the CPI-U and is designed to keep pace with inflation. TIPS are available in 5-, 10-, and 20-year maturities, although the 20-year TIPS cannot be purchased through Legacy Treasury Direct.



Zero Coupons—Also known as STRIPS (Separate Trading of Registered Interest and Principal of Securities). The principal of a stripped security and the separate interest payments are known as “zero coupons” because there are no periodic interest payments on each piece. After stripping, each piece trades separately in the secondary securities market. STRIPS can’t be held in Legacy Treasury Direct.



THE INTERNET CONNECTION

For our Internet fans that want to bookmark favorite sites or who prefer the most direct web page address, here are the web addresses you’ll probably visit most often. (We have many more pages with lots of information, so please visit!)

Web Address

What’s There

www.treasurydirect.gov
Click on the “Individuals”
for links to:

- Legacy Treasury Direct and TreasuryDirect pages.
- Paperless I/EE Bond page
- Savings Bond pages
- Electronic Services for Treasury Bills, Notes, and Bonds page.

[www.treasurydirect.gov/indiv/
myaccount/myaccount_legacytd.htm](http://www.treasurydirect.gov/indiv/myaccount/myaccount_legacytd.htm)

Legacy Treasury Direct page

www.treasurydirect.gov/indiv/myaccount/sectdes.htm

Electronic Services for Treasury Bills, Notes, and Bonds

www.treasurydirect.gov/offices/domestic-finance/debt-management/auctions/auctions.pdf

Auction announcements and results

www.treasurydirect.gov/NC/FoRMSHome?FormType=TDF&site=indiv

Forms and publications

www.treasurydirect.gov/maillist/maillist.htm

Sign-up page for e-mail lists for auction announcements and results

www.treasurydirect.gov/deptcirculars.htm

31 CFR (regulations governing U.S. Treasury securities)



► **A quick guide to forms you may need:**

[New Account Request \(PD F 5182\)](#)

[Power of Attorney for Security Transactions \(PD F 5188\)](#)

[Reinvestment Request \(PD F 5180\)](#)

[Resolution for Security Transactions \(PD F 5189\)](#)

[Security Transfer Request \(PD F 5179\)](#)

[Sell Direct Request \(PD F 5179-1\)](#)

[Transaction Request \(PD F 5178\)](#)

[Treasury Marketable Securities Tender \(PD F 5381\)](#)

[Treasury Marketable Securities Tender Instructions \(PD F 5382\)](#)



DEPARTMENT OF THE TREASURY • BUREAU OF THE PUBLIC DEBT
PD P 009 (REVISED MARCH 2009)