

Savings Bonds

Offered by: U.S. Department of the Treasury

Target Credit

Union Participant: All credit unions are eligible to issue and redeem savings bonds.

Program

Objective:

Savings Bonds have offered Americans a convenient and secure way to save since 1935.

Credit Union

Eligibility:

Issuing and redeeming savings bonds is an easy way for the credit union to provide additional service to members and earn a handling fee from the U.S. Treasury.

Program Features

and Requirements:

Available in eight denominations: \$50, \$75, \$100, \$200, \$500, \$1,000, \$5,000, and \$10,000, bonds earn competitive rates of return, and complement member savings and investments. A Savings Bonds is exempt from all state and local income taxes. Federal income taxes are deferred until the bonds reach final maturity, or when they are redeemed, whichever transaction comes first. And, if members qualify using Savings Bonds to pay for certain higher education expenses this may allow them partial to full exemption from federal taxes as well.

It's simple to qualify as an issuing and paying agent. Purchases and transactions are a keypunch operation with software now available. For every bond redeemed, credit unions receive a reimbursement fee. For every bond issued, credit unions receive a fee per paper order and per electronic order.

Contact:

Simply contact the credit union's servicing Federal Reserve Bank or refer to the Financial Services Internet site at: www.frbservices.org or www.savingsbonds.gov.