

Redemptions

For time deposit securities, maturity payments are automatically made by ACH to your designated bank account on the maturity date.

Time deposit securities can be early redeemed. We require at least 14 days notice for an early redemption. You can request the early redemption and calculate any penalty or premium through SLGSafe. Changes to ACH payment instructions or other account changes must be made in writing to our office. Otherwise, the requested redemption will be sent to the bank account of record.

Demand Deposit securities are redeemed upon your request through SLGSafe. For dollar amounts \$10 million or below, we require a 1 day notice to process. For amounts over \$10 million, we require 3 days notice to process.

Statements and Reports

The following reports are available through SLGSafe.

Statement of Account. This is the statement that is generated the day after issue, which shows the scheduled payments for the life of the case. This report may be run at any time (possibly to confirm balances for audit) to validate securities outstanding in any case.

Payment Report. This report gives you all payments scheduled for an ABA or TIN for one day or a



range of days. This report divides interest and maturity payments for each case, so you can reconcile the type of payment made to your SLGS account(s). We suggest you run this report prior to payment date so expected receipts can be quickly compared to actual receipts to provide for timely correction of any errors.

Case Report. This report lists all your SLGS cases by ABA or TIN, and whether the case is open or closed.

Security Report. This report gives detailed information about each open security by case by ABA or TIN. You can view the interest amount, first interest payment date, and a list of all paid interest.

Downloadable versions of the Case Report, Security Report, and Payment Report are also available to make them more valuable as reconciliation tools. You can download the report into a spreadsheet or other places that will allow you to sort and manipulate the data.

SLGSafe®

As mentioned previously, SLGSafe is the Treasury's secure Internet site where you can manage your SLGS portfolio. SLGSafe is mandatory. Our office no longer accepts letters or faxes for subscriptions and account changes (unless otherwise specified). SLGSafe is FREE!



Special Investments Branch
Bureau of the Public Debt
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Parkersburg, WV 26106-0396

Phone: (304) 480-5299,
8:00 a.m. – 4:30 p.m., ET,
Monday – Friday (except holidays)
Fax: (304) 480-5277
Public Debt Help Desk (304) 480-7777

SLGSafe Hours of Operation:
8:00 a.m. – 10:00 p.m. ET, Monday – Friday

Email: OPDA-SIB@bpd.treas.gov
Web Address: www.slgs.gov/spe/spesafe.htm

What are SLGS?

An Introduction to State and Local Government Series Securities

The SLGS Program

The SLGS program was initiated in 1972, following federal legislation enacted in 1969, restricting state and local government entities from earning arbitrage profits from investing bond proceeds in higher yielding investments. Under the SLGS program, special low-interest bearing Treasury securities are offered to tax exempt entities for the investment of bond proceeds subject to IRS arbitrage restrictions. For more information, refer to SLGS regulations in the Federal Register, 31 CFR Part 344. IRS arbitrage rules can be found in Section 148 of the IRS Code. For further information on arbitrage rules, contact the IRS Tax Exempt Bond Field Operations Program at www.irs.gov.

Extraordinary flexibility is the key to making SLGS an attractive investment to manage arbitrage issues. SLGS buyers may choose any interest rate they want as long as the rate doesn't exceed the maximum rate published daily by the Bureau of the Public Debt. Investors may also select an issue date and maturity date to fit their investment needs.

Types of SLGS

**There are two types of SLGS:
Time Deposit and Demand Deposit.**

Time Deposit SLGS are issued for terms fixed by the investor. They can be Certificates of Indebtedness (C of I's), with terms from 15 days to one year; Notes, with terms from more than one year to ten years; and Bonds, with terms from more than ten years to forty years. Time Deposit SLGS can be



interest bearing (with interest paying semi-annually on Notes and Bonds) or have zero interest. They are issued in whole dollar amounts with a minimum amount of \$1,000.

Demand Deposit SLGS are one-day Certificates of Indebtedness that are automatically rolled over with interest each day until redemption is requested. Demand Deposit SLGS are also issued with a minimum of \$1,000, but are not required to be whole dollar amounts.

The SLGS Daily Rate Table is issued at 10:00 a.m. ET Monday – Friday (except holidays) by the Bureau of the Public Debt. To view or download the rate table, visit our website at www.slgs.gov.

Subscribing for SLGS

In order to subscribe for SLGS, you must be an agent representing a tax-exempt issuer. SLGS are issued under the Tax Identification Number of the tax exempt issuer, which is most commonly a state or

local government entity. Agents can be the tax-exempt issuer acting on their own behalf, a trustee bank, or any financial advisor with authorization from the issuer.

The first step is to apply for SLGSafe® access. SLGSafe is Treasury's secure Internet site where you can subscribe and make changes to your SLGS issues. You can also view, download, and print reports and submit redemptions. For more information about SLGSafe, go to www.slgs.com/spesafe.htm.

Many SLGS subscriptions begin by a tax-exempt organization or its agent locking in a rate. In SLGSafe, you can enter a minimal amount of information to hold that day's rate table as the one you want to use for the issue. The required information is issue amount, issue date, owner (state and local entity) name, owner Tax ID, and underlying bond issue information. SLGSafe will give you an immediate confirmation and assign a Treasury Case Number to the subscription. After this, you are required to enter the remaining information (owner address, trustee information, ACH instructions, and the schedule of securities) before 3:00 p.m. on the issue date.

You may subscribe at least 60 days in advance of the issue date. For issue amounts of \$10 million or less, we require a subscription lead time of no less than 5 days prior to the issue date. For issue amounts over \$10 million, 7 days in advance of the issue is required.

Once the subscription is received, you cannot change the issue date or cancel the subscription. You may change the issue amount by 10% above or below the original amount.

Payment for SLGS is by Fedwire funds on the issue date. If the funds are not received by the Bureau of the Public Debt on the issue date, it could result in a suspension of the subscribing entity from participating in the SLGS program for 6 months. Interest and administrative fees may also apply.

Maintaining a Case

After the subscription is issued on the settlement or issue date, it becomes a Case. A case is a technique used by BPD to separate each individual deal without going to individual security number that allows for efficient communication with the subscriber. In SLGSafe, you are limited to what information can be changed after issue date. Contact information can be changed, but ACH payment instructions cannot for obvious security reasons. You must contact our office if you find you are not able to make changes in SLGSafe.

