

**Fiscal Service, Treasury**

**§ 351.31**

the beginning of the semiannual earning period.

(c) We add the resulting interest amount, rounded to the nearest cent, to the redemption value of the bond at the beginning of the earning period to produce the redemption value at the next semiannual accrual date. The redemption value of a bond remains constant between accrual dates.

**SERIES EE SAVINGS BONDS WITH ISSUE DATES OF MAY 1, 1997, THROUGH APRIL 1, 2005**

**§ 351.29 What are the maturity periods of bonds with issue dates of May 1, 1997, through April 1, 2005?**

(a) *Original maturity*—(1) *Bonds with issue dates from May 1, 1997, to May 1, 2003.* Bonds reach original maturity at 17 years after issue date.

(2) *Bonds with issue dates of June 1, 2003, through April 1, 2005.* Bonds reach original maturity at 20 years after issue date.

(b) *Final maturity.* Bonds reach final maturity at 30 years after the issue date. Bonds cease to earn interest at final maturity.

[68 FR 24796, May 8, 2003, as amended at 70 FR 17288, Apr. 5, 2005]

**§ 351.30 What are interest rates and monthly accruals for Series EE bonds with issue dates of May 1, 1997, through April 1, 2005, during the original maturity period?**

Savings bond rates (defined in §351.13) apply to earnings during the first semiannual rate period beginning on or after the effective date of the rate. Interest is credited on the first day of each month and compounded semiannually. Interest accrues beginning with the fourth month from the issue date. For example, a bond issued in January has interest first credited on May 1, which represents one month of interest because of the 3-month interest penalty. The following table shows, for any given month of issue with rates announced each May and November, the months making up the semiannual rate period during which interest is earned at the announced rate (disregarding the penalty for bonds redeemed prior to 5 years after the issue date) and the months in which the bonds increase in value. This rate is an annual rate compounded semiannually.

If issue month is—	And rate announcement/effective date is—	Then, semiannual rate periods in which interest is earned include months of—	And bonds increase in value on 1st day of months of—
Jan. or Jul .....	May 1 .....	Jul. through Dec .....	Aug. through Jan.
Feb. or Aug .....	May 1 .....	Aug. through Jan .....	Sep. through Feb.
Mar. or Sep .....	May 1 .....	Sep. through Feb .....	Oct. through Mar.
Apr. or Oct .....	May 1 .....	Oct. through Mar .....	Nov. through Apr.
May or Nov .....	May 1 .....	May through Oct .....	Jun. through Nov.
Jun. or Dec .....	May 1 .....	Jun. through Nov .....	Jul. through Dec.
Jan. or Jul .....	Nov. 1 .....	Jan. through Jun .....	Feb. through Jul.
Feb. or Aug .....	Nov. 1 .....	Feb. through Jul .....	Mar. through Aug.
Mar. or Sep .....	Nov. 1 .....	Mar. through Aug .....	Apr. through Sep.
Apr. or Oct .....	Nov. 1 .....	Apr. through Sep .....	May through Oct.
May or Nov .....	Nov. 1 .....	Nov. through Apr .....	Dec. through May.
Jun. or Dec .....	Nov. 1 .....	Dec. through May .....	Jan. through Jun.

**§ 351.31 What is the interest penalty for Series EE bonds with issue dates of May 1, 1997, through April 1, 2005, that are redeemed less than 5 years after the issue date?**

If you redeem a Series EE savings bond with an issue date of May 1, 1997, through April 1, 2005, less than five years following the issue date, we reduce the overall earning period from the issue date by three months. For example, if you redeem a bond issued

January 1, 1998, 9 months later on October 1, 1998, we will determine the redemption value by applying the redemption value calculation formula described in §351.32 and the savings bonds rate for that bond at 6 months after the issue date on July 1, 1998. The redemption value of a bond subject to the 3-