

# NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION  
1775 Duke Street, Alexandria, VA 22314

**DATE:** September 2011 **LETTER NO:** 11-CU-15  
**TO:** Federally Insured Credit Unions  
**SUBJ:** Changes to U.S. Savings Bonds Sales

Dear Board of Directors:

The U.S. Department of Treasury announced it will eliminate over-the-counter sales of paper savings bonds on December 31, 2011. After that date, paper bonds will no longer be sold at financial institutions, including credit unions.

However, electronic savings bonds will remain available to consumers for purchase through TreasuryDirect, a secure web-based system operated by the Bureau of Public Debt.

As a trusted source of information about savings bonds, your credit union will likely receive questions about these changes.

**As you respond to member questions and assist them through this transition, please consider the following:**

- 1. Educate members about the upcoming changes.** Let your members know they will no longer be able to buy paper savings bonds at your credit union or by mail order. You are also encouraged to refer members to [www.treasurydirect.gov](http://www.treasurydirect.gov) where they can purchase, manage, and redeem electronic savings bonds online. Electronic savings bonds are secure and convenient to manage in a TreasuryDirect account, and your members will no longer have to worry about storing, misplacing, or losing paper savings bonds. In addition, with a TreasuryDirect account, members can purchase electronic savings bonds as gifts and convert paper savings bonds to electronic ones.
- 2. Stop accepting applications for savings bonds after December 31, 2011.** Members have until the close of business on December 31, 2011 to submit their final purchase applications and funds. Final applications mailed directly to the Federal Reserve by members must be received by December 31, 2011.

3. **Continue to redeem savings bonds.** Consumers currently hold more than 670 million paper bonds worth \$181 billion. Please continue redeeming these paper bonds on behalf of your members. Also, please inform members that paper bonds which have not yet matured but are lost, stolen, or destroyed, can be reissued in paper or electronic form.

The Treasury Department is offering a free toolkit to help you communicate this change to your members. The toolkit is available for download at [www.treasurydirect.gov](http://www.treasurydirect.gov) and contains:

- Fliers for members
- Messages for account statements
- Web banners
- Frequency Asked Questions for employees
- Article for employee newsletter or Intranet

Ending the sale of paper savings bonds, in conjunction with the elimination of paper payroll bond sales earlier this year, will save approximately \$120 million over the next five years in printing, mailing, storing bond stock, and fees paid to financial institutions for processing bond applications.

If you have any questions, please contact your NCUA regional office, district examiner, or appropriate state supervisory authority.

Sincerely,

/s/

Debbie Matz  
Chairman