

Full Sail Software Presents

Bond Tracker

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Using Bond Tracker

After starting the program and/or loading a file, you will be presented with the main screen. Down the right side are several boxes labeled *Count*, *Purchase Amount*, *Current Value*, and *Face Value*. Count is the number of bonds currently entered into the data base. Purchase value is the total that these bonds cost you. Current Value is an **ESTIMATE** on what the bonds are worth today and Face Value is what is printed on the face of the bonds. On the left side of the Window, there is a list box that will list in order by issue date the bonds that are currently in the data file. Across the top of the main window are several buttons for the necessary program functions. If you click on a bond in the list box, the boxes to the right change to reflect the current values for your bonds. Count will then show you that bond's number, Purchase price reflects what that bond cost you. Current Value shows an estimate of that bonds' current worth. Face Value shows the face value amount for that bond. To reset the boxes to show total values, click the RESET button located just above the boxes.

Adding Bonds

The first step to be done is to add your bonds to the program's database. From the main Window, click on the "Add" button. A new Window appears with several list boxes. Using the scroll bars, first find and select the FACE value for the bond you wish to enter. This is the value printed on the bond. (Do not enter the purchase amount. This will be calculated. It's simply half the face amount.) Next, select the month by using either the list box with the month numbers or by using the list box with the months spelled out. I added the month number list box because that is the way months are shown on your bonds. Next, enter the year for the issue date printed on your bond. (You will find it on the right side of the bond.) Once a month and year have been selected, the interest rate if known will be presented in the interest rate box. If not known, then Bond Tracker will use a default rate you set in configuration.

If the bond has been issued for a year not presented in the list box, you may simply type in the year that you need. Next, place your cursor or tab to the space provided for the serial number. Most of the bonds I have run across have had twelve digits in their serial number starting with the letter C and end with EE. That has been for the EE series which is commonly issued today. Key in the serial number and then click on SAVE or ADD ANOTHER if you have more bonds to enter. Clicking on SAVE will take you back to the main form. Selecting ADD ANOTHER will save the bond and leave you on the Add Bond form ready to enter another bond. This is very handy if you have a stack of bonds to enter such as when you set up your database. If at anytime, you decide not to enter a bond, click on ABORT and you will be returned to the main window.

Editing Bonds

If after you have entered a bond have found that you made a mistake, you may later select that bond from the list box on the main window and click on EDIT. This will take you back to the Add form with the bond's information pre-filled into to appropriate locations. Edit where you need to make changes and again click on SAVE. If you have not selected a bond from the list box on the main window, the EDIT button is simply inactive and no function will be performed.

Cashing Bonds

After cashing in a bond, you will want to remove it from your file of currently held bonds and place it into your file of cashed in bonds. To do this, select the bond you wish to move and select CASH IN. A brief message will ask you to confirm the move. Select YES and a form for entering the bonds redemption information will be presented. Make any adjustments you might need such as the date and enter the actual value the bank gave you for your bond then click OK. The bond will be removed from the list of currently held bonds and placed into the file of cashed bonds. Selecting CANCEL will abort the operation and take you back to the main menu.

Deleting Bonds

If you give away any of your bonds or want to remove them from your database for some reason, you may delete them from your data base. As in editing a bond, select a bond to be removed from the list box and select DELETE. A brief message will appear asking you to confirm it's deletion. Click on YES and the bonds will be removed from your records. Select NO to cancel the operation.

Viewing the File of Currently Held Bonds

If you would like to see or print a list of all the bonds you are holding, click on the VIEW FILE button. A new window will appear listing all the bonds in your file with all information presented for each one. If you would like a print out of the list, press PRINT from the menu bar and a copy will be sent to the printer. Clicking on EXIT from the menu bar will return you to the main form.

If the text goes beyond the right edge of the window, you may resize the form to make it any size you wish. If you are running Windows in 800 x 600 or 1024 x 768 modes, then you can make the form as large as will fit your display. The list box will automatically resize itself (and the form will re-center). You may save this setting by selecting from the main form file menu - FILE - CONFIGURE, then save the settings (described in more detail later.) Your list box will be this same size next time you run Bond Tracker.

Graphs

If you have registered the program, the Graph button will become enabled. (Sorry, but I need something to entice you to register.) Click on Graph and a new form will be displayed showing a graph of your bonds. For this first graph, each vertical row of dots is ONE bond. The bottom line is a what you paid for the bonds. The top line is the Face Value and the middle line is the bonds' current worth. This graph shows you how close the bonds are to maturity. If all of your bonds have the same face value, then the top and bottom lines will be flat while the middle line will slope downward as the bonds become newer.

Under the OPTIONS menu, you will find a menu button labeled GRAPH TYPE, with submenu options STANDARD, ACCUMULATED TOTALS, 3D PIE BY VALUE and 3D BAR BY VALUE. The Standard graph options shows the graph that was displayed when you selected Graphs from the main list.

Select the Accumulated Totals Graph and the graph will be displayed. This graph shows how much you have accumulated as you acquired your bonds. For example, one buy your first bond worth \$100, then you buy your next \$100 bond. Your accumulated face value now is \$200 and your accumulated cost is 100. This graph shows this increase in your worth. As before, the top line shows face value, the bottom shows the purchase price and the middle value shows current value.

3D PIE BY VALUE will display a three dimensional pie graph showing your bonds' subtotals separated by denominational type. For example, if you have three \$50 bonds and three \$100 bonds, then the graph will display a pie chart with \$150 and \$300 denoted.

3D BAR BY VALUE is essentially the same type of graph as the pie chart. It will display a three dimensional bar graph showing your bonds' subtotals separated by denominational type. For example, if you have three \$50 bonds and three \$100 bonds, then the graph will display a bar chart with \$150 and \$300 denoted.

The other menu operations on the Graph form are Explanation which basically gives the same info as above for each of the graphs. Next is PRINT which will print the displayed graph. EXIT will take you back to the main form.

MENU OPERATIONS

On the main form's menu bar are several more options. Some are duplicates of the main buttons but other features are only available there.

FILE -

- NEW, OPEN and SAVE AS - opens a standard dialog box for opening and saving your data files. (One brief note here, as you enter bonds, they are automatically saved into a file and therefore you do not save your work when you are finished. They are already saved for you.)

- CONFIGURE - opens a dialog box for you to set your preferences. The first option is interest rate. The Current Value shown to you on the main form is only an ESTIMATE. Enter the new rate you wish to use.

You may next turn off or on the zoom effect. This is the exploding effect the windows do when they are displayed. Some people like them, some don't. I found that on 256 color displays, the zoom appeared to be in slow motion. After awhile, the zoom became annoying so I made it an optional feature and allow it to be turned off. If you have a Windows graphics accelerator video card, then the zoom will probably be too fast for you to see on your screen.

Next, you may select your font preferences. Select the font you wish to use and your size choice. For several places throughout the program, the font style will change to your preference.

Another option that you may select is SAVE SIZES. This option when checked (default) will remember the sizes that you set for the Main forms list box and both list boxes for file viewing (Cashed and Held Bonds). The main forms list box is sizable. First resize the form to the size desired. (It is self centering.) (I prefer a tall box on 1024 x 768 display.) Then resize the list box to take advantage of the new space. Then go to the configure form and save your settings.

Also on this form are the locations where you will enter your name and registration number after registering the program. Please consider registering!

- PRINTER SETUP - This option allows you to change several printer options. I did not write the routine for this but found it for use. It works fairly well but will sometimes cause the program to abort randomly. I don't know why. I felt though that it was worth using and put it in anyway. If it crashes your program, no harm will be done, simply use the control panel to make the changes you need to your printer, then restart Bond Tracker, then print.

- PRINT - This is the same as selecting PRINT from the VIEW FILE Form. It will print a list of the currently held bonds.

- EXIT - Exits the program.

EDIT -

- (ADD - EDIT - CASH IN - DELETE) - same as the buttons on the main form.

VIEW FILE -

- HELD BONDS - Presents a form listing all of the bonds held. Includes totals at the bottom of the list. On this form are three menu options. PRINT sends the list to the printer. EXIT returns you back to the main form and HELP calls Bond Tracker Help.

- CASHED BONDS - First, you will receive a dialog box for you to enter the start date and ending date for the period you wish to view. Defaultly, the text boxes will contain the date for the first bond cashed in and the "through" date will contain today's date. Keep these dates or change them to the period you want and click on continue. A form listing all of the bonds cashed in during the period specified will be presented with totals at the bottom of the columns. As before, there are three menu items you can select, PRINT to print the list, EXIT to return back to the main form and HELP to call Bond Tracker help.

- OWNER INFORMATION - displays information about the owner of the bonds.

HELP -

- HELP - calls Bond Tracker help.

- ABOUT - Shows information about the program. Will also allow you to print a registration form.

Deleting Bond Tracker from your system.

To remove Bond Tracker from your hard drive, delete all the files in the directory where you had Bond Tracker installed. Delete the file BONDS.INI from your Windows directory and remove the icon from the group in the program manager. Bond Tracker does not change any of your INI files or store files in out of the way places. After removing the files as directed above, you will have removed Bond Tracker completely unless you stored some data files someplace other than the original directory.

Registering Bond Tracker

[OrderForm](#)

When you run Bond Tracker, a brief message will appear notifying you that Bond Tracker is shareware and that you should consider registering the program with the author. The registration fee is only \$7.00. I can keep my price low because of several reasons... I do not have advertising cost. (Many shareware authors forget this and charge as much as commercial software. When you buy commercial software, much of your payment goes toward advertising.) Another reason the fee is small is because when you register, you'll receive only a letter with a number for you to enter. You really don't need a disk or manual. You already have the program and you're reading the manual here. Why pay for it again? This only makes your registration go up! What you do get for registering is my thanks, my support by mail (or phone with your dime), no more nag notices, access to the Graph portion of the program, notification of future upgrades, and the personal satisfaction that you are part of the American way! Something else you will get is the offer to register almost any other Full Sail Software program for half price! Other programs available:

Page After Page, The first Windows Word Processor that's Shareware! Full Sail Software has developed a great word processor for Windows that is loaded with features! Can't afford those high priced word processor? Try Page After Page. It has a 120,000 word dictionary, supports RTF files, mail merge, color fonts and printing, and much more. Normal Registration Fee - \$29.95

WinMinder - A program for reminding you to do those important things like get your wife a birthday present, register your car, run a backup on Fridays, etc. Runs at Windows start up and closes automatically if there are no reminders. Normal Registration Fee - \$8.00

EClips - The Endless Clipboard! An essential tool for working in the Windows environment. EClips is a multiple clipboard utility that allows you to have an endless number of items stored on the clipboard instead of the usual Windows limit of one which gets erased every time something new gets copied. You can recall any text item you have previously clipped, view it, print it or even save that clipped text to a file. EClips makes text editing and word processing much easier. Now you can copy, copy, copy and then paste item 1, paste item 3, then paste item 2. Normal Registration Fee \$8.00.

Lottery Manager for Windows - A fun way to play the Lottery. Picks your numbers, keeps track of numbers used and called, records expenses and profits

and much more. Normal Registration Fee - \$5.00

PCExpert - An expert system to assist novices and experienced users in purchasing computer equipment. Ideal for computer businesses to have running as a demonstration program. Full registered version is completely configurable and customizable. Normal Registration Fee - \$9.95 for number only, \$19.95 for full version, disk, and manual.

Available soon: The Shareware Author's Assistant - a business management system for shareware authors. Provides a convenient method to keep records of registered users, vendors, expenses, income and more. Prints envelopes, mailing and disk labels, post cards, various list, and reports. Being developed with Sheridan Software's 3d Widgets for a great look and superior user interface. Windows 3.x and VBRUN200.DLL required.

To register, select OrderForm above or from the ABOUT BOX, select PRINT ORDER FORM. (Many people load the orderfrm.txt file into their word processor and enter the necessary information.) Make out your checks for \$7.00 to FULL SAIL SOFTWARE and mail to:

FULL SAIL SOFTWARE
3833 Misty Meadow
Fort Worth, Texas 76133

OrderForm

Select PRINT TOPIC from the menu to print form

FULL SAIL SOFTWARE PRODUCTS ORDER FORM

Name:

—

Address:

City, State Zip:

Date: _____

Phone:

Where did you obtain this product from? _____

Description	Price	Qty	Totals
Registration number for Bond Tracker for Windows	\$7.00	_____	_____
Registration number for Lottery Manger for Windows	\$5.00	_____	_____
Registration number for WinMinder for Windows	\$8.00	_____	_____
Special Offer!!!! Receive a disk and registration number for all three above programs for only	\$12.00	_____	_____

See Manual or Help for descriptions of
the above programs.

TOTAL \$ _____

Make Checks Payable to FULL SAIL SOFTWARE and Mail to:

**FULL SAIL SOFTWARE
3833 MISTY MEADOW
FORT WORTH, TX 76133**

THANK YOU FOR YOUR ORDER!!!!!!!!!!!!!!

General Bond Information

United States Savings Bonds have long been a preferred method for Americans to save and invest. They combine the safety of being a direct obligation of the United States with the flexibility of market based rates, and they can be purchased and redeemed without fee or commission. They are the easiest way all Americans can participate in the financial affairs of our country, helping to improve America's public debt management while directly increasing buyers' financial resources. And now Savings Bonds can be used - with certain income and other restrictions to build a tax-free education fund for children and adults.

Available Series and Denominations

Two series of Savings Bonds are available: Series EE, an accrual security, and Series HH, a current-income security. The Series EE Bond is available for purchase at or through most financial institutions throughout the country and through payroll savings plans offered by employers. The Series HH Bond is available only in exchange for eligible Series E/EE Bonds and Savings Notes.

Interest Rates - Series EE

Series EE Bonds are accrual securities; that is, the Bond's total redemption value increases periodically. Interest is paid only when a Bond is redeemed.

When held five years or longer, EE Bonds become eligible to receive a market-based rate, retroactive to the first day of the month of issue. They receive interest at either 85 percent of the average return during that time on marketable Treasury securities with five years remaining to their maturity, or the minimum guaranteed rate in effect at the time the Bond is purchased or last entered an extension period, whichever is greater. Since November 1, 1986, the minimum rate has been six percent. To determine redemption value once a Bond has been held five years or longer, the market-based average is computed and compounded semiannually. Bonds issued with a six percent minimum rate have an initial term of 12 years, representing the time it takes the Bond to reach face value at the minimum guaranteed rate. EE Bonds are guaranteed to earn interest for 30 years from issue date.

If redeemed before five years, EE Bonds earn interest on a fixed, graduated scale, beginning at 4.16 percent for Bonds held six months and rising gradually to the minimum rate at five years. Interim yields are published in Department Circular, Public Debt Series No. 1-80, latest revision.

SERIES HH

Series HH Bonds are current-income securities, paying interest at a fixed rate semiannually by electronic funds transfer. Since November 1, 1986, new issues have paid a six percent rate of interest. HH Bonds have an initial term of ten years, and are guaranteed to earn interest for 20 years.

The Treasury Department has extended the maturities of all Savings Bonds so that they continue to earn interest beyond their original maturities. All Series EE Bonds will earn interest for 30 years; all Series HH Bonds will earn interest for 20 years.

Market-Based Rate information

The latest market-based rate information is available 24 hours a day by calling, toll-free, 1-800-4US BOND.

Issue date

The issue date for Series EE Bonds is the first day of the month in which full payment is received by any issuing agent, a Federal Reserve Bank (FRB), or the Department of the Treasury. For Series HH Bonds, it is the first day of the month in which the securities being exchanged are received by an authorized agent. The issue date determines the schedule of interest accruals or payments, as well as the maturity date of a Bond.

Where To Buy Savings Bonds

Series EE

Series EE Bonds may be purchased or ordered at most commercial banks, as well as many savings and loans and other financial institutions qualified as issuing agents. They may also be purchased in person or by mail from FRBs and the Treasury Department, Bureau of the Public Debt. EE Bonds may also be purchased through payroll savings plans offered by employers and through Bond-A-Month plans offered by some financial institutions. In a growing number of areas of the country, financial institutions forward all purchase applications to their Federal Reserve Bank, which issues the Bonds and mails them according to the purchaser's instructions. Interest is paid from the first of the month in which the application is made and the purchase funds received.

Series HH

Series HH Bonds are available only in exchange for eligible Series E/EE Bonds, and U.S. Savings Notes, having a total redemption value of \$500 or more, and through the authorized reinvestment of the redemption proceeds of matured Series H Bonds. They are issued only by FRBs and the Bureau of the Public Debt, but exchange applications and assistance in completing the transaction are available from most financial institutions. Bonds are delivered by mail to buyers, or other designated persons, according to the purchaser's instructions. Interest earned on new issues is paid by Direct Deposit to the bank account designated by the investor.

Registration

All Savings Bonds may be registered in single owner form in the names of individuals, whether adults or minors, and in the names of fiduciaries and private and public organizations,

Bonds registered in the names of individuals also may be registered with a co-owner or beneficiary. No more than two registrants may appear on a single Bond.

Addition of a co-owner or beneficiary confers certain specific legal rights on those persons, as found in the governing regulations and established by court action. Bonds registered in co-ownership form may be redeemed by either co-owner without the knowledge or consent of the other. Both co-owners must join in any request to reissue

Bonds during their lifetimes. Bonds registered in beneficiary form can be redeemed only by the owner during the owner's lifetime. Proof of the registered owner's death (a certified copy of the death certificate) will be required for the beneficiary to redeem the Bond. Series EE Bonds in beneficiary form may be reissued without the consent of the beneficiary.

Bonds registered in the names of individuals may be reissued under a variety of circumstances. Bonds may not be reissued to a private or public organization, nor may such organizations be registered co-owners or beneficiaries on a Bond. As registered securities, Bonds may not be transferred, sold, or used as collateral.

Social Security numbers of owners or first-named coowners are required to be inscribed on each Bond purchased. In the case of fiduciaries or private and public organizations, taxpayer identification numbers are required. If Bonds are being purchased as gifts, prizes, awards, etc., and the required number of the owner or first-named co-owner is not known or otherwise unavailable, the number of the purchaser will be required and inscribed on the Bond. This number will be used to identify the Bond in the event it needs to be replaced. While this does not create tax liability for the purchaser, every effort should be made to obtain and use the Social Security number of the registered owner.

Annual Limitation On Purchases

A purchase limit of \$30,000, face value (\$15,000, issue price), per person, per year, applies to Series EE Bonds. In the case of co-ownership Bonds, the limit can be applied to the holdings of either co-owner or apportioned between them, effectively doubling the limit. The limit does not apply to beneficiaries. There is no limitation on total holdings. No limit applies to Series HH Bonds obtained in exchange for Series EE, Series E Bonds/Savings Notes, or through the authorized reinvestment of the redemption proceeds of matured Series H Bonds.

Redemption

Series EE

Series EE Bonds may be redeemed by the owner or co-owner at any time beginning six months from the issue date on the Bond. In addition, a beneficiary whose name appears on a Bond may redeem it upon presentation of a certified copy of the owner's death certificate. Most commercial banks and many other financial institutions serve as paying agents, and will redeem Bonds on-the-spot for persons presenting proper identification, subject to amount limitations. Most redemptions requiring documentary evidence must be forwarded to an FRB or the Treasury Department for payment. The person redeeming the Bonds will be required to furnish the appropriate taxpayer identification number.

Series HH

Series HH Bonds may be redeemed by the owner or co-owner at any time beginning six months from issue date at Federal Reserve Banks and Branches. The signature of the Bond owner requesting redemption must be certified in accordance with the provisions found in Department of the Treasury Circular, Public Debt Series No. 3-80. Qualified

redemption agents may certify signatures and forward Bonds to FRBs or the Bureau of the Public Debt.

Tax status

Series EE

The difference between the purchase price and the redemption value is interest. It is subject to Federal income tax, but not state or local income taxes. Interest is reportable annually as it accrues, but reporting may be deferred until the Bonds are cashed, reach final maturity, or are disposed of, whichever comes first. The interest earned on Bonds purchased beginning January 1, 1990, by individuals aged 24 years or older may be excluded from Federal income tax when the owner pays his or her own eligible educational expenses, those of his or her spouse, or dependent child, in the year of redemption. Maximum income and other limitations apply. Investors should read Savings Bond Division brochure SBD-2017 before making an investment decision for this purpose.

Series HH

Interest is subject to Federal income tax, but not to state or local income taxes. Interest must be reported annually for the year in which it is paid.

Both Series

Bonds are subject to estate, inheritance, gift, or other excise taxes-whether Federal or state-but they are exempt from all other taxation imposed on the principal or interest by any state, U.S. possession, or local taxing authority. Information regarding tax status may be found in Department of the Treasury Circulars, Public Debt Series Nos. 1-80 (Series EE) and 2-80 (Series HH), latest revisions.

Exchange for Series HH Bonds

Series HH Bonds may be obtained in exchange for outstanding eligible Series EE and E Bonds and/or Savings Notes having a combined redemption value of \$500 or more. EE Bonds are eligible for exchange at any time after they have been held six months, and for up to one year from the month in which they reach final maturity. Owners of accrual securities who have deferred reporting the interest earned on the securities to be exchanged may continue to defer such reporting until the tax year in which the HH Bonds received in exchange are redeemed, reach final maturity, or are otherwise disposed of- whichever comes first.

Although Series H Bonds cannot be exchanged for Series HH Bonds (nor can E Bonds be exchanged for EE Bonds), the redemption proceeds of matured H Bonds may be reinvested in HH Bonds at the owner's request. However, any previously tax-deferred interest that was a part of the matured H Bond principal must be reported, for Federal income tax purposes, for the year the H Bond(s) matured.

Safety

Bonds that are lost, stolen, mutilated, or destroyed will be replaced free of charge on application by the owner to the Savings Bond Operations Office, Parkersburg, WV 26106-1328. **To expedite the claim, owners should maintain records of serial numbers (including prefix and Suffix letters), issue dates (month and year), names and addresses on the Bonds, and Social Security or taxpayer identification numbers, in a safe place separate from the Bonds.** Claims for Bonds filed more than six years after final maturity will not be considered unless the Bond serial numbers are furnished.

Facts About Series EE and HH Savings Bonds

General Information

The Series EE Bond is an appreciation-type security that has an original maturity of 12 years and an interest-bearing life of 30 years. Its purchase price is 50 percent of its face amount; for example, a \$100 bond costs \$50. Denominations (face amounts) available are \$50, \$75, \$100, \$200, \$500, \$1,000, \$5,000, and \$10,000. The Series HH Bond is available in exchange for Series E, EE and/or U.S. Savings Notes (Freedom Shares) with a total redemption value of \$500 or more. It is a current-income security, available at par in denominations of \$500, \$1,000, \$5,000, and \$10,000, and has an interest-bearing life of 20 years.

Complete Safety

U.S. Savings Bonds are guaranteed as to principal and interest by the full faith and credit of the United States. If lost, stolen, mutilated, or destroyed, the bonds will be replaced by the Treasury Department at the owner's request.

Market-Based Interest; Minimum Rate

The interest on Series EE Bonds held five years or longer is set at 85 percent of the average return on 5-year Treasury marketable securities during the holding period, compounded semiannually.

Bonds purchased on and after November 1, 1986, have a minimum rate of 6 percent when held at least five years; bonds purchased through October 1986 are guaranteed to earn a minimum of 7.5 percent through their 10-year original maturity. Bonds redeemed before being held five years earn interest on a fixed, graduated scale.

Older Series E and EE Bonds and Savings Notes are receiving market-based rates. Minimum rates vary according to issue dates and when a bond last entered an extended maturity period.

Payment of Interest

Interest on EE Bonds accrues through periodic increases in redemption value, and is payable when a bond is cashed. The redemption value reflects the principal amount plus interest accrued during the holding period. Interest on HH Bonds is paid semiannually directly to the HH Bond holder.

Easy to Buy

Where offered by employers, the Payroll Savings Plan permits Series EE Savings Bonds to be purchased through regular allotments from pay. Bonds also may be purchased at most banks and other financial institutions. HH Bonds may be obtained only in exchange for Series E/EE Bonds and Savings Notes at Federal Reserve Banks and Branches and from the Bureau of the Public Debt, Parkersburg, WV 26106-1328. Most Savings Bonds issuing agents will forward exchange applications for customers.

Easy to Redeem

Series EE Bonds may be redeemed at any time after six months from issue date at

most banks or other financial institutions. HH Bonds are redeemable at any Federal Reserve Bank or Branch, or at the Bureau of the Public Debt, Parkersburg, WV 26106-1328, any time after six months from issue.

Tax Benefits

Reporting of interest for Federal income tax purposes may be deferred until EE Bonds are cashed, disposed of, or reach final maturity, whichever comes first. Reporting of accrued interest on bonds and notes presented in exchange for HH Bonds may continue to be deferred, for Federal tax purposes, until the HH Bonds are cashed, disposed of, or reach final maturity, whichever comes first. EE and HH Bonds are exempt from state and local income and personal property taxes but are subject to inheritance and estate taxes levied by states and localities. Subject to certain income and other limitations, bonds purchased beginning January 1, 1990, may be free of Federal income tax if their owners pay qualified educational expenses for themselves or their children in the year the bonds are redeemed.

Exchange Privilege

Six months after issue, Series EE Bonds may be exchanged - alone or in combination with eligible Series E Bonds or U.S. Savings Notes - for current-income Series HH Bonds. The bonds and notes applied toward an exchange must have a total redemption value of \$500 or more. HH Bonds pay interest at a level rate of six percent per year.

Choice of Registration

All bonds may be issued in the name of one person; in the names of two persons as co-owners; or in the name of one person as owner, with a second person as beneficiary.

No Probate

If, upon the death of an owner, there is a surviving co-owner or beneficiary named on the bonds, the bonds do not form a part of a decedent's estate for probate purposes. Subject to applicable estate or inheritance taxes, if any, they become the sole and absolute property of the survivor.

Redemption Value Tables

Tables of Redemption Values for Savings Bonds are published regularly and are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Banks can also provide information on redemption values to bond owners.

Questions and Answers About U.S. Savings Bonds

What is the market-based interest formula for Savings Bonds?

The market-based rate formula sets interest yields on Series EE Bonds held five years or longer and outstanding Series E Bonds and U.S. Savings Notes (Freedom Shares). Market-based rates are set semiannually, in May and November, and bonds held five years or longer receive the average of semiannual rates, compounded semiannually, in effect during the holding period. For bonds issued since November 1, 1986, and held five years or longer, there is a minimum annual rate of 6 percent; these bonds reach face value in no more than 12 years and will continue to pay interest for 30 years.

How is the market-based rate set?

Each May 1 and November 1, the Treasury computes the average daily market yield on five-year Treasury marketable securities during the preceding six months. The Savings Bonds rate is set at 85 percent of the market average. At the end of five years, the average of the 10 semiannual rates, compounded semiannually, determines a bond's five-year yield. If a bond is held for six years, 12 semiannual rates are averaged, and so on. Bonds held less than five years earn interest on a fixed, graduated scale.

I hold bonds purchased before November 1986. Do they now get the 6 percent minimum rate?

All bonds with minimum rates higher than 6 percent continue to receive those higher rates as their minimum to the end of the maturity period in effect in November 1986. As bonds enter new extension periods, they will begin to receive the minimum rate prevailing at that time. Under current market conditions, persons holding bonds with higher minimum guarantees have every incentive to retain them.

How long do bonds earn interest?

Outstanding Savings Bonds will earn interest for the following number of years: 40 years, Series E Bonds issued through November 1965; 30 years, Series E Bonds issued from December 1965 through June 1980, Series EE Bonds, U.S. Savings Notes, Series H Bonds; 20 years, Series HH Bonds.

Is there a limit on the amount of Savings Bonds a person may buy?

Yes. The annual limit on the amount of Series EE Bonds an individual may buy is \$15,000, issue price (\$30,000, face amount). This limit applies to the amount of bonds that may be purchased in the name of any one person in any one calendar year; it has no effect on cumulative holdings. Purchasing bonds in co-ownership form can effectively double the limit, assuming the co-owner has purchased no other bonds. There is no limit on the amount of HH Bonds that may be issued in exchange for Series E and EE Bonds and Savings Notes, or purchased with the redemption proceeds of

matured Series H Bonds.

What is the best way to buy Savings Bonds?

The simplest, most convenient way to purchase bonds is through the payroll savings plan offered by thousands of companies and organizations, including the U.S. government and many state and local governments. Through the plan, an employee can arrange with his or her company to set aside a certain amount of money each payday to buy Savings Bonds. Savings Bonds may also be purchased for cash at most commercial banks and other financial institutions throughout the country.

Where can I get more information on Savings Bonds?

Current rate information can be obtained toll-free by calling 1-800-US BONDS. Other information can be obtained from many financial institutions, Federal Reserve Banks and Branches, and Savings Bonds Division District Offices. Information on replacing lost or stolen bonds, or reissuing existing securities, can be obtained by writing to the Bureau of the Public Debt, Parkersburg, WV 26106-1328.

