

Treasury to End Over-the-Counter Sales of Paper U.S. Savings Bonds; Action will save \$70 million over first five years

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WASHINGTON – The Bureau of the Public Debt announced today that as of January 1, 2012, paper savings bonds will no longer be sold at financial institutions. This action, which supports the U.S. Department of the Treasury's goal to increase the number of electronic transactions with citizens and businesses, will save American taxpayers approximately \$70 million over the first five years.

But savings bonds, introduced in 1935, are not going away. Electronic savings bonds in Series EE and I will remain available through purchase in TreasuryDirect®, a secure, web-based system operated by Public Debt – where investors have been purchasing savings bonds, available 24/7, since 2002.

"Savings bonds are very much a part of this country's history and culture, and will remain a part of America's future – but in electronic form," said Public Debt Commissioner Van Zeck. "It's time for us to take a 1935 model and make it a 21st century investment tool."

Ending over-the-counter (OTC) sales of paper savings bonds at financial institutions is a continuation of Treasury's all-electronic initiative announced in April 2010. As part of the initiative, Treasury stopped the sale of paper bonds through traditional payroll plans, effective December 31, 2010. It is estimated that ending the sales of paper payroll and new issues of OTC bonds will save a total of \$120 million over the next five years in areas such as printing, mailing, storing bond stock and fees paid to financial institutions for processing bond applications.

"Through TreasuryDirect, investors have an easy and convenient way to purchase and manage their bonds free of charge," Commissioner Zeck said. "Investors will no longer have to worry about misplacing, losing or storing paper savings bonds."

Opening a TreasuryDirect account is free, and, once it's established, investors can:

- Buy, manage, and redeem Series EE and I electronic savings bonds.
- Convert Series EE and I paper savings bonds to electronic through the SmartExchange® feature.
- Purchase electronic savings bonds as a gift.
- Enroll in a payroll savings plan for purchasing electronic bonds.
- Invest in other Treasury securities such as bills, notes, bonds, and TIPS (Treasury Inflation-Protected Securities).

Those currently holding paper savings bonds can continue to redeem them at financial institutions. Bonds, which have not matured, but were lost, stolen or destroyed, can be reissued in paper or electronic form. Series I paper savings bonds remain available for purchase using part or all of one's tax refund. For more information on this feature, visit www.irs.gov.

For more information about the elimination of paper savings bonds and how to enroll in TreasuryDirect, visit www.treasurydirect.gov.