

It's Easy to Buy Savings Bonds

Financial institutions nationwide -

More than 40,000 banks, credit unions, and other financial institutions sell Savings Bonds, many online.

TreasuryDirect - Allows you to buy electronic savings bonds from the U.S. Treasury through an online account. It's convenient and secure. Open an account now with as little as \$25 at www.treasurydirect.gov

Payroll Savings - Save money effortlessly with every paycheck. Sign up where you work and make saving automatic.

Contact information - For more information on Savings Bonds you can visit our website at www.treasurydirect.gov, call 1-800-4US BOND for recorded rate information, or write to: U.S. Savings Bonds, Parkersburg, WV 26106-1328.

Stay informed - Keep up to date with periodic rate changes and new Treasury products and services. Sign up for free email updates at www.treasurydirect.gov. Our service is confidential and used only for official notices.



The offering and governing regulations for the Savings Bonds program are found in 31 CFR, Parts 351, 352 and 353 (for Series EE and HH Bonds), and Parts 359, 360, and 363 (for I Bonds). They are online at

www.treasurydirect.gov

SB-2381
Effective February 2003

TreasuryDirect.gov
U.S. SAVINGS BONDS

You Don't Have to Risk Everything Just to Get What You Want.



Getting What You
Want Out of Life Doesn't
Have to Mean Putting
Your Hard-Earned
Money at Risk.

U.S. Savings Bonds are a safe, easy way to save money and a solid addition to your investment portfolio. Over 55 million people are taking advantage of Savings Bonds' competitive rates.

Whether you select Treasury's I Bond or the Series EE Bond, your money will grow and remain safe into the future.

Introducing...
TreasuryDirectSM
Now you can open a secure account with the U.S. Treasury through TreasuryDirect and manage your purchases, redemptions, and savings portfolio online - no paperwork or paper bonds. Sign up today at www.treasurydirect.gov

You can purchase Savings Bonds online and check their value using the Savings Bonds Calculator.



Using Savings Bonds to pay for qualified higher education expenses may allow you to exclude your earnings from federal income taxes.

COMPETITIVE RATES

Here Are Some Great Reasons to Think About Saving Money with U.S. Savings Bonds.

Competitive - U.S. Savings Bonds earn rates of return competitive with other forms of saving. Interest on Savings Bonds accrues monthly and compounds semiannually.

Safe - Savings Bonds are backed by the full faith and credit of the United States. Your Savings Bonds are registered, so the Treasury can replace them if they're lost, mutilated, or stolen.

Affordable - With as little as \$25 you can start saving money with U.S. Savings Bonds. From there, you can purchase as much as \$15,000 worth of Series EE Bonds and \$30,000 of I Bonds each year.

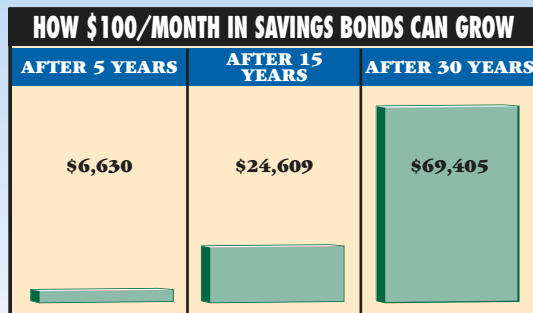
Convenient - Buy Savings Bonds where you work, bank, or online through TreasuryDirect.

* If redeemed before 5 years, there is a 3-month loss of interest.

Accessible - Savings Bonds are easily redeemable, so if you need your money unexpectedly, it's right there for you. The longer you let your bonds grow, the more you benefit, yet you can redeem them any time after twelve months.*

Tax Benefits - The interest earned on Savings Bonds is exempt from all state and local income taxes. Federal income taxes are deferred until the bonds reach final maturity, or you redeem them, whichever is first. If you qualify, using Savings Bonds to pay for qualified higher education expenses may allow you to exclude your interest earned from federal income taxes as well.

U.S. SAVINGS BONDS



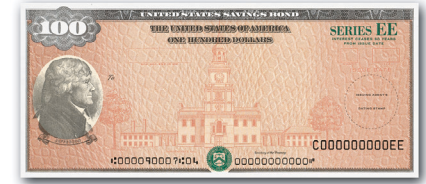
The value in this chart is a sample based on 4% per annum, compounded semiannually. Actual rates vary. Listed monthly savings is an example.

I Bonds



- Sold at face value. (You pay \$50 for a \$50 bond.)
- Offer a real rate of return over and above inflation.
- Buy as much as \$30,000 per year.
- New rates announced each May 1ST and November 1ST. This inflation adjustment ensures that your savings earn money over and above inflation.
- Earn interest for up to 30 years.
- Can be redeemed anytime after twelve months.*
- Exempt from state and local income taxes.
- Backed by the full faith and credit of the United States.
- Available in the following denominations: \$50 \$75 \$100 \$200 \$500 \$1,000 \$5,000 \$10,000.

Series EE Bonds



- Sold at half their face value. (You pay \$25 for a \$50 bond.)
- Earn 90% of market rates on five-year Treasury securities.
- Buy as much as \$15,000 per year.
- New rates announced each May 1ST and November 1ST. This rate adjustment ensures that your savings always tracks the Treasury bond market.
- Earn interest for up to 30 years. You can delay the tax consequences by exchanging them for Series HH Savings Bonds for up to 20 more years*
- Can be redeemed anytime after twelve months.*
- Exempt from state and local income taxes.
- Backed by the full faith and credit of the United States.
- Available in the following denominations: \$50 \$75 \$100 \$200 \$500 \$1,000 \$5,000 \$10,000

www.treasurydirect.gov

You'll find more information about the I Bond and Series EE Bond in plain language Information Statements on the Savings Bonds Web site.

There are also online calculators to help you find the value of Savings Bonds you already own and to help you plan your savings strategy.