



PRAIRIE VIEW A&M UNIVERSITY

A Member of the Texas A&M University System

March 19, 2008

OFFICE OF BUSINESS AFFAIRS MEMORANDUM No. FY 08-40

Distributed via Campus Email

TO: University Employees

FROM: Mary Lee Hodge
Vice President for Business Affairs

Re: Annual Purchase Limit for Savings Bonds

The annual limitation on purchase of United State Savings Bonds will be set at \$5,000.00 per Social Security Number, effective January 1, 2008. The limit applies separately to Series EE and Series I saving bonds, and separately to bonds issued in electronic form. Under the new rules, an individual can buy a maximum of \$5,000 worth of electronic and paper bonds each series in a single calendar year, or a total of \$20,000 in single ownership form. If paper bonds are issued in co-ownership form, the limit applies to the first-named co-owner. All limits are based on the issue price of the securities.

The reduction from the \$30,000 annual limit in effect for both series since 2003 was made to refocus the savings bond program on its original purpose of making these non-marketable Treasury securities available to individuals with relative small sums to invest. Approximately 98 percent of all annual purchases of savings bonds by individual are for \$5,000 or less. The minimum purchase price for Series EE is \$25, whether purchased electronically or in paper form; the I bond minimum purchase is \$25 for bonds issued in electronic form and \$50 for those in paper form.

Savings bond purchases have been subject to an annual limit since Series E Bonds were first issued in 1941. Over the years, limits have been adjusted by the Treasury Department several times and have ranged from a low of \$3,750 (at issue price) for Series E Bonds from 1941 through 1947 to the \$30,000 (issue price) limit that most recently applied to both Series EE and Series I bonds. The limit was last set at \$5,000 (issue price) in 1973.

For more information about the changes in the purchase limit of savings bonds, visit the frequently asked questions http://www.treasurydirect.gov/indiv/research/indepth/ebonds/res_e_bonds.htm website.

MLH/pgs