

**§ 359.18 Is the determination of the Secretary on rates and values final?**

The Secretary's determination of fixed rates of return, semiannual inflation rates, composite rates, and savings bonds redemption values is final and conclusive.

**§ 359.19 How is interest calculated?**

We base all calculations of interest on a \$25 unit. We use the value of this unit to determine the value of bonds in higher denominations. The effect of rounding off the value of the \$25 unit increases at higher denominations. This can work to your slight advantage or disadvantage, depending on whether we round the value up or down.<sup>3</sup>

**§§ 359.20–359.24 [Reserved]****Subpart B—Definitive Series I Savings Bonds****§ 359.25 What are the denominations and prices of definitive Series I savings bonds?**

Definitive Series I saving bonds are issued in denominations of \$50, \$75, \$100, \$200, \$500, \$1,000, and \$5,000. These bonds are sold at par; that is, the purchase price is the same as the denomination (face value).

[67 FR 64278, Oct. 17, 2002, as amended at 72 FR 67853, Dec. 3, 2007]

**§ 359.26 When are definitive Series I savings bonds validly issued?**

A definitive bond is validly issued when it is registered as provided in part 360, and when it bears an issue date and the validation indicia of an authorized issuing agent.

<sup>3</sup>For example: A composite rate of 2.57% will result in a newly purchased \$25 unit increasing in value after six months to \$25.32, when rounded to the nearest cent. Thus, a \$5,000 bond purchased at the same time as the \$25 unit will be worth \$5,064 after six months ( $[\$5,000 \text{ divided by } \$25] \times \$25.32 = \$5,064$ ). In contrast, if it applied directly to a \$5,000 bond, the rate would render a value of \$5,064.25 after six months, a difference of 25 cents. (This example does not include any discussion of the three-month interest penalty that applies if you redeem a bond less than five years after its issue date.)

**§ 359.27 What is the issue date of a definitive Series I savings bonds?**

The issue date of a definitive bond is the first day of the month in which an authorized issuing agent receives payment of the issue price.

**§ 359.28 Are taxpayer identification numbers (TINs) required for the registration of definitive Series I savings bonds?**

The registration of a definitive Series I savings bond must include the TIN of the owner or first-named co-owner. If the bond is being purchased as a gift or award and the owner's TIN is not known, the TIN of the purchaser must be included in the registration of the bond.

[71 FR 46857, Aug. 15, 2006]

**§ 359.29 What amount of definitive Series I savings bonds may I purchase per year?**

The principal amount of definitive Series I savings bonds that may be purchased in the name and TIN of any person in any calendar year is limited to \$5,000.

[72 FR 67853, Dec. 3, 2007]

**§ 359.30 Are definitive Series I savings bonds purchased in the name of an individual computed separately from bonds purchased in a fiduciary capacity?**

We compute the purchases of bonds in the name of any person in an individual capacity separately from purchases in a fiduciary capacity (for instance, as representative for the estate of an individual).

**§ 359.31 What definitive Series I savings bonds are included in the computation?**

In computing the purchases for each person, we include the following outstanding definitive bonds purchased in that calendar year:

(a) All bonds registered in the name of and bearing the taxpayer identification number (TIN) of that person alone or as co-owner;

(b) All bonds registered in the name of the representative of the estate of that person and bearing that person's TIN; and