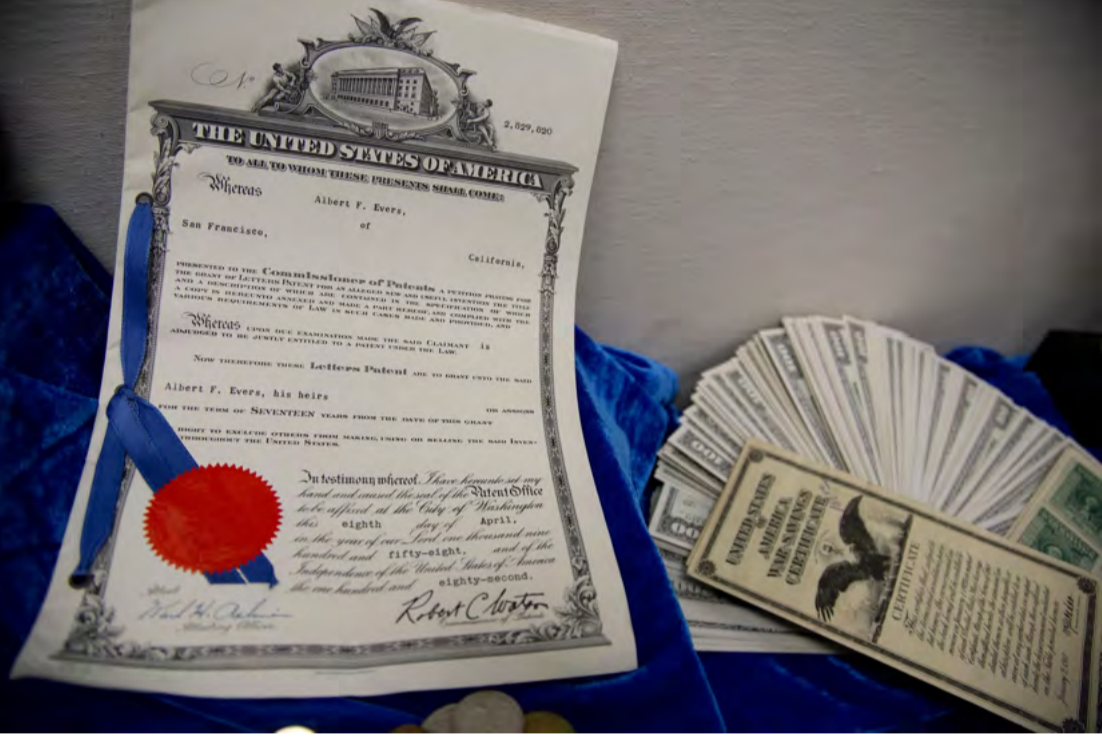


CS*T

Make it easier for Illinois and other states to return billions in unclaimed U.S. savings bonds

People in Illinois may have an estimated \$1 billion in unclaimed savings bonds. Illinois needs the power to include information on these bonds in its I-Cash site, the state's unclaimed property database.

By Michael W. Frerichs and U.S. Rep. Danny K. Davis
| Jun 10, 2024, 6:00am
CDT



An untold number of Illinois residents are heirs to unclaimed U.S. savings bonds. The federal government can make it easier for states to find these heirs. | Julie Jacobson/AP

The challenge is simple: The federal government holds \$30 billion in mature, unredeemed U.S. savings bonds. Most of the unclaimed bonds come from the early-to-mid 20th century, when traditional banking systems excluded Black Americans and other racial minorities. It is likely that many of the owners — or their survivors — of these 87 million unredeemed bonds, purchased decades ago, are Black or people of color.

The solution is equally simple: Give states such as Illinois, which already has a stellar track record of proactively returning missing money, the ability to use state resources to find the people who purchased the bonds and return their money to them.

For generations, U.S. savings bonds have been a staple for family gifts celebrating birthdays, holidays and graduations. Each bond is, effectively, a loan to the federal government. An individual purchases the bond in exchange for interest on the loan over a period of time. When that time expires, the savings bond stops earning interest. And when the bonds go unredeemed, the federal government benefits from the initial loan as well as the unpaid interest. Bond values start at \$25 and can increase to as much as \$10,000.

Opinion

We are working together, in our roles as state treasurer and U.S. representative, to help Illinois residents reconnect with an estimated \$1 billion in unredeemed savings bonds. In 2022, Congress **passed a law** that requires the U.S. Treasury to provide states with information describing savings bonds, so the states can proactively look for the owners or heirs. However, in the proposed rules to carry out this law, the Treasury Department severely limits how states could use the information.

For example, we are concerned that if the department does not permit states to make certain information about bond owners public, the treasurer's office will not be able to include bond owners in the state's searchable online **unclaimed property database**. The I-Cash site is Illinois' most effective tool for connecting owners with their missing money.

Bipartisan members of Congress recently wrote a letter to U.S. Treasury Secretary Janet Yellen urging the Treasury Department to modify the proposed rule to work with states in returning these assets to bondholders or their heirs, noting that resolving the backlog would help address historic injustices.

In Illinois, the state treasurer's office is the unclaimed property administrator, a program more commonly known as "missing money." The treasurer's office has returned nearly \$2 billion in the past several years, including more than \$11 million to the extended family of a Chicago man, the **largest individual return** in the country's history.

We respect the Treasury Department's concerns about imposters pretending they have a right to some of the bonds. At the same time, we are confident in the states' ability to correctly manage the task, especially here in the Land of Lincoln. Illinois' missing money program has some of the strongest anti-fraud measures in the country.

This money rightfully belongs in the hands of the owners, none of whom intended their investment to morph into a forever loan to the federal government. Surely, the Treasury Department and states could identify the right protections for bondholders. Money returned to owners or their heirs could be used to pay bills, buy groceries or make a tuition payment, among other uses.

It's time to right the wrongs of the past and fulfill the promise that was made to so many people in Illinois and across the nation.

*Michael Frerichs is Illinois state treasurer.
U.S. Rep. Danny K. Davis represents Illinois' 7th District in Congress.*