what he or she would have gotten if they had held the bond to maturity, no matter what the interest rates are. Tax and revenue anticipation notes. These are short term bonds which generally have one to five year maturities. Like general obligation bonds, they are backed by the full faith and credit of the user and are routinely used by states and large municipalities to help them over cash flow problems, particularly near the end of the fiscal year. Then you have refunding. Refunding bonds are issued to replace outstanding bond issues when interest rates drop. Then your underwriters, the bond dealers and bankers had purchased the bonds from the issuer and put them on the market. P&Cs, property and casualty insurance companies. Traditionally, these companies had been one of the three main segments of the bond market, along with commercial banks and individual investors and their financial institutions. Bond refunds. Registered investment companies...

PRESIDENT: One minute.

SENATOR LANGFORD: ...whose assets are invested in diversified portfolio of bonds. Then, of course, par value is just a term that I assume everyone knows, however, I will tell you anyway. The principal amount of the bond due at the bond's maturity date. Maturity, the date when the principal amount of a bond is due. Yield, the interest that bonds pay. Then another term is spread, the difference between the price the underwriter pays the issuer for bonds and the price at which the underwriter sells the bonds to the investor. In other words, the spread...

PRESIDENT: Time.

SENATOR LANGFORD: ...is the underwriter's profit, plus expenses.

PRESIDENT: Time.

SENATOR LANGFORD: Spreads are determined either by the underwriters bidding for the issuer's business or for negotiations between the issuer and the underwriter. They are expressed in terms of dollar per thousand for bonds.

PRESIDENT: Time.

SENATOR LANGFORD: Then the last term, and I'm surely...I know you're terribly disappointed, secondary market, the market in