

Investing in Individual (INCLUDING HIGH YIELD) Bonds
By Bernard E. Scoville on October 17, 2012

Individual bonds, like some other investments, can be identified by their CUSIP number.

From INVESTOPEDIA (<http://www.investopedia.com/>):

What is a CUSIP number?



CUSIP stands for Committee on Uniform Securities Identification Procedures. Formed in 1962, this committee developed a system (implemented in 1967) that identifies **securities**, specifically U.S. and Canadian registered **stocks**, and U.S. government and **municipal bonds**.

The **CUSIP number** consists of a combination of nine characters, both letters and numbers, which act as a sort of DNA for the security - uniquely identifying the company or issuer and the type of security. The first six characters identify the issuer and are assigned in an alphabetical fashion; the seventh and eighth characters (which can be alphabetical or numerical) identify the type of issue; and the last digit is used as a check digit.

The CUSIP Service Bureau is operated by **Standard & Poor's** on behalf of the American Bankers Association (ABA). When setting out to develop the CUSIP system of identification, the ABA basically had two main criteria it was trying to meet. First, it wanted the identification to contain the fewest number of characters possible and to be linked to an alphabetical sequence of issuer names. Secondly, it recognized that the system should be adequate given the current operating requirements while having the flexibility to adapt to any future needs or changes in the **operating systems**. For more information on the CUSIP system, visit Standard & Poor's **CUSIP Service Bureau**.

Read more: <http://www.investopedia.com/ask/answers/04/040704.asp#ixzz29cOUaKOU>

I use FINRA (<http://www.finra.org/>) to help me invest in bonds.

From the finra website: (<http://www.finra.org/>):

About the Financial Industry Regulatory Authority

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. FINRA's mission is to protect America's investors by making sure the securities industry operates fairly and honestly. All told, FINRA oversees about 4,380 brokerage firms, about 162,845 branch offices and approximately 629,640 registered securities representatives.

FINRA has approximately 3,200 employees and operates from Washington, DC, and New York, NY, with 20 regional offices around the country.

How I invest in individual bonds:

On finra's home page (<http://www.finra.org/>),

1. I click on Investors.
2. Then under Market Data, I click on bonds.
3. Then I select corporate.
4. I don't bother with irrelevant criteria, I next click on Search.
5. To sort my results, I click on yield.
6. Then I browse, possibly 25 pages of bonds.
7. There are page numbers on the bottom to aid navigation.
8. Soon I am finding good returns with good companies.
9. I copy the cusips.
10. I put the cusips in my market watch on finra.org. I can then come back to market watch at any time and see the bonds.
11. I use the cusips in talking with a broker to order. If you give him a cusip, he can place your order. If you give him a cusip, he can assume you know what you are doing.

Alternatively, at step 4, I can select Advanced Bond Search, enter some criteria, and narrow my search to 18 (or less) pages instead of 25. I like to select a bond with at least a year to maturity. I also like a bond yielding 10% or more.

To better use finra, take their 17 minute tutorial. This site has a LOT of information, and it can be used in many ways. It can certainly help you select the individual bonds that you want.