Multi-Year Guaranty Annuities (MYGAs) and Certificates of Deposit (CDs) are both types of savings vehicles that offer fixed returns, but they have some key differences.

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MYGAs:

* Are offered by insurance companies and guarantee both the principal and interest
* Are a type of fixed annuity, which is a contract between you and an insurance company
* Offer a guaranteed rate of return over a set number of years, typically ranging from 3 to 10
* Generally have higher rates than CDs and provide tax-deferred growth
* May have surrender charges if you withdraw funds before the end of the term
* Offer a guaranteed return of principal and interest, but the actual return may be lower than the guaranteed rate if there is a drop in interest rates

Certificates of Deposits:

* Are a type of savings account offered by banks and credit unions
* Offer a fixed rate of return for a set term, typically ranging from 3 months to 5 years
* Offer lower rates than MYGAs, but the returns are FDIC insured up to $250,000
* Early withdrawals from CDs may result in a penalty

In summary, MYGAs and CDs are both safe and predictable fixed-income investments, but MYGAs are offered by insurance companies and CDs by banks. MYGAs offer higher guaranteed rates and tax-deferred growth but have restrictions on withdrawals, while CDs offer lower rates but FDIC insurance and more flexibility. The choice between them will depend on your financial goals and risk tolerance.

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