



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

January 13, 2023

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Public Law 117-73 increased the statutory debt limit to approximately \$31.381 trillion on December 16, 2021. As you know, the debt limit is the total amount of money that the United States government is authorized to borrow to meet its existing legal obligations, including Social Security and Medicare benefits, military salaries, interest on the national debt, tax refunds, and other payments.

I am writing to inform you that beginning on Thursday, January 19, 2023, the outstanding debt of the United States is projected to reach the statutory limit. Once the limit is reached, Treasury will need to start taking certain extraordinary measures to prevent the United States from defaulting on its obligations.

The two extraordinary measures Treasury anticipates implementing this month are (1) redeeming existing, and suspending new, investments of the Civil Service Retirement and Disability Fund (CSRDF) and the Postal Service Retiree Health Benefits Fund (Postal Fund), and (2) suspending reinvestment of the Government Securities Investment Fund (G Fund) of the Federal Employees Retirement System Thrift Savings Plan. Congress has expressly provided Treasury with authority to take these actions, and prior Treasury Secretaries have used these measures, which will reduce the amount of outstanding debt subject to the limit and temporarily provide additional capacity for Treasury to continue financing the operations of the federal government.¹ After the debt limit impasse has ended, the CSRDF, Postal Fund, and G Fund will be made whole.²

Presidents and Treasury Secretaries of both parties have made clear that the government must not default on any obligation of the United States, and, as noted, Treasury Secretaries in every Administration over recent decades have used these extraordinary measures when necessary. Yet the use of extraordinary measures enables the government to meet its obligations for only a limited amount of time. It is therefore critical that Congress act in a timely manner to increase or suspend the debt limit. Failure to meet the government's obligations would cause irreparable harm to the U.S. economy, the livelihoods of all Americans, and global financial stability. Indeed, in the past,

¹ See 5 U.S.C. §§ 8348(j)-(l), 8438(g)-(h).

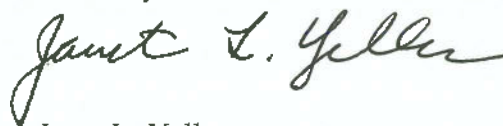
² See 5 U.S.C. §§ 8348(j)(4), 8438(g)(4).

even threats that the U.S. government might fail to meet its obligations have caused real harms, including the only credit rating downgrade in the history of our nation in 2011. Increasing or suspending the debt limit does not authorize new spending commitments or cost taxpayers money. It simply allows the government to finance existing legal obligations that Congresses and Presidents of both parties have made in the past.

The period of time that extraordinary measures may last is subject to considerable uncertainty due to a variety of factors, including the challenges of forecasting the payments and receipts of the U.S. government months into the future. While Treasury is not currently able to provide an estimate of how long extraordinary measures will enable us to continue to pay the government's obligations, it is unlikely that cash and extraordinary measures will be exhausted before early June. Consistent with past practice, I will, of course, continue to keep Congress informed as we approach the exhaustion of our resources.

I respectfully urge Congress to act promptly to protect the full faith and credit of the United States.

Sincerely,



Janet L. Yellen

Identical letter sent to:

The Honorable Hakeem Jeffries, House Democratic Leader
The Honorable Charles E. Schumer, Senate Majority Leader
The Honorable Mitch McConnell, Senate Republican Leader

cc: The Honorable Jason Smith, Chairman, House Committee on Ways and Means
The Honorable Richard E. Neal, Ranking Member, House Committee on Ways and Means
The Honorable Ron Wyden, Chairman, Senate Committee on Finance
The Honorable Mike Crapo, Ranking Member, Senate Committee on Finance