



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

September 8, 2021

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

Dear Madam Speaker:

I am writing to follow up on my previous letters regarding the debt limit and to provide additional information regarding the Treasury Department's ability to continue to finance the government in the absence of Congressional action to address the debt limit.<sup>1</sup>

After the debt limit was reinstated on August 1, Treasury began employing certain extraordinary measures to continue to finance the government on a temporary basis. These measures, which are authorized by law and have been used in previous debt limit impasses, include a suspension of certain investments in the Civil Service Retirement and Disability Fund, the Postal Service Retiree Health Benefits Fund, and the Government Securities Investment Fund of the Federal Employees' Retirement System Thrift Savings Plan. Once all available measures and cash on hand are fully exhausted, the United States of America would be unable to meet its obligations for the first time in our history.

Our estimates of the period of time that extraordinary measures will last have been refined in recent weeks, although they continue to be subject to considerable uncertainty due to the normal challenges of forecasting the payments and receipts of the U.S. government, including the uncertainty in the level of corporate and individual taxes due September 15, heightened by the additional uncertainty due to the pandemic and related economic relief, and other factors.

Given this uncertainty, the Treasury Department is not able to provide a specific estimate of how long the extraordinary measures will last. However, based on our best and most recent information, the most likely outcome is that cash and extraordinary measures will be exhausted during the month of October. We will continue to update Congress as more information becomes available.

We have learned from past debt limit impasses that waiting until the last minute to suspend or increase the debt limit can cause serious harm to business and consumer confidence, raise short-term borrowing costs for taxpayers, and negatively impact the credit rating of the United States.

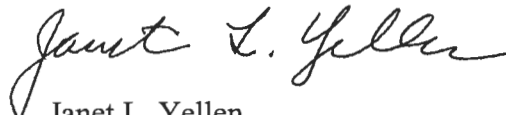
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<sup>1</sup> See <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/debt-limit> for the referenced letters and additional information on the debt limit.

A delay that calls into question the federal government's ability to meet all its obligations would likely cause irreparable damage to the U.S. economy and global financial markets. At a time when American families, communities, and businesses are still suffering from the effects of the ongoing global pandemic, it would be particularly irresponsible to put the full faith and credit of the United States at risk.

I again note that Congress has addressed the debt limit in recent years through regular order, with broad bipartisan support. I respectfully urge Congress to protect the full faith and credit of the United States by acting as soon as possible.

Sincerely,



Janet L. Yellen

Identical letter sent to:

The Honorable Kevin McCarthy, House Republican Leader  
The Honorable Charles E. Schumer, Senate Majority Leader  
The Honorable Mitch McConnell, Senate Republican Leader

cc: The Honorable Richard E. Neal, Chairman, House Committee on Ways and Means  
The Honorable Kevin Brady, 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