November 16, 2021

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

Dear Madam Speaker:

I am writing to provide an update regarding the Treasury Department’s ability to continue to finance the operations of the federal government under the constraints of the debt limit.

In my October 18 letter to you, I noted that the recent $480 billion increase in the debt limit provided a high degree of confidence that Treasury would be able to finance the U.S. government through December 3, 2021. Based on our most recent information, I am now able to further refine that projection.

Yesterday, the President signed the Infrastructure Investment and Jobs Act, which appropriates $118 billion for the Highway Trust Fund. Under 26 U.S.C. § 9601, these funds must be transferred into the Highway Trust Fund within one month after the enactment of the legislation, and the transfer will be completed on December 15. Promptly thereafter, the funds will be invested in nonmarketable Treasury securities subject to the debt limit. While I have a high degree of confidence that Treasury will be able to finance the U.S. government through December 15 and complete the Highway Trust Fund investment, there are scenarios in which Treasury would be left with insufficient remaining resources to continue to finance the operations of the U.S. government beyond this date. As the federal government’s cash flow is subject to unavoidable variability, I will continue to update Congress as more information becomes available.

To ensure the full faith and credit of the United States, it is critical that Congress raise or suspend the debt limit as soon as possible.

Sincerely,

Janet L. Yellen

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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