



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 27, 2024

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I write to apprise you of certain upcoming events and actions related to the statutory debt limit.

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. In June 2023, the Fiscal Responsibility Act of 2023 was enacted, suspending the debt limit through January 1, 2025.

On January 2, 2025, the new debt limit will be established at the amount of outstanding debt subject to the statutory limit at the end of the previous day. However, on January 2, the outstanding debt subject to the limit is projected to decrease by approximately \$54 billion, mostly due to a scheduled redemption of nonmarketable securities held by a federal trust fund associated with Medicare payments. As a result, the debt is currently projected to temporarily decrease, and accordingly, Treasury does not expect that it will be necessary to start taking extraordinary measures on January 2 to prevent the United States from defaulting on its obligations. Treasury currently expects to reach the new limit between January 14 and January 23, at which time it will be necessary for Treasury to start taking extraordinary measures.

I respectfully urge Congress to act 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