

## Note 11. Federal Debt Securities Held by the Public and Accrued Interest

### Federal Debt Securities Held by the Public and Accrued Interest

	Balance September 30, 2016	Net Change During Fiscal Year 2017	Balance September 30, 2017	Average Interest Rate	
				2017	2016
(In billions of dollars)					
<b>Treasury securities (public):</b>					
Marketable securities:					
Treasury bills .....	1,644.8	154.8	1,799.6	1.1%	0.4%
Treasury notes .....	8,624.3	174.6	8,798.9	1.8%	1.8%
Treasury bonds .....	1,825.3	123.1	1,948.4	4.2%	4.4%
Treasury inflation-protected securities (TIPS) .....	1,209.8	76.3	1,286.1	0.8%	0.8%
Treasury floating rate notes (FRN) .....	334.1	8.5	342.6	1.2%	0.4%
Total marketable Treasury securities .....	13,638.3	537.3	14,175.6		
Nonmarketable securities .....	535.1	(37.3)	497.8	2.3%	2.0%
Net unamortized premiums/(discounts) .....	(33.8)	(5.4)	(39.2)		
Total Treasury securities, net (public) .....	14,139.6	494.6	14,634.2		
<b>Agency securities:</b>					
Tennessee Valley Authority .....	23.8	0.1	23.9		
All other agencies .....	0.2	(0.1)	0.1		
Total agency securities, net of unamortized premiums and discounts .....	24.0	-	24.0		
<b>Accrued interest payable</b> .....	57.5	8.4	65.9		
<b>Total federal debt securities held by the public and accrued interest</b> .....	<u>14,221.1</u>	<u>503.0</u>	<u>14,724.1</u>		

Types of marketable securities:

Bills—Short-term obligations issued with a term of 1 year or less.

Notes—Medium-term obligations issued with a term of 2-10 years.

Bonds—Long-term obligations of more than 10 years.

TIPS—Term of more than 5 years.

FRN—Term of 2 years.

Federal debt securities held by the public outside the Government are held by individuals, corporations, state or local governments, FRBs, foreign governments, and other entities outside the federal government. The above table details Government borrowing primarily to finance operations and shows marketable and nonmarketable securities at face value less net unamortized premiums and discounts including accrued interest.

Securities that represent federal debt held by the public are issued primarily by the Treasury and include:

- Interest-bearing marketable securities (bills, notes, bonds, inflation-protected, and floating rate notes).
- Interest-bearing nonmarketable securities (government account series held by deposit and fiduciary funds, foreign series, state and local government series, domestic series, and savings bonds).
- Non-interest-bearing marketable and nonmarketable securities (matured and other).

Section 3111 of Title 31, United States Code (U.S.C.) authorizes the Secretary of the Treasury to use money received from the sale of an obligation and other money in the General Fund to buy, redeem, or refund, at or before maturity, outstanding bonds, notes, certificates of indebtedness, Treasury bills, or savings certificates of the Government.

Gross federal debt (with some adjustments) is subject to a statutory ceiling (i.e., the debt limit). Prior to 1917, Congress approved each debt issuance. In 1917, to facilitate planning in World War I, Congress and the President first enacted a statutory dollar ceiling for federal borrowing. With the *Public Debt Act of 1941* (P.L. 77-7), Congress and the President set an overall limit of \$65 billion on Treasury debt obligations that could be outstanding at any one time; since then, Congress and the President have enacted a number of debt limit increases.

During fiscal years 2017 and 2016, Treasury faced two delays in raising the statutory debt limit that required it to depart from its normal debt management operations and to invoke legal authorities to avoid exceeding the statutory debt limit. During these periods, extraordinary actions taken by Treasury have resulted in federal debt securities not being issued to certain federal accounts. The first period occurred from March 16, 2015 to October 30, 2015. On Monday, November 2, 2015, The *Bipartisan Budget Act of 2015* (P.L. 114-74) was enacted suspending the statutory debt limit through March 15, 2017. The second delay in raising the statutory debt limit occurred from March 16, 2017 through September 7, 2017. On Friday, September 8, 2017 the *Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017* (P.L. 115-56) was enacted suspending the statutory debt limit through December 8, 2017.

As of September 30, 2017, and 2016, debt subject to the statutory debt limit was \$20,208.6 billion and \$19,538.5 billion, respectively. The debt subject to the limit includes Treasury securities held by the public and Government guaranteed debt of federal agencies (shown in the table above) and intragovernmental debt holdings (shown in the following table). See Note 25—Subsequent Events for additional information.

**Intragovernmental Debt Holdings: Federal Debt Securities  
Held as Investments by Government Accounts as of September 30, 2017, and 2016**

(In billions of dollars)	Balance 2016	Net Change During Fiscal Year 2017	Balance 2017
Social Security Administration, Federal Old-Age and Survivors Insurance Trust Fund .....	2,796.7	23.5	2,820.2
Office of Personnel Management, Civil Service Retirement and Disability Fund.....	887.2	17.9	905.1
Department of Defense, Military Retirement Fund....	591.0	70.0	661.0
Department of Defense, Medicare-Eligible Retiree Health Care Fund .....	213.5	12.3	225.8
Department of Health and Human Services, Federal Hospital Insurance Trust Fund .....	192.2	5.6	197.8
Federal Deposit Insurance Corporation, Deposit Insurance Fund .....	71.5	8.7	80.2
Department of Health and Human Services, Federal Supplementary Medical Insurance Trust Fund .....	63.3	7.3	70.6
Social Security Administration, Federal Disability Insurance Trust Fund .....	45.9	23.8	69.7
Department of Labor, Unemployment Trust Fund ...	53.8	6.9	60.7
Department of Energy, Nuclear Waste Disposal Fund.....	52.4	0.6	53.0
Department of Transportation, Highway Trust Fund	64.6	(12.3)	52.3
Office of Personnel Management, Postal Service Retiree Health Benefits Fund .....	51.5	(2.0)	49.5
Office of Personnel Management, Employees Life Insurance Fund .....	45.2	0.5	45.7
Department of Housing and Urban Development, FHA, Mutual Mortgage Insurance Capital Reserve Account .....	36.4	(5.5)	30.9
Pension Benefit Guaranty Corporation .....	23.7	4.7	28.4
Office of Personnel Management, Employees Health Benefits Fund .....	23.7	2.3	26.0
Department of the Treasury, Exchange Stabilization Fund .....	22.7	(0.6)	22.1
Department of State, Foreign Service Retirement and Disability Fund .....	18.3	0.5	18.8
Department of Housing and Urban Development, Guarantees of Mortgage-Backed Securities Capital Reserve Account.....	15.8	1.3	17.1
Department of Transportation, Airport and Airway Trust Fund .....	13.4	-	13.4
National Credit Union Share Insurance Fund.....	12.3	0.8	13.1
United States Postal Service, Postal Service Fund ..	8.5	2.5	11.0
All other programs and funds .....	96.3	2.8	99.1
Subtotal .....	5,399.9	171.6	5,571.5
Total net unamortized premiums/(discounts) for intragovernmental.....	72.7	(0.5)	72.2
Total intragovernmental debt holdings, net .....	5,472.6	171.1	5,643.7

Intragovernmental debt holdings represent the portion of the gross federal debt held as investments by government entities such as trust funds, revolving funds, and special funds.

Government entities that held investments in Treasury securities include trust funds that have funds from dedicated collections. For more information on funds from dedicated collections, see Note 20—Funds from Dedicated Collections. These intragovernmental debt holdings are eliminated in the consolidation of these financial statements.