

Note 13. Federal Debt and Interest Payable

Federal Debt and Interest Payable as of September 30, 2021, and 2020 (held by the public)

(In billions of dollars)	2020	Net Change	2021	Average Interest Rate	
				2021	2020
Treasury securities:					
Marketable securities:					
Treasury bills	5,028.1	(1,315.2)	3,712.9	0.1%	0.2%
Treasury notes	10,655.9	1,914.6	12,570.5	1.4%	1.9%
Treasury bonds	2,668.1	672.7	3,340.8	3.1%	3.5%
Treasury inflation-protected securities (TIPS)	1,522.4	129.6	1,652.0	0.5%	0.7%
Treasury floating rate notes (FRN)	478.3	101.0	579.3	0.4%	0.3%
Total marketable Treasury securities	20,352.8	1,502.7	21,855.5		
Nonmarketable securities	666.0	(238.6)	427.4	1.3%	1.1%
Net unamortized premiums/(discounts)	(26.7)	(0.1)	(26.8)		
Total Treasury securities, net (public)	20,992.1	1,264.0	22,256.1		
Agency securities:					
Tennessee Valley Authority	19.8	(0.5)	19.3		
All other agencies	0.1	(0.1)	-		
Total agency securities, net of unamortized premiums and discounts	19.9	(0.6)	19.3		
Accrued interest payable	70.9	(1.5)	69.4		
Total federal debt and interest payable	<u>21,082.9</u>	<u>1,261.9</u>	<u>22,344.8</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 5 years or more.					
FRN—Term of 2 years.					

Federal debt held by the public consists of securities outside the government by individuals, corporations, state or local governments, FRBs, foreign governments, and other non-federal entities. 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 Treasury and include:

- Interest-bearing marketable securities (bills, notes, bonds, inflation-protected, and FRN).

- Interest-bearing nonmarketable securities (Government Account Series held by fiduciary and certain deposit funds, foreign series, state and local government series, domestic series, and savings bonds).
- Non-interest-bearing marketable and nonmarketable securities (matured and other).

In FY 2020, Treasury expanded its domestic series to include a new special nonmarketable Treasury security, known as a SPV security. Treasury issued these securities to SPVs, which were established by the Federal Reserve to implement its emergency lending facilities under Section 13(3) of the Federal Reserve Act to respond to the COVID-19 pandemic. The total amount of SPV redemptions in FY 2021 was \$74.0 billion and there were no issuances. An SPV security is a demand deposit certificate of indebtedness for which interest accrues daily and is paid at redemption. As of September 30, 2021 and 2020, the total amount of SPV securities outstanding were \$22.0 and \$96.0 billion, respectively.

Gross federal debt, with some adjustments, is the sum of debt held by the public and intra-governmental debt holdings (discussed on the next page) and 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 \$65.0 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.

On August 2, 2019, the BBA of 2019 (P.L. 116-37) was enacted suspending the statutory debt limit through July 31, 2021. A delay in raising the statutory debt limit occurred from August 1, 2021 through December 15, 2021. During the period of August 2, 2021 through December 15, 2021, Treasury departed from their normal debt management operations and undertook extraordinary measures to avoid exceeding the statutory debt limit. On October 14, 2021, P.L. 117-50 was enacted which raised the statutory debt limit by \$480.0 billion, from \$28,401.5 billion to \$28,881.5 billion. Even with this increase, extraordinary measures continued in order for Treasury to manage below the debt limit. On December 16, 2021, P.L. 117-73 was enacted, raising the debt limit by \$2.5 trillion from \$28,881.5 billion to \$31,381.5 billion. On this date, Treasury discontinued its use of extraordinary measures and resumed normal debt management operations.

As of September 30, 2021, and 2020, debt subject to the statutory debt limit was \$28,401.4 billion and \$26,920.4 billion, respectively. The debt subject to the limit includes Treasury securities held by the public and government guaranteed debt of federal entities (shown in the table above) and intra-governmental debt holdings (shown in the following table). As noted above, a delay in raising the statutory debt limit existed as of September 30, 2021. Many extraordinary measures taken by Treasury during the period of August 2, 2021, through September 30, 2021, resulted in federal debt securities not being issued to certain federal government accounts. See Note 19—Other Liabilities, Note 24—Fiduciary Activities and Note 31—Subsequent Events for additional information.

Intra-governmental Debt Holdings: Federal Debt Securities
Held as Investments by Government Accounts as of September 30, 2021, and 2020

(In billions of dollars)	2020	Net Change	2021
Social Security Administration, Federal Old-Age and Survivors Insurance Trust Fund.....	2,811.2	(55.4)	2,755.8
Department of Defense, Military Retirement Fund.....	916.3	115.7	1,032.0
Office of Personnel Management, Civil Service Retirement and Disability Fund.....	962.1	(36.3)	925.8
Department of Defense, Medicare-Eligible Retiree Health Care Fund	268.9	20.8	289.7
Department of Health and Human Services, Federal Supplementary Medical Insurance Trust Fund	87.5	83.2	170.7
Department of Health and Human Services, Federal Hospital Insurance Trust Fund.....	133.7	2.5	136.2
Federal Deposit Insurance Corporation, Deposit Insurance Fund.....	108.9	6.6	115.5
Social Security Administration, Federal Disability Insurance Trust Fund	97.2	0.8	98.0
Department of Housing and Urban Development, FHA, Mutual Mortgage Insurance Capital Reserve Account	67.9	26.2	94.1
Department of Energy, Nuclear Waste Disposal Fund.....	54.7	0.6	55.3
Department of Labor, Unemployment Trust Fund	50.5	2.6	53.1
Pension Benefit Guaranty Corporation	45.6	4.7	50.3
Office of Personnel Management, Employees Life Insurance Fund	49.1	1.1	50.2
Office of Personnel Management, Postal Service Retiree Health Benefits Fund	41.9	(3.1)	38.8
Office of Personnel Management, Employees Health Benefits Fund.....	28.3	(0.3)	28.0
U.S. Postal Service, Postal Service Fund.....	15.0	9.7	24.7
Department of the Treasury, ESF	11.2	11.6	22.8
Department of State, Foreign Service Retirement and Disability Fund	20.0	0.3	20.3
National Credit Union Share Insurance Fund.....	16.6	1.9	18.5
Department of Transportation, Airport and Airway Trust Fund..	7.9	8.0	15.9
Pension Benefit Guaranty Corporation Deposit Fund	12.9	2.1	15.0
Department of Housing and Urban Development, Guarantees of Mortgage-Backed Securities Capital Reserve Account	8.4	5.8	14.2
Department of Commerce, Public Safety Trust Fund, NTIA	7.7	4.5	12.2
Department of Transportation, Highway Trust Fund	12.1	(0.1)	12.0
All other programs and funds	90.9	5.8	96.7
Subtotal	5,926.5	219.3	6,145.8
Total net unamortized premiums/(discounts) for intra-governmental	72.3	13.9	86.2
Total intra-governmental debt holdings, net.....	<u>5,998.8</u>	<u>233.2</u>	<u>6,232.0</u>

Intra-governmental 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. As noted above, the delay in raising the debt limit still existed as of September 30, 2021. As such, suspension of certain investments of the Civil Service Retirement and Disability Fund contributed to the decrease in the intra-governmental debt holdings balance for the fund.

Government entities that held investments in Treasury securities include trust funds that have funds from dedicated collections. For additional information on funds from dedicated collections, see Note 23—Funds from Dedicated Collections. These intra-governmental debt holdings are eliminated in the consolidation of these financial statements.