

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

Federal Debt Securities Held by the Public and Accrued Interest as of September 30, 2019, and 2018

(In billions of dollars)	Balance September 30, 2018	Net Change During Fiscal Year 2019	Balance September 30, 2019	Average Interest Rate	
				2019	2018
Treasury securities (public):					
Marketable securities:					
Treasury bills	2,239.5	136.9	2,376.4	2.1%	2.1%
Treasury notes	9,150.3	605.7	9,756.0	2.2%	2.0%
Treasury bonds	2,115.0	196.5	2,311.5	3.9%	4.1%
Treasury inflation-protected securities (TIPS)	1,376.2	78.5	1,454.7	0.8%	0.8%
Treasury floating rate notes (FRN)	369.1	55.0	424.1	2.0%	2.2%
Total marketable Treasury securities	15,250.1	1,072.6	16,322.7		
Nonmarketable securities	511.1	(24.7)	486.4	2.2%	2.8%
Net unamortized premiums/(discounts)	(44.8)	2.1	(42.7)		
Total Treasury securities, net (public)	15,716.4	1,050.0	16,766.4		
Agency securities:					
Tennessee Valley Authority	22.4	(1.4)	21.0		
All other agencies	0.1	-	0.1		
Total agency securities, net of unamortized premiums and discounts	22.5	(1.4)	21.1		
Accrued interest payable	73.8	(0.3)	73.5		
Total federal debt securities held by the public and accrued interest	<u>15,812.7</u>	<u>1,048.3</u>	<u>16,861.0</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 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 the 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).

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 2019 and 2018, Treasury faced two delays in raising the statutory debt limit that required it to depart from its normal debt management procedures 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 government accounts with the securities being restored including lost interest to the affected federal government accounts subsequent to the end of the delay period. The first delay occurred from December 9, 2017 through February 8, 2018. On Friday, February 9, 2018, the *BBA of 2018* (P.L. 115-123) was enacted suspending the statutory debt limit through March 1, 2019. The second delay in raising the statutory debt limit occurred from March 2, 2019 through August 1, 2019. On Friday, August 2, 2019, the *BBA of 2019* (P.L. 116-37) was enacted suspending the statutory debt limit through July 31, 2021.

As of September 30, 2019, and 2018, debt subject to the statutory debt limit was \$22,686.6 billion and \$21,474.8 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).

**Intragovernmental Debt Holdings: Federal Debt Securities
Held as Investments by Government Accounts as of September 30, 2019, and 2018**

(In billions of dollars)	Balance 2018	Net Change During Fiscal 2019	Balance 2019
Social Security Administration, Federal Old-Age and Survivors Insurance Trust Fund	2,801.3	3.1	2,804.4
Office of Personnel Management, Civil Service Retirement and Disability Fund.....	923.0	16.7	939.7
Department of Defense, Military Retirement Fund.....	743.4	84.0	827.4
Department of Defense, Medicare-Eligible Retiree Health Care Fund	240.2	14.0	254.2
Department of Health and Human Services, Federal Hospital Insurance Trust Fund	202.8	(4.2)	198.6
Department of Health and Human Services, Federal Supplementary Medical Insurance Trust Fund	98.2	6.5	104.7
Federal Deposit Insurance Corporation, Deposit Insurance Fund.....	96.4	7.6	104.0
Social Security Administration, Federal Disability Insurance Trust Fund	93.4	3.1	96.5
Department of Labor, Unemployment Trust Fund	72.6	11.8	84.4
Department of Energy, Nuclear Waste Disposal Fund.....	53.4	0.6	54.0
Department of Housing and Urban Development, FHA, Mutual Mortgage Insurance Capital Reserve Account	27.0	23.6	50.6
Office of Personnel Management, Employees Life Insurance Fund	46.6	1.6	48.2
Office of Personnel Management, Postal Service Retiree Health Benefits Fund	47.1	(2.5)	44.6
Pension Benefit Guaranty Corporation	31.7	5.0	36.7
Department of Transportation, Highway Trust Fund.....	41.2	(13.0)	28.2
Office of Personnel Management, Employees Health Benefits Fund.....	27.4	0.4	27.8
Department of the Treasury, Exchange Stabilization Fund	22.3	0.3	22.6
Department of State, Foreign Service Retirement and Disability Fund	19.2	0.1	19.3
Department of Housing and Urban Development, Guarantees of Mortgage-Backed Securities Capital Reserve Account	16.2	(0.5)	15.7
National Credit Union Share Insurance Fund.....	14.9	0.4	15.3
Department of Transportation, Airport and Airway Trust Fund ..	14.2	0.8	15.0
Pension Benefit Guaranty Corporation Deposit Fund	13.6	0.0	13.6
U.S. Postal Service, Postal Service Fund.....	10.5	(1.2)	9.3
All other programs and funds	98.4	(3.0)	95.4
Subtotal	5,755.0	155.2	5,910.2
Total net unamortized premiums/(discounts) for intragovernmental	69.9	3.2	73.1
Total intragovernmental debt holdings, net.....	5,824.9	158.4	5,983.3

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.