

## Note 12. Federal Debt and Interest Payable

<b>Federal Debt and Interest Payable as of September 30, 2023, and 2022 (held by the public)</b>					
(In billions of dollars)	2022	Net Change	2023	Average Interest Rate	
				2023	2022
<b>Treasury securities:</b>					
<b>Marketable securities:</b>					
Treasury bills	3,643.7	1,615.6	5,259.3	5.4%	2.5%
Treasury notes	13,696.5	28.4	13,724.9	2.1%	1.6%
Treasury bonds	3,867.7	372.5	4,240.2	3.1%	3.0%
Treasury inflation-protected securities (TIPS)	1,839.8	95.1	1,934.9	0.6%	0.5%
Treasury floating rate notes (FRN)	625.9	(50.4)	575.5	5.0%	3.3%
Total marketable Treasury securities	23,673.6	2,061.2	25,734.8		
Nonmarketable securities	625.6	(30.3)	595.3	3.7%	2.7%
Net unamortized premiums/(discounts)	(71.7)	(47.0)	(118.7)		
Total Treasury securities, net (public)	24,227.5	1,983.9	26,211.4		
<b>Agency securities:</b>					
Tennessee Valley Authority	19.0	0.3	19.3		
Total agency securities, net of unamortized premiums and discounts	19.0	0.3	19.3		
Accrued interest payable	81.5	35.5	117.0		
Total federal debt and interest payable	24,328.0	2,019.7	26,347.7		
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 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 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, SLGS, 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. An SPV security is a demand deposit certificate of indebtedness for which interest accrues daily and is paid at redemption. The total amount of SPV redemptions in FY 2023 and 2022 was \$4.0 billion and \$7.0 billion, including \$0.5 billion and \$0.1 billion in capitalized interest, respectively. There were no new issuances of SPV securities in FY 2023 and 2022. As of September 30, 2023, and 2022, the total amount of SPV securities outstanding was \$11.9 billion and \$15.4 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.

Beginning in FY 2021 and continuing into FY 2022 and again in FY 2023, Treasury faced two delays in raising the debt limit that required it to depart from its normal debt management procedures and invoke legal authorities to avoid exceeding the statutory debt limit. During these periods, extraordinary actions taken by Treasury resulted in federal debt securities not being issued to certain federal government accounts with the securities being restored, including lost interest, to the affected government accounts subsequent to the end of the delay period. During the first delay, Treasury took extraordinary actions from August 2, 2021, through December 15, 2021. 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 for Treasury to manage below the debt limit. On December 16, 2021, P.L. 117-73 was enacted, increasing the debt limit by \$2,500.0 billion, from \$28,881.5 billion to \$31,381.5 billion. Due to a second delay in raising the statutory debt limit, Treasury took extraordinary actions from January 19, 2023, through June 2, 2023. On June 3, 2023, P.L. 118-5 was enacted suspending the debt limit through January 1, 2025.

As of September 30, 2023, and 2022, outstanding debt obligations subject to the statutory debt limit was \$33,070.5 billion and \$30,869.3 billion, respectively. The debt subject to the limit includes Treasury securities held by the public (shown in the above table) and intra-governmental debt holdings (shown in the following table), with some adjustments. From FY 2022 to FY 2023, interest on Treasury securities held by the public increased from \$496.5 billion to \$678.0 billion. This \$181.5 billion increase primarily resulted from an increase in the outstanding debt held by the public and an increase in the average interest rate (see table above), which were offset by a decrease in inflation adjustments.

<b>Intra-governmental Debt Holdings: Federal Debt Securities Held as Investments by Government Accounts as of September 30, 2023, and 2022</b>			
(In billions of dollars)	2022	Net Change	2023
Social Security Administration, Federal Old-Age and Survivors Insurance Trust Fund	2,723.6	(49.9)	2,673.7
Department of Defense, Military Retirement Fund	1,194.7	172.1	1,366.8
Office of Personnel Management, Civil Service Retirement and Disability Fund	1,011.7	24.9	1,036.6
Department of Defense, Medicare-Eligible Retiree Health Care Fund	322.0	32.2	354.2
Department of Health and Human Services, Federal Hospital Insurance Trust Fund	177.4	17.0	194.4
Department of Health and Human Services, Federal Supplementary Medical Insurance Trust Fund	168.0	(8.5)	159.5
Social Security Administration, Federal Disability Insurance Trust Fund	114.7	28.2	142.9
Department of Housing and Urban Development, FHA, Mutual Mortgage Insurance Capital Reserve Account	119.9	13.2	133.1
Department of Transportation, Highway Trust Fund	127.5	(11.8)	115.7
Federal Deposit Insurance Corporation, Deposit Insurance Fund	125.5	(41.2)	84.3
Department of Labor, Unemployment Trust Fund	73.6	8.2	81.8
Pension Benefit Guaranty Corporation	55.6	5.6	61.2
Department of Energy, Nuclear Waste Disposal Fund	56.6	3.9	60.5
Office of Personnel Management, Employees Life Insurance Fund	51.0	1.5	52.5
Office of Personnel Management, Postal Service Retiree Health Benefits Fund	35.6	(3.6)	32.0
Office of Personnel Management, Employees Health Benefits Fund	27.3	(1.7)	25.6
U.S. Postal Service, Postal Service Fund	20.9	1.1	22.0
National Credit Union Share Insurance Fund	20.7	0.9	21.6
Department of State, Foreign Service Retirement and Disability Fund	20.7	0.4	21.1
Department of Housing and Urban Development, Guarantees of Mortgage-Backed Securities Capital Reserve Account	18.4	2.6	21.0
Department of Transportation, Airport and Airway Trust Fund	10.8	5.8	16.6
Department of the Treasury, ESF	18.4	(3.7)	14.7
Department of the Interior, Abandoned Mine Reclamation Fund	14.4	0.3	14.7
Pension Benefit Guaranty Corporation Deposit Fund	13.7	(2.4)	11.3
Environmental Protection Agency, Hazardous Substance Superfund	9.4	1.6	11.0
Army Corps of Engineers, Harbor Maintenance Trust Fund	9.4	1.0	10.4
All other programs and funds	88.3	9.6	97.9
Subtotal	6,629.8	207.3	6,837.1
Total net unamortized premiums/(discounts) for intra-governmental	88.7	(49.8)	38.9
Total intra-governmental debt holdings, net	6,718.5	157.5	6,876.0

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.

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 22—Funds from Dedicated Collections. These intra-governmental debt holdings are eliminated in the consolidation of these financial statements.