



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

May 15, 2023

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I am writing to follow up on my previous letters regarding the debt limit and to provide additional information regarding the Treasury Department's ability to continue to finance the operations of the federal government.

In my May 1 letter, I noted that our best estimate was that Treasury would be unable to continue to satisfy all of the government's obligations by early June if Congress does not raise or suspend the debt limit before that time. In that letter, I also noted that while it is impossible to predict with certainty the exact date when Treasury will be unable to pay all the government's bills, I would continue to update Congress as more information becomes available. With additional information now available, I am writing to note that we still estimate that Treasury will likely no longer be able to satisfy all of the government's obligations if Congress has not acted to raise or suspend the debt limit by early June, and potentially as early as June 1.

These estimates are based on currently available data, and federal receipts, outlays, and debt could vary from these estimates. The actual date Treasury exhausts extraordinary measures could be a number of days or weeks later than these estimates. I will provide an additional update to Congress next week as more information becomes available.

We have learned from past debt limit impasses that waiting until the last minute to suspend or increase the debt limit can cause serious harm to business and consumer confidence, raise short-term borrowing costs for taxpayers, and negatively impact the credit rating of the United States. In fact, we have already seen Treasury's borrowing costs increase substantially for securities maturing in early June. If Congress fails to increase the debt limit, it would cause severe hardship to American families, harm our global leadership position, and raise questions about our ability to defend our national security interests.

I continue to urge Congress to protect the full faith and credit of the United States by acting as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Janet L. Yellen". The signature is written in a cursive style with a large initial 'J' and a long, sweeping underline.

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