1. **What is the Exchange Stabilization Fund (ESF)?**

   Section 10 of the Gold Reserve Act of 1934 created the ESF. By law, the ESF has a number of uses, including purchasing or selling foreign currencies to stabilize international financial markets and thereby prevent damage to U.S. exports and the national economy. Congress has appropriated funds to the ESF. The Treasury Department has a web page devoted to the ESF, describing its legal basis, history, and financial statements:

   [http://www.treasury.gov/resource-center/international/ESF/Pages/esf-index.aspx](http://www.treasury.gov/resource-center/international/ESF/Pages/esf-index.aspx)

2. **How does the debt ceiling affect the ESF?**

   Approximately $23 billion of the ESF is held in U.S. dollars, and the dollar-balance of the ESF is invested in special-issue Treasury securities. The entire dollar-balance matures daily and is ordinarily reinvested. There is no requirement that the Treasury Department invest the ESF, so Treasury may discontinue investing the dollar-balance of the ESF during a debt limit impasse.

3. **How much headroom does this action regarding the ESF provide?**

   Approximately $23 billion.

4. **Has the government ever suspended the daily reinvestment of Treasury securities held in the ESF before?**


5. **Will this action extend the date on which the United States exhausts its borrowing authority beyond October 17, 2013?**

   No. Treasury’s projection – that the extraordinary measures combined would enable Treasury to extend its borrowing authority until no later than October 17, 2013 – already took into account using this measure.