

115TH CONGRESS  
1ST SESSION

# H. R. 3167

To provide that, in the event that the Secretary of the Treasury estimates that the debt ceiling will be reached, the Secretary is required to issue GDP-linked bonds to pay the principal and interest on the public debt and the President is authorized to request the rescission of certain unobligated balances and sell certain mortgage-related assets, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 6, 2017

Mr. SCHWEIKERT (for himself, Mr. FRANKS of Arizona, Mr. MEADOWS, and Mr. FORTENBERRY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Financial Services, the Budget, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide that, in the event that the Secretary of the Treasury estimates that the debt ceiling will be reached, the Secretary is required to issue GDP-linked bonds to pay the principal and interest on the public debt and the President is authorized to request the rescission of certain unobligated balances and sell certain mortgage-related assets, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Debt Ceiling Alter-  
3 native Act”.

4 **SEC. 2. ESTIMATE THAT BORROWING WILL REACH THE**  
5 **STATUTORY DEBT LIMIT.**

6       If the Secretary of the Treasury makes an estimate  
7 of net marketable borrowing for a quarter that estimates  
8 that the debt of the United States, as defined in section  
9 3101 of title 31, United States Code, will reach the statu-  
10 tory limit during such quarter, the Secretary shall imme-  
11 diately notify Congress of such estimate, and the Sec-  
12 retary of the Treasury shall issue bonds described under  
13 section 3 and the President may take the actions described  
14 under sections 4 and 5.

15 **SEC. 3. ISSUANCE OF GDP-LINKED BONDS TO PAY THE**  
16 **PRINCIPAL AND INTEREST ON THE PUBLIC**  
17 **DEBT.**

18       (a) IN GENERAL.—Upon the issuance of a notifica-  
19 tion to Congress under section 2, the Secretary of the  
20 Treasury shall issue bonds—

21           (1) with an interest rate linked to the nominal  
22 gross domestic product of the United States; and

23           (2) the proceeds from which may only be used  
24 to pay the principal and interest on obligations of  
25 the United States held by the public or the Old-Age

1       and Survivors Insurance Trust Fund and Disability  
2       Insurance Trust Fund.

3       (b) OBLIGATIONS EXEMPT FROM PUBLIC DEBT  
4       LIMIT.—Obligations issued under subsection (a) shall not  
5       be taken into account in applying the limitation in section  
6       3101(b) of title 31, United States Code, to the extent that  
7       such obligation would otherwise cause the limitation in  
8       section 3101(b) of title 31, United States Code, to be ex-  
9       ceeded.

10      (c) REPORT ON CERTAIN ACTIONS.—

11           (1) IN GENERAL.—If the Secretary of the  
12       Treasury issues bonds under subsection (a), the Sec-  
13       retary shall thereafter submit a report each week,  
14       until all such bonds are redeemed, providing an ac-  
15       counting relating to—

16           (A) the principal on mature obligations  
17           and interest that is due or accrued of the  
18           United States; and

19           (B) any bonds issued pursuant to sub-  
20       section (a).

21           (2) SUBMISSION.—The report required by para-  
22       graph (1) shall be submitted to the Committee on  
23       Ways and Means of the House of Representatives  
24       and the Committee on Finance of the Senate.

1 **SEC. 4. RESCISSION OF UNOBLIGATED BALANCES.**

2 (a) IDENTIFICATION OF UNOBLIGATED BALANCES.—

3 Upon the issuance of a notification under section 2, the  
4 President may issue a message to Congress containing a  
5 list of budget authority proposed to be rescinded. Such  
6 list may only contain items related to unobligated balances  
7 of funds made available before the beginning of the fiscal  
8 year during which such notification is made.

9 (b) EXPEDITED CONSIDERATION OF RESCISSIONS.—

10 A message issued pursuant to subsection (a) shall be  
11 deemed a special message for purposes of the expedited  
12 procedures described under section 1017 of the Congres-  
13 sional Budget and Impoundment Control Act of 1974 (2  
14 U.S.C. 688).

15 **SEC. 5. SALE OF MORTGAGE-RELATED ASSETS.**

16 Upon the issuance of a notification to Congress under  
17 section 2, the President may order the sale of the following  
18 assets, with the proceeds from such sales deposited in the  
19 Treasury:

20 (1) On-balance sheet non-performing mortgages  
21 of the Federal National Mortgage Association.

22 (2) Other mortgages owned or held by the Fed-  
23 eral National Mortgage Association.

24 (3) Real estate owned properties of the Federal  
25 National Mortgage Association.

1           (4) On-balance sheet non-performing mortgages  
2           of the Federal Home Loan Mortgage Corporation.

3           (5) Other mortgages owned or held by the Fed-  
4           eral Home Loan Mortgage Corporation.

5           (6) Real estate owned properties of the Federal  
6           Home Loan Mortgage Corporation.

7           (7) Mortgage-backed securities held by the  
8           Board of Governors of the Federal Reserve System  
9           or any Federal reserve bank.

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