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Default Prevention Act

Congress: 117 (2021–2023, Ended)

Chamber: Senate

Policy Area: Economics and Public Finance

Introduced: Jan 28, 2021

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Jan 28, 2021)

Official Text: <https://www.congress.gov/bill/117th-congress/senate-bill/100>

Sponsor

Name: Sen. Paul, Rand [R-KY]

Party: Republican • **State:** KY • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jan 28, 2021

Subjects & Policy Tags

Policy Area:

Economics and Public Finance

Related Bills

No related bills are listed.

Default Prevention Act

This bill requires the following obligations to be granted priority over all other U.S. obligations if the public debt reaches the statutory limit:

- principal and interest on debt held by the public;
- compensation, allowances, and benefits for members of the Armed Forces on active duty;
- Social Security benefits;
- Medicare benefits; and
- obligations under any program administered by the Department of Veterans Affairs.

If Congress is notified, the Department of the Treasury may issue additional debt in excess of the debt limit for the priority obligations. Treasury may issue the additional debt during the 30-day period beginning on the date on which the United States is unable to use revenues or extraordinary measures to fully pay the priority obligations at the time they are due.

(The term *extraordinary measures* refers to a series of actions that Treasury may implement to allow the United States to borrow additional funds without exceeding the debt limit. The measures generally include suspensions or delays of debt sales and suspensions or redemptions of investments in certain government funds.)

Actions Timeline

- **Jan 28, 2021:** Introduced in Senate
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