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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

October 7, 2026

The Honorable Scott Bessent
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Bessent:

Treasury yields have surged to their highest levels in more than two decades, following months of rising inflation, skyrocketing energy prices, and now higher interest rates set by the Federal Reserve (Fed).¹ As American families continue to struggle with higher costs driven by the Trump Administration's policies, I write to ask how the Treasury Department (Treasury) plans to address the harm to families and risks to the financial system from skyrocketing interest rates, which are driven in part by President Trump's failed economic agenda and your market misadventures.

On September 30, 2026, the 10-year Treasury yield reached 5.34%, its highest level since 2002 and more than one percentage point higher than it was on February 27, 2026, before President Trump launched his war in Iran.² That same day, the 10-year Treasury yield "locked in its biggest quarterly increase since the first quarter of 1994."³ Notably, in February 2026, the nonpartisan Congressional Budget Office (CBO) projected that the 10-year Treasury yield would not surpass 4.4% for at least 30 years.⁴ Your Administration did it in less than eight months.

Surging Treasury yields carry real consequences for American families.⁵ Rising Treasury yields increase mortgages, car loans, and credit cards, adding even more costs to Americans' monthly

¹ The Wall Street Journal, "See the 10-year Treasury Yield's Wild Ride on the Road to 5%," Jack Pitcher and Sam Goldfarb, September 20, 2026, <https://www.wsj.com/finance/investing/see-the-10-year-treasury-yields-wild-ride-on-the-road-to-5-22e4bbc2>.

² Reuters, "Global bond rout deepens, pushes US Treasury yields to 24-year peak," Alun John, Dhara Ranasinghe, Ankur Banerjee and Gertrude Chavez-Dreyfuss, October 1, 2026, <https://www.reuters.com/business/bonds-teeter-after-us-treasuries-worst-quarter-since-1994-2026-10-01/>; Board of Governors of the Federal Reserve System (US), Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis [DGS10], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/DGS10>.

³ Morningstar, "U.S. bond yields post biggest jump in a generation as global rout rattles investors, Christine Idzelis, September 30, 2026, <https://www.morningstar.com/news/marketwatch/20260930176/us-bond-yields-post-biggest-jump-in-a-generation-as-global-rout-rattles-investors>.

⁴ Congressional Budget Office, "Long-Term Budget Outlook Data: 2026 to 2056," February 25, 2026, <https://www.cbo.gov/publication/62044>.

⁵ NBC News, "How a 5% yield on 10-year Treasury bonds affects everyone," Rob Wile, September 15, 2026, <https://www.nbcnews.com/business/economy/yields-treasury-bonds-mortgages-rcna597893>.

budgets.⁶ Mortgage rates, for example, which closely track the Treasury yields, have surpassed 7.5 percent, up from 5.99 percent at the end of February 2026 and at its highest rate in three years.⁷ That increase adds about \$361 to the monthly payment for a typical home.⁸ President Trump's and your agenda is hitting families with the one-two punch of rising inflation and higher borrowing costs.

The surge in Treasury yields is self-inflicted and follows the Fed's decision to raise the federal funds rate by a quarter of a percentage point, driven by concerns about inflation.⁹ Annual inflation, as measured by the Personal Consumption Expenditures Index, rose from 2.8 percent in February 2026 to 3.4 percent in August.¹⁰ CBO estimates that Trump's war in Iran accounts for around 40 percent of the increase in inflation in the second quarter of this year and will continue to push up inflation into next year.¹¹ With global oil prices elevated, gasoline prices nearing \$4.40 per gallon, and diesel prices at record highs, experts expect inflation to keep climbing, and the Fed projects another rate hike by year's end.¹²

The Administration's fiscal policies are also driving up the national debt—and with it our borrowing costs—to no productive end. The One Big Beautiful Bill, signed in July 2025, adds \$4.7 trillion to the debt over a decade in service of tax cuts for the ultra-wealthy and large corporations—while cutting health care and food assistance for families.¹³ Meanwhile, the Iran war has cost taxpayers an estimated \$43.6 billion to date, according to the Pentagon.¹⁴ As debt and

⁶ The New York Times, “More U.S. Households Are Struggling Financially, Analysis Finds,” Ann Carrns, September 18, 2026, <https://www.nytimes.com/2026/09/18/your-money/household-finances-struggle.html>.

⁷ Mortgage News Daily; “Mortgage New Daily – Rate Index,” 30 Yr. Fixed, updated October 2, 2026, <https://www.mortgagenewsdaily.com/mortgage-rates/mnd>.

⁸ *Id.*; National Association of Realtors, Research and Statistics, “Latest Housing Indicators,” <https://www.nar.realtor/research-and-statistics>; Staff calculated the monthly cost by comparing the 30-year fixed-rate average: 5.99% as of February 27, 2026, and 7.57% as of October 2, 2026. The monthly principal and interest payment at each rate is calculated for a 30-year fixed loan on the typical home, defined as the median home price of \$429,100 minus a 20% down payment. The monthly cost is the difference between the two monthly payments.

⁹ Board of Governors of the Federal Reserve System, “Federal Reserve issues FOMC statement,” press release, September 16, 2026, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20260916a.htm>.

¹⁰ U.S. Bureau of Economic Analysis, “Personal Income and Outlays, August 2026,” September 30, 2026, <https://www.bea.gov/news/2026/personal-income-and-outlays-august-2026>; U.S. Bureau of Economic Analysis, “Table 2.8.4. Price Indexes for Personal Consumption Expenditures by Major Type of Product, Monthly” (accessed Wednesday, September 30, 2026), https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey&_gl=1*1g41lqp*_ga*OTYwNTI0NTYwLjE3NzYyODAwNDU.*_ga_J4698JNNFT*cze3OTA3OTAzNTEkbzUwJGcxJHQxNzkwNzkwNTg0JGo2MCRsMCRoMA..#eyJhcHBpZCI6MTksInN0ZXBzIjpBMSwyLDNdLCJkYXRhIjpBWyJjYXRlZ29yaWVzIiwU3VydmV5Il0sWyJOSVBBX1RhYmxlX0xpc3QiLCI4MCIJdXX0=.

¹¹ Congressional Budget Office, “Estimating the Cost of Combat Operations Against Iran,” September 15, 2026, p. 14, <https://www.cbo.gov/system/files/2026-09/62756-Iran.pdf>.

¹² Reuters, “Fed policymakers forecast one more rate hike this year,” Michael S. Derby, September 16, 2026, <https://www.reuters.com/business/fed-forecasts-see-latest-hike-followed-by-another-before-end-year-2026-09-16/>; AAA, “Fuel Prices,” <https://gasprices.aaa.com/>.

¹³ Committee for a Responsible Federal Budget, “OBBA Dynamic Score Comes In at \$4.7 Trillion,” March 11, 2026, <https://www.crfb.org/blogs/obbba-dynamic-score-comes-47-trillion>; Center for American Progress, “On the First Anniversary of the OBBA, Millions of Americans Have Been Left Behind,” Amina Khalique and Natasha Murphy, June 25, 2026, <https://www.americanprogress.org/article/on-the-first-anniversary-of-the-obbba-millions-of-americans-have-been-left-behind/>.

¹⁴ Associated Press, “Iran war's cost grows to \$43.6 billion in new US military estimate,” Ben Finley, September 18, 2026, <https://apnews.com/article/iran-war-costs-us-military-congress-interceptors-7541f88490d17747537ee3fdb119af8>.

economic uncertainty grow, investors demand higher returns on their holdings, pushing yields up further.

Rather than advise the President to lower costs, you have chosen to launch unprecedented and chaotic interventions in the market, apparently in hopes of stemming the damage. On August 19, 2026, the Treasury Department announced its plan to double the size of its buyback operations, in which it issues short-term Treasury bills to buy back longer dated bonds.¹⁵ There were reports that the Treasury reportedly was even considering tapping its cash on hand, maintained in the Treasury General Account at the Federal Reserve, to further increase the buybacks.¹⁶ Since then, Treasury has gone through with three rounds of these buybacks: \$5.2 billion on September 10, \$4.1 billion on September 24, and \$6 billion on October 1.¹⁷ While you asserted that the goal of these purchases was to make it easier for investors to buy and sell Treasuries, others—including your former boss—see your move as an attempt to reduce the high interest rates on longer term Treasury debt. Unfortunately, your intervention is failing.¹⁸ Indeed, bond yields rose on the days of the first two buybacks, and while they dipped on the day of the third, they climbed again the following day and remain high.¹⁹ Buybacks are not designed to lower rates, and they are financed by issuing new debt, which only adds to the pressure pushing rates higher.²⁰ Further, the administration’s casting about for various measures to reassure the markets is undermining the longstanding strategy that Treasury issuance—and buybacks—should be “regular and predictable” to keep financing costs lower over time.²¹

American families are experiencing a multi-theater war on affordability, a word that the President claims “nobody [has] ever heard [of].”²² Since the start of the Iran War, American families have paid \$56.4 billion more on gas than they would have had President Trump chosen not to attack

¹⁵ U.S. Department of the Treasury, “Treasury Announces Increased Sizes of Nominal Long-End Liquidity Support Buybacks Beginning September 9,” press release, August 19, 2026, <https://home.treasury.gov/news/press-releases/sb0607>.

¹⁶ CNBC, “Bessent could tap near \$1 trillion Treasury General Account to fund bond buybacks, sources said,” Steve Liesman, August 24, 2026, <https://www.cnbc.com/2026/08/24/bessent-1-trillion-treasury-general-account-bond-buybacks.html>.

¹⁷ NBC News, “Bond yields surge to fresh two-decade highs, but oil prices are buffeted by Iran headlines,” Steve Kopack, September 24, 2026, <https://www.nbcnews.com/business/markets/bond-yields-oil-treasury-buyback-bessent-rcna599604>; Bloomberg, “US to Buy Back Up to \$6 Billion in Longer-Dated Treasuries,” Greg Ritchie, September 23, 2026, <https://www.bloomberg.com/news/articles/2026-09-23/us-aims-to-buy-back-up-to-6-billion-in-longer-dated-treasuries>; Treasury Direct, “Buyback Announcements & Results Press Releases,” <https://www.treasurydirect.gov/auctions/announcements-data-results/buy-backs/>.

¹⁸ CNN, “The time Scott Bessent tried to outsmart the bond market,” Matt Egan, September 15, 2026, <https://www.cnn.com/2026/09/15/economy/bonds-interest-rates-scott-bessent>.

¹⁹ NBC News, “Bond yields surge to fresh two-decade highs, but oil prices are buffeted by Iran headlines,” Steve Kopack, September 24, 2026, <https://www.nbcnews.com/business/markets/bond-yields-oil-treasury-buyback-bessent-rcna599604>; U.S. Department of the Treasury, “Daily Treasury Rates,” https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve.

²⁰ Roosevelt Institute, “Why Are Treasury Yields Rising, and What Does It Mean for the Economy?,” Graham Steele, August 31, 2026, <https://rooseveltinstitute.org/blog/why-are-treasury-yields-rising-and-what-does-it-mean-for-the-economy/>.

²¹ U.S. Department of the Treasury, “Remarks by Assistant Secretary for Financial Markets Joshua Frost on Principles of U.S. Debt Management Policy,” July 11, 2024, <https://home.treasury.gov/news/press-releases/jy2460>.

²² The Atlantic, “The ‘New Word’ Trump Hates,” Idrees Kahloon, September 22, 2026, <https://www.theatlantic.com/ideas/2026/09/affordability-politics-democrats-policy/688736/>.

Iran.²³ Sky-high food prices force families to make difficult choices at the grocery store.²⁴ And with surging Treasury yields, Americans have to pay more to borrow money while they're already struggling to get by.²⁵

To help me better understand the Administration's plans to address the harm you and President Trump are inflicting on families and the financial system from skyrocketing interest rates, I request answers to the following questions no later than October 21, 2026:

1. Is the Treasury planning to draw down the Treasury General Account to expand buybacks further? If so, on what timeline? What risks does that pose to Treasury's cash position and to market liquidity?
2. What analysis has the Treasury done—including through the Bureau of Tax Analysis, Office of Economic Policy, and Office of the Secretary—on how higher yields are affecting mortgage payments, car loans, and credit card costs for American families? Provide copies of that analysis.
3. How is the Treasury ensuring lenders don't overcharge consumers at a time when the Consumer Financial Protection Bureau has been gutted?
4. What specific steps is the Treasury taking, beyond buybacks, to bring long-term yields down?
5. Will you recommend that the President end the war in Iran and pursue other policies to reduce inflation and lower costs for families? If not, what is your plan to lower costs for families?

Sincerely,

²³ Joint Economic Committee, "NEW: Americans Have Now Paid \$56.4 Billion More for Gas Since Start of Iran War," July 13, 2026, <https://www.jec.senate.gov/public/index.cfm/democrats/2026/7/new-americans-have-now-paid-56-4-billion-more-for-gas-since-start-of-iran-war>.

²⁴ The Associated Press, "Americans rewire their grocery shopping routines while digesting the biggest price jump in 50 years," Dee-Ann Durbin, Terry Tang, Maggie Scales, Sandy Guatibonza, and Hikari Mae Hida, July 25, 2026, <https://apnews.com/article/grocery-shopping-prices-food-affordability-8468c1d6532ca762bbcf17e3c7707d1>.

²⁵ The New York Times, "More U.S. Households Are Struggling Financially, Analysis Finds," Ann Carrns, September 18, 2026, <https://www.nytimes.com/2026/09/18/your-money/household-finances-struggle.html>.



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