Congress of the United States

Washington, DC 20515

October 20, 2025

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Secretary Bessent,

We write to express our growing concern with the Treasury Department's decision to intervene in Argentina's worsening currency crisis through the use of the Exchange Stabilization Fund (ESF).[1] Treasury's establishment of a $20 billion swap line to the Banco Central de la República Argentina (BCRA), the nation's central bank, and undisclosed purchase of Argentine pesos, raises profound questions about the legality, transparency, and prudence of this highly unusual intervention. The move to bailout a foreign nation with U.S. taxpayer money during an ongoing government shutdown is not only misguided but deeply inappropriate.

While the United States may have a legitimate interest in regional stability, Argentina is not a systemic risk to other countries in Latin America nor to the global economy.[2] Additionally, the BCRA still carries heavy International Monetary Fund (IMF) debt and fragile reserves.[3] A direct currency bailout of a government with Argentina's long-record of fiscal mismanagement and chronic default risks setting a dangerous precedent. The ESF was never intended to provide open-ended bailout financing for foreign governments or to purchase a foreign currency outright, particularly without clear congressional authorization or robust terms to ensure accountability.[4] A large, lightly conditioned lifeline to a serial defaulter like Argentina will encourage risk-taking by both borrowers and investors and could invite future pleas for ESF rescues.

Moreover, this strategy is already proving to be an ineffective tool for bailing out Argentine debt and begun to expose U.S. taxpayer resources to considerable loss. The Argentine peso has lost more than 27 percent of its value against the dollar this year.[5] If it continues to fall, the U.S. is very likely to take large mark-to-market losses or rollover risk on its holdings. The peso is illiquid and prone to manipulation; trading through intermediaries or directly in the FX market could amplify volatility or trigger speculative attacks.[6] Even small percentage swings in the exchange rate will translate into hundreds of millions in losses for the ESF.

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[1] Bessent, Scott [@SecScottBessent]. "Thank you for all the ongoing coordination. Look forward to continuing our work." *X (*formerly *Twitter)*, 9 Oct. 2025, 2:45pm, x.com/SecScottBessent/status/1976358303098662932

[2] Zakrzewski, Cat. "The U.S. Has Stepped in with an Extraordinary Bailout of Argentina " *CNBC*, 13 Oct. 2025, www.cnbc.com/2025/10/13/the-us-has-stepped-in-with-an-extraordinary-bailout-of-argentina-what-it-means.html.

[3] Cotterill, Joseph. "US Lifeline for Argentina Relies on IMF Backstop, Say Analysts." *Financial Times*, 9 September 2025, www.ft.com/content/75d64509-a91e-48b1-8ffa-dd08209b3926.

[4] Obstfeld, Maurice. *America's Argentina Rescue Won't Save the Peso for Long*. *Peterson Institute for International Economics (PIIE)*, 6 Oct. 2025, www.piie.com/realtime-economics/americas-argentina-rescue-wont-save-peso-long.

[5] Lynch, David J. "The U.S. Just Bailed Out Argentina, Treasury Secretary Confirms." *The Washington Post*, 9 Oct. 2025, www.washingtonpost.com/business/2025/10/09/argentina-receives-us-bailout/.

[6] Nugent, Ciara, "U.S. Treasury Intervenes in Argentina's Currency Market." *Financial Times*, 9, Oct. 2025, https://www.ft.com/content/778e4609-772b-4edd-83d2-d8915f1c4628

We are also deeply disturbed by reports showing Treasury's bailout deal resulting in Argentina's agriculture and commodity exports becoming more globally competitive—especially soybean, corn, and beef.[7] This is directly hurting U.S. farmers who are now forced to rely on emergency economic relief while creating deep trade imbalances in places like Indiana, Georgia, Iowa, and the Midwest.[8] It significantly undermines the administration's promise to put America First. The idea that our government would even consider bailing out Argentina when American farmers are struggling or American workers are not getting paid because of a shutdown is unacceptable.

Given the absence of any credible nominal anchors and a lack of transparency surrounding the economic terms and conditions for Treasury's Argentina bailout, we ask that you please provide detailed written answers to the following questions by no later than October 31, 2025.

1. What nominal anchors did Treasury require Argentina to commit to as part of the swap or peso-purchase program? If no anchor was required, please explain the rationale.
    a. How does Treasury expect Argentina to defend the peso against speculative pressure without an explicit anchor?
    b. Did Treasury require that Argentina adopt structural reforms, such as fiscal primary balance targets, monetization limits, or foreign-exchange regime adjustments? Please provide text or summary of such conditions. If not, why?

2. How much Argentine peso exposure has Treasury accumulated to date through the peso-purchase program and swap line purchases?
    a. Please provide the full-term sheet for the peso-purchase program and swap line, including interest rates, maturities, collateral requirements, amortization schedules, forgiveness or penalty clauses, and drawdown rules.
    b. Please provide the exact date and time of when these purchases executed, and through which counterparties, U.S. financial institutions or market facilities.

3. What is the notional size, tenor, and collateral structure of the $20 billion currency-swap arrangement with the Banco Central de la República Argentina (BCRA)?
    a. What specific covenants or conditionality are attached to Argentina's access, including fiscal or monetary performance triggers?
    b. What is the schedule for drawdowns, renewals, and repayments, and what interest or fee structure applies?

4. How is Treasury valuing Argentine peso collateral and marking exposures to market?
    a. What stress-testing, counterparty-credit, and foreign-exchange-risk metrics are in place to limit potential losses to the ESF?
    b. Has Treasury modeled the potential loss to the ESF if the peso depreciates by 10 percent, 25 percent, or 50 percent?

5. What coordination has occurred with the IMF and the World Bank regarding this bailout?

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[7] Anna Yeo and Henry Carnell. "Trump's Soybean-Bailout for Farmers in China and Argentina." *Mother Jones*, 6 Oct. 2025, www.motherjones.com/food/2025/10/trump-soy-bean-farmer-bailout-china-argentina/.

[8] Elizabeth Schulze, Benjamin Siegel, Aicha El Hammar Castano, and Ivan Pereira. "What to Know about the Trump Administration's $20B Bailout for Argentina." *ABC News*, 15 Oct. 2025, www.abcnews.go.com/Politics/trump-administrations-20b-bailout-argentina/story?id=126513232.

   a. Has Treasury conducted internal analyses to assess whether this action aligns—or conflicts—with existing IMF conditionality or benchmarks for Argentina?
   b. Did Treasury require that Argentina's IMF program adopt identical fiscal-reform benchmarks and timeframe? If not, how is coordination ensured?

6. Under which specific provisions of 31 U.S.C. § 5302 does Treasury assert authority for these transactions?
   a. Did Treasury seek or receive a formal legal opinion from the Office of General Counsel regarding this use of the ESF? If so, provide a summary. If not, why?
   b. Were any interagency consultations or notifications to Congress made by you or senior Treasury officials before the decision to bailout Argentina was taken?

7. What is Treasury's planned timeline and criteria for unwinding its Argentine peso holdings and terminating the swap line?
   a. Is there a sunset clause in the agreement? If so, please provide the schedule.
   b. How will Treasury handle rollover risk if Argentina fails to meet conditions for renewing the swap line or repurchase agreements?
   c. What safeguards is Treasury planning to put in place to prevent rollover dependency or a transition into a permanent facility? If none, why?

8. ESF transactions are often reported only in quarterly summaries, with limited details on timing, volume, or valuation. How will Treasury report Argentina's ESF transactions and mark-to-market changes to Congress and the public?

The American people deserve full transparency and technical clarity given the magnitude of this unprecedented intervention. Congress must equally be assured that Treasury's decision to bailout Argentina will not create undue financial exposure for U.S. taxpayers or circumvent statutory limits on foreign-exchange policy. Transparency is the minimum requirement when public funds and U.S. credibility are at stake.

We look forward to your response.

Sincerely,

David Scott

David Scott
Member of Congress

Bill Foster

Bill Foster
Member of Congress

Gregory W. Meeks

Gregory W. Meeks
Member of Congress

Brittany Pettersen
Member of Congress

Joyce Beatty
Member of Congress

Sean Casten
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Sam T. Liccardo
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Juan Vargas
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Vicente Gonzalez
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Marcy Kaptur
Member of Congress

Brad Sherman
Member of Congress
Ranking Member,
Subcommittee on Capital
Markets