

**Congress of the United States**  
**Washington, DC 20515**

June 12, 2026

The Honorable Marco Rubio  
Secretary of State  
U.S. Department of State  
2201 C Street, N.W.  
Washington, D.C. 20520

Dear Secretary Rubio:

We write to raise a concern about the Department of State's lack of compliance with the annual reporting requirement first established in 1992 under 22 U.S.C. § 2186, governing the Israel Loan Guarantee Program.

The Israel Loan Guarantee Program was later expanded in 2003 to provide an additional \$9 billion in loan guarantees for Israel. The availability of these funds have been subsequently extended through annual appropriations legislation, most recently through FY2031.

Under the law, the proceeds may be used only within the “geographic areas subject to the administration of the Government of Israel before June 5, 1967.” To enforce the prohibition of the use of the loan guarantees for settlement activity, the statute further provides that the amount of guarantees available “shall be reduced by an amount equal to the amount extended or is estimated to have extended by the Government of Israel during the previous year for activities which the President determines are inconsistent with the objectives of this section or understandings reached between the United States Government and the Government of Israel regarding the implementation of the loan program.”

To ensure congressional visibility into how that deduction mechanism is being applied, 22 U.S.C. § 2186 requires that “the President shall submit a report to Congress no later than September 30 of each fiscal year during the pendency of the program specifying the amount calculated under this subsection and that will be deducted from the amount of guarantees authorized to be issued in the next fiscal year.”

The annual reports submitted by the Department of State under this provision have not, for at least a decade, provided the specific calculated figure the statute requires. Instead, the Department's reports have contained the following language:

"The Department of State acknowledges the requirement to withhold from the total remaining loan guarantee authority an amount that will be sufficient to reflect the Government of Israel's actual and estimated expenditures for activities that are inconsistent with the objectives and understandings reached between the United States and the Government of Israel. We estimate the withholdings exceed the amount of the

overall remaining loan guarantee authority, which has been the case since December 2013."

This response does not meet the requirements of the statute. Congress did not require the Department to assert that aggregate withholdings exceed remaining authority — it required the President to specify the amount calculated, year by year. The substitution of a categorical assertion for a specific figure has deprived Congress of information it is legally entitled to receive and rendered the deduction mechanism opaque for over a decade.

The practical consequence of this opacity is significant. According to the Congressional Research Service (CRS), which relies on publicly available information, Israel had, as of 2025, issued approximately \$4.1 billion in U.S.-backed bonds under the program. After accounting for the reductions applied in FY2003 (\$289.5 million) and FY2005 (\$795.8 million), CRS has estimated that there may be approximately \$3.814 billion in remaining authority for additional bonds. However, CRS appropriately flags uncertainty about whether additional settlement-related reductions would apply to any new bond issuances under the extended program. Congress cannot evaluate that question without the specific annual figures the statute requires.

The President's FY27 budget request for the State Department includes \$3 million in Diplomatic Programs funding to increase the capacity of the State Department to manage the existing sovereign loan guarantee portfolio and issue new sovereign loan guarantees. If the administration is considering issuing new sovereign loan guarantees, including to Israel, it is essential that existing provisions in law, including the requirement to report on Israeli expenditures on settlements in the West Bank and the requirement to deduct those amounts from the loan guarantee authorities made available to Israel be followed.

In light of the foregoing, we respectfully request the following:

1. The specific dollar amount calculated pursuant to 22 U.S.C. § 2186 for each fiscal year from 2013 to the present, including the breakdown of actual versus estimated Israeli expenditures on “activities that the President determines are inconsistent with the objectives and understandings reached between the United States and the Government of Israel regarding the implementation of the program,” which has been interpreted by successive U.S. administrations to refer to Israeli expenditures on Israeli settlement construction,;
2. An explanation of the methodology to determine the dollar amounts pursuant to 22 U.S.C. § 2186 for each fiscal year from 2013 to the present;
3. A detailed description of the "objectives and understandings reached between the United States and the Government of Israel" referenced in the statute, including the dates, form, and substance of any agreements, exchanges of letters, or diplomatic understandings that constitute or inform those objectives;
4. An explanation of why the Department's annual reports have substituted a categorical assertion for the specific calculated figure the statute requires, as well as any documents


related to the decision or directives to not provide a calculated figure, and what steps the Department will take to bring future reports into compliance with 22 U.S.C. § 2186; and


5. A current accounting of the total amount of loan guarantees authorized but not yet issued under the program, including the current remaining balance after all reductions applied to date, and the Department's legal analysis of whether any future bond issuances by Israel would be subject to further reduction based on cumulative expenditures for settlement activity since FY2005.

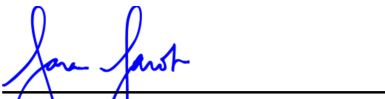
Please provide a response no later than July 1, 2026.

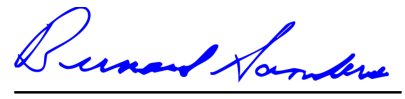
Effective congressional oversight of this program, including any future bond issuances under the extension authorized through FY2031, is not possible without the information the law requires.

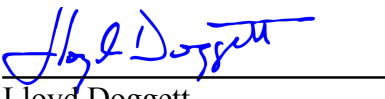
Sincerely,


  
\_\_\_\_\_  
Joaquin Castro  
Member of Congress

  
\_\_\_\_\_  
Chris Van Hollen  
United States Senator

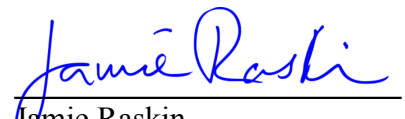
  
\_\_\_\_\_  
Sara Jacobs  
Member of Congress

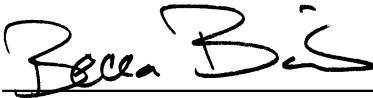
  
\_\_\_\_\_  
Bernard Sanders  
United States Senator

  
\_\_\_\_\_  
Lloyd Doggett  
Member of Congress

  
\_\_\_\_\_  
Jeffrey A. Merkley  
United States Senator

  
\_\_\_\_\_  
Greg Casar  
Member of Congress

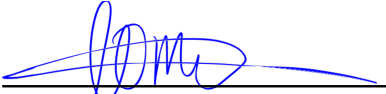
  
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Jamie Raskin  
Member of Congress



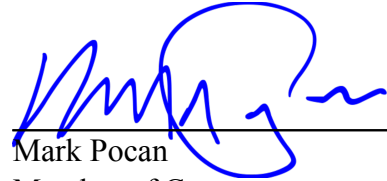
Becca Balint  
Member of Congress



Eleanor Holmes Norton  
Member of Congress



Ilhan Omar  
Member of Congress



Mark Pocan  
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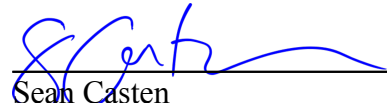
Maxine Dexter, M.D.  
Member of Congress



Delia C. Ramirez  
Member of Congress



Pramila Jayapal  
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Sean Casten  
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André Carson  
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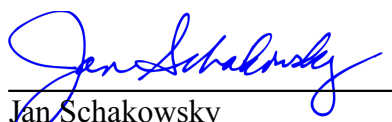
Madeleine Dean  
Member of Congress

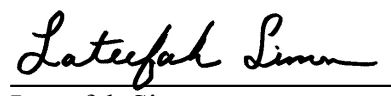


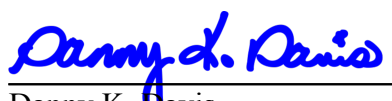
James P. McGovern  
Member of Congress





Rashida Tlaib  
Member of Congress


  
Jan Schakowsky  
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Lateefah Simon  
Member of Congress

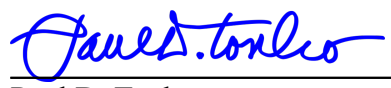
  
Danny K. Davis  
Member of Congress

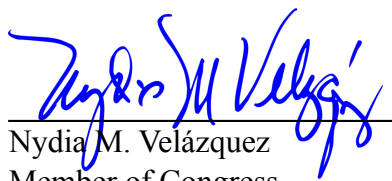
  
Veronica Escobar  
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Stephen F. Lynch  
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Adelita S. Grijalva  
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Paul D. Tonko  
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Nydia M. Velázquez  
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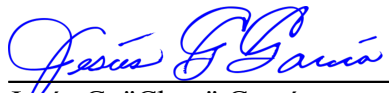
  
Val Hoyle  
Member of Congress

  
Maxine Waters  
Member of Congress

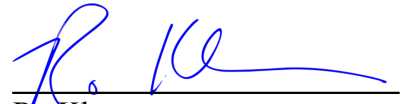
  
Jared Huffman  
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Seth Magaziner  
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Ro Khanna  
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Steve Cohen  
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Deborah K. Ross  
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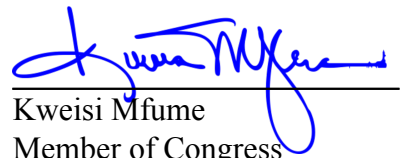
Derek T. Tran  
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Bonnie Watson Coleman  
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Chris Deluzio  
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Kweisi Mfume  
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