NEW YORK -- The U.S. may not be nearly as big an international debtor as generally thought, because official data overstate how much it owes to foreigners, a Federal Reserve study has found.

Capital-flow data may substantially overstate the amount of U.S. bonds foreigners hold, and understate the amount of foreign stocks held by U.S. investors, the paper says.

These findings "imply that the U.S. net debt position is not likely as large as official estimates indicate," wrote Francis Warnock, an economist, and Chad Cleaver, a research assistant, at the Federal Reserve Board of Governors, the authors of the study.

This "would help explain why the debt levels are not causing a big retrenchment in the valuation of the dollar," said Ethan Harris, co-chief economist for Lehman Brothers in New York.

The Fed paper finds that "if, for example, end-2000 U.S. holdings of foreign securities were underestimated by 10% and foreign holdings of U.S. securities were overestimated by 10% -- not inconceivable amounts given our analysis -- the U.S. position as a net debtor was overstated by about $600 billion, or over 30%." According to the Commerce Department, the net international investment position of the U.S. at year-end 2000 was negative $1.84 trillion, when direct investment is valued at current costs, rather than market value.

An important implication of the report is that the current-account deficit, the gap in payments for goods, services and investment income between the U.S. and the rest of the world, isn't as big as currently measured -- perhaps explaining why that deficit has failed to weaken the dollar.

Though it declined last year, the U.S. current-account gap came in at $417 billion in 2001, or 4% of gross domestic product. Part of the current-account deficit is the deficit in payments of interest and dividends to overseas investors on U.S. securities minus those received by U.S. investors on foreign securities. This number would be affected by inaccuracies in measuring securities holdings.

"If the U.S. net debt position is smaller than officially estimated, then the U.S. investment income deficit probably would also be lower than estimated," said Lou Crandall, chief economist for Wrightson Associates in New York. Reducing the net debtor position by 30% would lower the current-account deficit by about 5%, he added.

The Fed report cites the attributes of asset-backed securities as one likely reason for the overstatement of foreign purchases of U.S. debt. Many U.S. debt securities are backed by pools of loans, such as residential mortgages or credit-card receivables that are placed in trust, otherwise known as asset-backed securities. Because both the principal and interest of these securities are repaid on a regular basis, usually monthly, the amount of principal held by foreign investors also decreases regularly. "If these principal paydowns are not accurately captured in the transactions data, net purchases of asset-backed securities will be overstated," the report says.