

September 16, 2019

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steny H. Hoyer
Majority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steve J. Scalise
Minority Whip
U.S. House of Representatives
Washington, D.C. 20515

The Honorable James E. Clyburn
Majority Whip
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi, Majority Leader Hoyer, Majority Whip Clyburn, Minority Leader McCarthy, and Minority Whip Scalise:

The undersigned state banking associations representing our nation's community banks, with more than 52,000 locations, respectfully urge you to schedule floor consideration at the soonest opportunity of the Secure and Fair Enforcement Banking Act of 2019 (SAFE Banking Act, H.R. 1595) which would create a safe harbor from federal sanctions for financial institutions that serve cannabis-related businesses (CRBs) in states and other jurisdictions where cannabis is legal. Our associations represent the 11 states that have approved adult use of cannabis as well as the additional 33 states that have approved medical use. H.R. 1595 passed the Financial Services Committee on March 28 by a strong bipartisan vote of 45-15, and we believe it would pass the House with equally broad support.

The current conflict between state and federal law with regard to cannabis has created increasingly significant legal and compliance concerns for banks that wish to provide banking services to CRBs in jurisdictions where cannabis is legal. Legal and regulatory uncertainty has curtailed access to the traditional banking system for CRBs and forced them to operate mostly in cash. Cash-only businesses, especially those with a high volume of revenue, pose a significant risk to public safety.

The SAFE Banking Act would create an effective safe harbor from federal sanctions for banks that choose to serve CRBs in states and jurisdictions where these businesses are legal. Importantly, this safe harbor would extend to banks that serve the many ancillary businesses that serve CRBs such as landlords, accountants, utilities providers, and others that may be paid in funds ultimately derived from cannabis sales. These ancillary businesses may be difficult to identify in states that have legalized cannabis, and potentially create a legal and regulatory conundrum for even those banks that choose not to serve CRBs directly.

We respectfully urge you to schedule floor consideration of H.R. 1595 as soon as possible. The time to pass this critical legislation is now. Thank you for your consideration.

Sincerely,

**Alabama Bankers Association
Arkansas Community Bankers
Arizona Bankers Association
California Community Banking Network
Independent Bankers of Colorado
Florida Bankers Association
Community Bankers Association of Georgia
Community Bankers of Iowa
Idaho Bankers Association
Community Bankers Association of Illinois
Indiana Bankers Association
Community Bankers Association of Kansas
Bluegrass Community Bankers Association
Louisiana Bankers Association
Massachusetts Bankers Association, Inc.
Maryland Bankers Association
Maine Bankers Association
Community Bankers of Michigan
Independent Community Bankers of Minnesota
Missouri Independent Bankers Association
Mississippi Bankers Association
Montana Independent Bankers
North Carolina Bankers Association
Independent Community Banks of North Dakota
Nebraska Independent Community Bankers
New Hampshire Bankers Association
New Jersey Bankers Association
Independent Community Bankers Association of New Mexico
Independent Bankers Association of New York State
Community Bankers Association of Ohio
Community Bankers Association of Oklahoma
Oregon Bankers Association
Pennsylvania Association of Community Bankers
Independent Banks of South Carolina
Independent Community Bankers of South Dakota
Tennessee Bankers Association
Independent Bankers Association of Texas
Virginia Association of Community Banks
Vermont Bankers Association, Inc.
Community Bankers of Washington
Wisconsin Bankers Association
Community Bankers of West Virginia
Wyoming Bankers Association**

CC: Members of the U.S. House of Representatives