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March 18, 2021

The Honorable Ed Perlmutter
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Warren Davidson
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steve Stivers
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nydia Velázquez
U.S. House of Representatives
Washington, D.C. 20515

Dear Representatives Perlmutter, Warren, Stivers, and Velázquez:

On behalf of community banks across the country, with more than 52,000 locations, I write to thank you for introducing the Secure and Fair Enforcement Banking Act of 2021 (SAFE Banking Act). In the last Congress, the SAFE Banking Act passed the House by a broad bipartisan vote. We are pleased to reiterate ICBA's strong support for this legislation, which is essential for the ongoing ability of community banks to effectively serve their communities.

The 2020 election saw Arizona, Montana, New Jersey, and South Dakota join 12 states and the District of Columbia in fully legalizing adult recreational cannabis use. Virginia followed suit in 2021. Cannabis is legal for medical use in 36 states. As more states legalize cannabis for medical and/or recreational use, it is critically important that cannabis-related businesses (CRBs) have access to services provided by the traditional banking system.

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 a safe harbor from federal sanctions for financial institutions that serve cannabis-related businesses (CRBs) in states and other jurisdictions where cannabis is 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

The Nation's Voice for Community Banks.®

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in states that have legalized cannabis, and potentially create a legal and regulatory challenge for even those banks that choose not to serve CRBs directly.

Thank you for introducing the SAFE Banking Act of 2021. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

CC: Members of the House Committee on Financial Services

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