



FEDERAL DEPOSIT INSURANCE CORPORATION

JELENA McWILLIAMS  
CHAIRMAN

December 3, 2019

Ms. Virginia O'Neill  
Executive Vice President  
Regulatory Compliance and Policy  
American Bankers Association  
1120 Connecticut Avenue, N.W.  
Washington, D.C. 20036

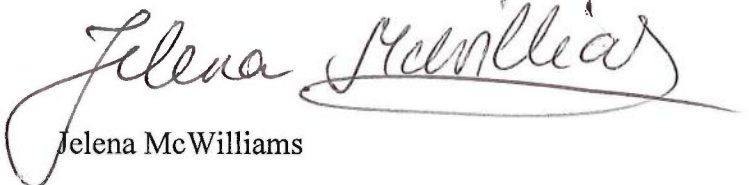
Dear Ms. O'Neill,

Thank you for your letter requesting that the Federal Deposit Insurance Corporation (FDIC) provide guidance to financial institutions looking to offer services to the growing hemp industry. The concerns you expressed in your letter are the exact concerns I have been hearing from our regulated entities both in Washington, D.C., and across the country. As noted in your letter, the Agriculture Improvement Act of 2018, Pub. L. No. 115-334 (the "2018 Farm Bill"), removed hemp (as defined in the 2018 Farm Bill) as a Schedule I controlled substance from the Controlled Substances Act. Subsequently, the U.S. Department of Agriculture released an interim final rule, effective October 31, 2019, on the establishment of a domestic hemp production program.

The FDIC, together with the Federal Reserve Board, Office of the Comptroller of the Currency, Financial Crimes Enforcement Network, and Conference of State Bank Supervisors, published a statement today clarifying the legal status of commercial growth and production of hemp and relevant requirements for banks under the Bank Secrecy Act and its implementing regulations. In addition, the FDIC has delivered presentations to bankers and examiners regarding the enactment of the 2018 Farm Bill. For example, FDIC staff discussed the changes with community bankers during the March 28, 2019 and October 10, 2019 meetings of our Advisory Committee on Community Banking.<sup>1</sup> We also conducted internal training on this topic for all commissioned bank examiners and case managers.

If you or your staff have additional questions or comments, please contact me at (202) 898-6868 or Doreen Eberley, Director, Division of Risk Management Supervision, at (202) 898-6877.

Sincerely,

  
Jelena McWilliams

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<sup>1</sup> See Advisory Committee on Community Banking meeting, March 28, 2019, available at <https://www.fdic.gov/communitybanking/2019/2019-03-28-agenda.html> and October 10, 2019, available at <https://www.fdic.gov/communitybanking/2019/2019-10-10-agenda.html>.