



July 22, 2019

Ms. Virginia O'Neill
Executive Vice President
Regulatory Compliance Policy
American Bankers Association
1120 Connecticut Ave NW
Washington, D.C. 20036

Dear Ms. O'Neill:

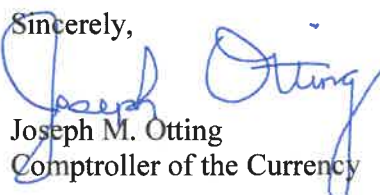
Thank you for your letter dated June 21, 2019, requesting the assistance of the Office of the Comptroller of the Currency (OCC) in providing clarity to banks regarding compliance with the Agricultural Improvement Act of 2018, which removed hemp from the Controlled Substances Act and classified it as a legal agricultural commodity. Your letter states that despite the change to federal law, banks remain uncertain about the degree to which they can provide banking services to hemp-related companies and the compliance and reporting requirements that such relationships require.

The OCC supports the institutions it supervises in providing banking services to any category of customers operating in compliance with applicable law, consistent with an institution's business plan and risk tolerance. Decisions on the provision of financial services are bank business decisions and matters of banker judgment.

In establishing and maintaining any customer relationship, OCC-supervised banks are required to identify and assess the risks associated with each customer relationship and design and implement appropriate controls to manage those risks effectively. We expect these general requirements to apply to relationships established and maintained with legal hemp farmers and producers. The OCC does not currently plan to issue guidance specific to this area because we expect OCC-supervised banks to apply their established policies, procedures and practices to legal hemp farmers and producers. However, as you noted in your letter, this is an evolving area of law and regulation and the OCC will continue to monitor this issue.

We appreciate your sharing concerns about this important matter and hope this information is helpful. If you have any questions, please do not hesitate to contact me or Ralph DeLeon, Director, Banking Relations, at (202) 649-6736.

Sincerely,


Joseph M. Otting
Comptroller of the Currency