

December 12, 2019

The Honorable Mike Crapo  
Chairman  
Committee on Banking, Housing and Urban  
Affairs  
U.S. Senate  
Washington, D.C. 20510

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing and Urban  
Affairs  
U.S. Senate  
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

As a national, diverse, multi-sector collection of broad stakeholders impacted by the legal cannabis industry in the U.S., we request that you bring the SAFE Banking Act (H.R. 1595) before the Committee. As you are aware, the House of Representatives passed SAFE on September 25<sup>th</sup> with an overwhelmingly bipartisan vote of 321 – 103. This represents the bipartisan support for the issue and the first time in history that any Congress voted on meaningful cannabis reform legislation.

Our organizations support an initial legislative step that allows the legal cannabis industry into the banking system. Ultimately, protecting law-abiding financial institutions and ancillary businesses from their currently untenable position and addressing increasing public safety concerns.

With 33 states and the District of Columbia legalizing cannabis use, a growing chorus of established and institutional American businesses face increasing risks. Accordingly, the U.S. industry and, most notably, financial institutions providing thee the infrastructure for safe marketplaces, must assume civil and in some instances, criminal liability to service state-licensed cannabis businesses and ancillary companies.

As a result, the distribution, sale, possession, research, transaction, housing, employment, and a broader landscape of cannabis is becoming increasingly problematic. Ultimately, this creates more legal and security concerns that impact the operations and safety of businesses and consumers. Finally, the lack of an available safe harbor for cannabis will continue to challenge the full adoption and deployment of the legal hemp and CBD products market in the U.S. due to the inextricable link between hemp and cannabis.

To resolve this, we urge the Committee to vote on the SAFE Banking Act or similar measures. Such measures are meant to create a safe harbor for depository institutions that provide a financial product or service to businesses in a state permitting the use of cannabis. A safe harbor will enable law enforcement and states to effectively monitor and regulate businesses while simultaneously bringing billions into the regulated banking sector.

We understand that creating a true federal regulatory framework for cannabis is a multi-step process. However, we strongly believe that the SAFE Banking Act is a critical first step to ensure that legal cannabis marketplaces are safe, legal, and transparent.

Thank you for your thoughtful, bipartisan leadership. We look forward to working with you on this increasingly important issue.

Sincerely,

American Bankers Association  
American Land & Title Association  
Americans for Prosperity  
Council of Insurance Agents and Brokers  
Credit Union National Association  
Electronic Transactions Association  
International Council of Shopping Centers  
National Association of Mutual Insurance Companies  
National Association of Professional Employer Associations  
National Association of REALTORS®  
R Street  
Wholesale & Specialty Insurance Association

CC:

Mitch McConnell, U.S. Senate Majority Leader  
Charles Schumer, U.S. Senate Minority Leader