

July 1, 2026

The Honorable John Thune
Senate Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Charles E. Schumer
Senate Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Hakeem Jeffries
House Minority Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Tim Scott
Chairman
Committee on Banking, Housing, and Urban
Affairs
United States Senate
Washington, D.C. 20510

The Honorable French Hill
Chairman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

The Honorable Elizabeth Warren
Ranking Member
Committee on Banking, Housing, and Urban
Affairs
United States Senate
Washington, D.C. 20510

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Dear Speaker Johnson, Majority Leader Thune, Minority Leaders Schumer and Jeffries, Chairmen Hill and Scott, and Ranking Members Warren and Waters:

On behalf of the American Bankers Association (ABA), I am writing to express our strong support for H.R. 9471/S. 4942, the Secure and Fair Enforcement Banking Act (SAFE Banking Act) of 2026 led by Senator Jeff Merkley (D-OR) and Rep. Dave Joyce (R-OH). This important legislation would provide important legal and regulatory clarity regarding legal marijuana proceeds. The SAFE Banking Act would address a significant challenge facing American businesses, our communities, and the banks that serve them.

The SAFE Banking Act would improve public safety, help the government combat illicit finance, and provide a critical measure of certainty in response to the evolving legal landscape by granting cannabis businesses operating in full compliance with state laws access to essential financial services. Although nearly every U.S. state has legalized marijuana in some form, the uncertain legal landscape governing the proceeds of these state-licensed businesses means these businesses frequently operate on a cash basis, outside the regulated banking system. These state-legal proceeds also flow to non-cannabis businesses and service providers, including

accountants, skilled trades, landlords, and law firms. The SAFE Banking Act would remove barriers to banking these funds, materially reducing the amount of cash moving through state-licensed cannabis businesses and service providers. That, in turn, would reduce the risk that these businesses are targeted by bad actors, thereby improving public safety in the communities where they operate.

Recent developments underscore the need for Congress to act. The evolving legal landscape governing marijuana and related products, including hemp-derived cannabidiol (CBD), has substantially increased the complexity of banking cannabis- and hemp-derived proceeds. In April, in furtherance of President Trump's Executive Order 14370, the U.S. Department of Justice rescheduled medical marijuana from Schedule I to Schedule III under the Controlled Substances Act (CSA) and initiated a new process to re-evaluate the scheduling of non-medical marijuana. At the same time, beginning this November, many CBD products and other hemp-derived products currently sold by businesses across the country will become regulated as marijuana under the CSA. As a result, the volume of marijuana-related products and state-licensed proceeds is likely to increase substantially, exacerbating potential public safety and illicit finance risks. SAFE Banking would provide needed certainty by allowing these funds to enter—or remain in—the regulated banking system.

Passing this legislation would reduce illicit finance risk and increase financial transparency for cannabis- and hemp-derived proceeds. Highly regulated banks and other financial institutions must adhere to stringent anti-money laundering and counter-terrorist financing laws and rules, conduct due diligence regarding their customers, screen transactions for suspicious activity, and keep records. Bringing these state-licensed businesses and their proceeds into the formal financial system would provide a meaningful level of transparency and accountability by enabling financial institutions to better identify and report illicit finance risk.

Regardless of how these legal and regulatory changes unfold, the bipartisan, bicameral SAFE Banking Act would establish a clear federal framework for businesses, our communities, and the banks that serve them; enable state-licensed cannabis businesses to access essential financial services; mitigate public safety risk; and help prevent and detect unlawful activity. The SAFE Banking Act has garnered strong bipartisan support in both the House and Senate. ABA urges all Members of Congress to join in cosponsoring the legislation and requests prompt consideration in both the Senate Banking and House Financial Services Committees through regular order. ABA further urges timely passage by Congress.

Sincerely,



cc: Members of the U.S. Senate
Members of the U.S. House of Representatives