

# United States Senate

WASHINGTON, DC 20510

March 28, 2018

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

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

Dear Chairman Crapo and Ranking Member Brown:

We respectfully request that you hold a legislative hearing on S. 1152, the Secure And Fair Enforcement (SAFE) Banking Act. A legislative hearing would provide members of the Senate Committee on Banking, Housing, and Urban Affairs the opportunity to question witnesses on the proposed bipartisan legislation. It would also allow for a better understanding of the current state of financial services for cannabis-related businesses, the need for legal certainty for financial institutions, and other important issues relating to financial services and the cannabis industry.

As of today, twenty-nine states, the District of Columbia and various U.S. Territories have enacted legislation allowing for either medical or adult-use of cannabis.<sup>1</sup> An additional seventeen states allow for limited medical use. Currently, financial institutions, both state- and federally-chartered, are operating under guidance issued in February 2014 by the Financial Crimes Enforcement Network (FinCEN) for cannabis related businesses.<sup>2</sup> While the February 2014 guidance offers some clarity to financial institutions that are offering financial services to cannabis businesses, these institutions are forced to operate in an uncertain legal environment.

Additionally, cannabis and cannabis-related businesses, such as landlords and security companies, have had limited access to or are locked out of the banking system, including accessing a checking account, meeting payroll and paying tax revenue, among other financial services. In an industry conducting hundreds of millions of dollars in transactions, the lack of access to financial services has forced many to operate as cash only businesses, raising concerns regarding public safety, money laundering, and other potential crimes.

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<sup>1</sup> National Conference of State Legislatures. "State Medical Marijuana Laws." *National Conference of State Legislatures*. January 22, 2018. Available at: <http://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx>

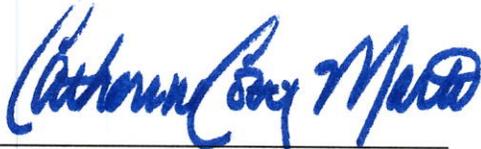
<sup>2</sup> Department of the Treasury Financial Crimes Enforcement Network. "BSA Expectations Regarding Marijuana-Related Businesses." FinCEN. February 14, 2014. Available at: <https://www.fincen.gov/sites/default/files/shared/FIN-2014-G001.pdf>

A hearing would give members the opportunity to hear directly from witnesses who have direct experience with the challenges facing the financial sector, the cannabis industry, and law enforcement. Witnesses should include representatives from the cannabis industry, financial institutions, state and federal banking regulators, and law enforcement. Recently, a bipartisan group of nineteen state attorneys general wrote a letter calling on Congress to consider legislation, such as the SAFE Banking Act, which would harmonize state and federal law regarding financial services for the cannabis industry and give law enforcement the ability to monitor these transactions, while respecting the rights of states.

Holding a legislative hearing on S. 1152, the SAFE Banking Act, would offer members of the Senate Committee of Banking, Housing, and Urban Affairs an opportunity to question witnesses who have various perspectives and experience in financial services for the cannabis industry. More than half of the states in our country allow for medical or adult-use of cannabis. As more states are considering legislation to legalize cannabis for medical and adult-use, it is critical that this Committee examine the financial sector's role in serving the growing cannabis industry.

Thank you for your consideration of our request.

Sincerely,



Catherine Cortez Masto  
United States Senator



Cory Gardner  
United States Senator



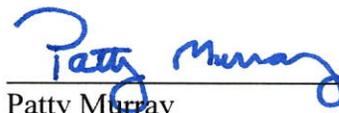
Jeffrey A. Merkley  
United States Senator



Lisa Murkowski  
United States Senator



Brian Schatz  
United States Senator



Patty Murray  
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Michael F. Bennet  
United States Senator