

December 2, 2021

The Honorable Chuck Schumer
Majority Leader
United States Senate
Room S-221, The Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Room S-230, The Capitol
Washington, DC 20510

The Honorable Jack Reed
Chairman
Senate Armed Services
728 Hart Senate Office Building
Washington, DC 20510

The Honorable James Inhofe
Ranking Member
Senate Armed Services
205 Russell Senate Office Building
Washington, DC 20510

The Honorable Sherrod Brown
Chairman
Banking, Housing, & Urban Affairs
503 Hart Senate Office Building
Washington, DC 20510

The Honorable Pat Toomey
Ranking Member
Banking, Housing, & Urban Affairs
455 Dirksen Senate Office Building
Washington, DC 20510

Dear Senators Schumer, McConnell, Reed, Inhofe, Brown and Toomey:

On behalf of the members of the American Bankers Association (ABA) and the undersigned state bankers associations, which represent banks of all sizes from every state in the country, we write to ask you to include the Secure and Fair Enforcement Banking Act, (“SAFE Banking”) in the forthcoming National Defense Authorization Act (“NDAA”). As you know, this provision was approved by voice vote in the House of Representatives’ version of the NDAA that passed in September by a vote of 316-113.

The SAFE Banking Act is an urgently needed bipartisan legislative solution to allow banks to handle the proceeds from state-licensed cannabis businesses. Federal law prevents banks from banking cannabis businesses, as well as the ancillary businesses that provide them with goods and services, without fear of federal sanctions. As a result, this industry is operating primarily in cash, which causes significant public safety concerns and undermines the ability of cannabis regulators, tax collectors, law enforcement and national security organizations to monitor the industry effectively.

The SAFE Banking Act does not change the status of cannabis under federal law and does not authorize its use by members of the military. This legislation is a narrowly tailored solution designed to bring this growing industry into the regulated banking system and provide much-needed visibility into its financial activity. Financial institutions adhere to stringent anti-money laundering and counter-terrorist financing reporting requirements, as well as monitor accounts

for suspicious activity. The increased transparency that would come from processing transactions through bank accounts instead of all cash would ensure that regulators and law enforcement have the necessary tools to identify bad actors and remove them from the marketplace.

The inability of the state-licensed cannabis industry to access safe and regulated financial services is a pressing concern for so many of our nation's communities and the banks that serve them. With state-licensed cannabis businesses currently operating in 36 states and more states weighing legalization, we urge you to include the SAFE Banking Act in NDAA to address these critical issues as quickly as possible.

Sincerely,

American Bankers Association
Alabama Bankers Association
Alaska Bankers Association
Arizona Bankers Association
Arkansas Bankers Association
California Bankers Association
Colorado Bankers Association
Connecticut Bankers Association
Delaware Bankers Association
Florida Bankers Association
Georgia Bankers Association
Hawaii Bankers Association
Idaho Bankers Association
Illinois Bankers Association
Indiana Bankers Association
Iowa Bankers Association
Kansas Bankers Association
Kentucky Bankers Association
Louisiana Bankers Association
Maine Bankers Association
Maryland Bankers Association
Massachusetts Bankers Association
Michigan Bankers Association
Minnesota Bankers Association
Mississippi Bankers Association
Missouri Bankers Association
Montana Bankers Association
Nebraska Bankers Association
Nevada Bankers Association
New Hampshire Bankers Association
New Jersey Bankers Association

New Mexico Bankers Association
New York Bankers Association
North Carolina Bankers Association
North Dakota Bankers Association
Ohio Bankers League
Oklahoma Bankers Association
Oregon Bankers Association
Pennsylvania Bankers Association
Puerto Rico Bankers Association
Rhode Island Bankers Association
South Carolina Bankers Association
South Dakota Bankers Association
Tennessee Bankers Association
Texas Bankers Association
Utah Bankers Association
Vermont Bankers Association
Virginia Bankers Association
Washington Bankers Association
West Virginia Bankers Association
Wisconsin Bankers Association
Wyoming Bankers Association