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April 16, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Republican Leader McCarthy:

On behalf of community banks across the country, with more than 52,000 locations, I write to thank you for scheduling House floor consideration of the Secure and Fair Enforcement Banking Act of 2021 (SAFE Banking Act, H.R. 1996), bipartisan legislation introduced by Representatives Ed Perlmutter, Steve Stivers, Warren Davidson, and Nydia Velázquez to create a safe harbor from federal sanctions for financial institutions that serve cannabis-related businesses (CRBs) in states and other jurisdictions where cannabis is legal.

ICBA is proud to be the first national banking trade association to endorse the SAFE Banking Act in 2018. In the last Congress, the SAFE Banking Act passed the House by a broad bipartisan vote. We are pleased to reiterate ICBA's strong support for this legislation, which is essential for the ongoing ability of community banks to effectively serve their communities. **ICBA urges all members of Congress to vote YES on H.R. 1996 when it comes before the House.**

The 2020 election saw Arizona, Montana, New Jersey, and South Dakota join 12 states and the District of Columbia in fully legalizing adult recreational cannabis use. Virginia, New York State, and New Mexico have followed suit in 2021. Cannabis is legal for medical use in 36 states. As more states legalize cannabis for medical and/or recreational use, it is critically important that cannabis-related businesses (CRBs) have access to services provided by the traditional banking system.

The current conflict between state and federal law with regard to cannabis has created increasingly significant legal and compliance concerns for banks that wish to provide banking services to CRBs in jurisdictions where cannabis is legal. Legal and regulatory uncertainty has curtailed access to the traditional banking system for CRBs and forced them to operate mostly in cash. Cash-only businesses, especially those with a high volume of revenue, pose a significant risk to public safety.

The Nation's Voice for Community Banks.®

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The SAFE Banking Act would create a safe harbor from federal sanctions for financial institutions that serve cannabis-related businesses (CRBs) in states and other jurisdictions where cannabis is legal. Importantly, this safe harbor would extend to banks that serve the many ancillary businesses that serve CRBs such as landlords, accountants, utilities providers, and others that may be paid in funds ultimately derived from cannabis sales. These ancillary businesses may be difficult to identify in states that have legalized cannabis, and potentially create a legal and regulatory challenge for even those banks that choose not to serve CRBs directly.

Thank you for scheduling floor consideration of the SAFE Banking Act of 2021. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

CC: Members of the U.S. House of Representatives

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