



July 13, 2022

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy,

On behalf of the Credit Union National Association (CUNA), Independent Community Bankers of America (ICBA), National Association of Federally-Insured Credit Unions (NAFCU), and the American Bankers Association (ABA) we are writing regarding proposed amendments to H.R. 7900, the FY 2023 National Defense Authorization Act.

Secure and Fair Enforcement (SAFE) Banking Act

Our associations support amendment #107, authored by Representatives Perlmutter (CO), Velázquez (NY), Davidson (OH), Blumenauer (OR), Joyce (OH), and Lee (CA), which would add the SAFE Banking Act to H.R. 7900.

In recent years, as various states have legalized cannabis for medicinal and recreational use, participants in the market have sought out financial institutions to provide safe and affordable financial services. In recent years, 36 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands have approved medical marijuana and other cannabis programs.

We take no position on legalizing or decriminalizing medicinal or recreational cannabis at either the state or federal level. However, financial institutions operating in states where it is legal have business and individuals involved in the cannabis market who need access to traditional depository and lending services, the absence of which creates a significant public safety issue.

Additionally, even those financial institutions that choose not to bank the cannabis industry risk unknowingly serving cannabis businesses in states where cannabis is legal. Indirect connections are often difficult to identify and avoid because, like any other industry, those offering cannabis-related services work with vendors and suppliers. Under current law, a financial institution that does business with any one of these indirectly affiliated entities could unknowingly violate federal law.

The SAFE Banking Act puts in place necessary protections to bring revenue from state-sanctioned cannabis businesses into the financial services mainstream. Legal cannabis businesses would no longer be forced to deal exclusively in cash, which makes them vulnerable to violent robbery and puts customers, employees, and the public at risk. The SAFE Banking Act will help keep our communities safe.

Remote Online Notarization

Our associations also support amendment #543, authored by Representatives Dean (PA), Armstrong (ND), Perlmutter (CO), Reschenthaler (PA), and Escobar (TX), which would add the SECURE Notarization Act to H.R. 7900.



Financial transactions are often complicated and rely on the trust of both parties. Notarization requirements help ensure that these transactions are properly executed and validate the individuals presenting themselves as parties to the transaction.

While several federal regulations require documents to be notarized, notary laws and regulations are generally governed at the state level. However, given the fact that many of the notary requirements emanate from Federal law, we believe it is in the public interest to have a national standard permitting remote online notarization (RON). Nationwide use of RON will create expanded access to notarization, particularly for underserved communities, as well as afford consumers time and flexibility to review documents and proceed when they are ready to sign.

Changes in business practices and consumer behaviors as a result of COVID-19 have created technological solutions and innovations that should be reflected in public policy. Congress should pass amendment #543 to allow financial institutions to adopt these changes which consumers have become accustomed to and found workable in their daily lives.

Conclusion

On behalf of America’s financial institutions, we encourage the adoption of Amendment #107 by Representative Perlmutter (CO) and Amendment #543 by Representative Dean (PA) to H.R. 7900, the National Defense Authorization Act (NDAA) for Fiscal Year 2023. These are both commonsense proposals with broad bipartisan support and are in the best interest of America’s small businesses and communities.

Sincerely,

Jim Nussle
President & CEO
Credit Union National Association

Rebeca Romero Rainey
President & CEO
Independent Community Bankers of America

B. Dan Berger
President & CEO
National Association of Federally-Insured Credit Unions

Rob Nichols
President & CEO
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