



**COMMONWEALTH OF PENNSYLVANIA**  
**DEPARTMENT OF BANKING AND SECURITIES**

April 11, 2019

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232 U.S. Capitol  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
S-230 U.S. Capitol  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
H-204 U.S. Capitol  
Washington, D.C. 20515

The Honorable Charles Schumer  
Democratic Leader  
U.S. Senate  
S-221 U.S. Capitol  
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As state banking supervisors, we are responsible for ensuring the safety and soundness of state-chartered banks, and state-chartered credit unions in many jurisdictions. Banks and credit unions provide access to credit and serve an important role in civil society and in their communities. Many state banking supervisors also regulate money transmitters and nondepository financial companies, some of which have been providing services to marijuana businesses in the absence of traditional financial institutions.

The 116<sup>th</sup> Congress has a unique opportunity to address a significant conflict between federal and state law by addressing the issue of state legalization of marijuana and its relationship with the financial services industry. As of January 1, 2019, medical marijuana is available in 33 jurisdictions, representing 67% of the country's population. Nearly a dozen states have established adult-use marijuana programs and more states are likely to establish similar programs.

The marijuana related businesses in these jurisdictions are licensed and overseen by competent and skilled state agencies. These agencies prohibit illicit acquisition of marijuana products or unsatisfactory operational processes and maintain standards for entities involved in the growing, processing, and dispensing.

These business entities, however, still face challenges establishing and maintaining stable banking relationships with financial institutions because of the risks posed to the institutions.

Barriers for financial institutions to serve marijuana and ancillary businesses creates a commercial risk from the lack of robust and comprehensive regulation and supervision and a diminished ability to identify operators acting to circumvent federal and state licensing and regulatory frameworks. This raises concerns with respect to tracking the flow of funds, issues of public safety because of cash volume, and a loss of economic activity, workforce development and community development opportunities.

While there are unresolved and differing opinions concerning marijuana policy, at the state and federal level, banking services availability has bipartisan support and is agnostic about the other issues pertaining to marijuana.

It is incumbent on Congress to resolve the conflict between state cannabis programs and federal statutes that effectively create unnecessary risk for banks seeking to operate in this space. The looming threat of civil actions, forfeiture of assets, reputational risk, and criminal penalties is not conducive to a legal, regulated marketplace. While Congress has taken some action, such as the Rohrabacher amendment prohibiting federal funds being used to inhibit state medical marijuana programs, this is an impermanent approach to an issue that requires a permanent resolution.

We urge Congress to consider legislation that creates a safe harbor for financial institutions to serve state-compliant businesses or entrusts sovereign states with the full oversight and jurisdiction of marijuana-related activity. Establishing a safe harbor for banks to serve these entities would help reduce the risk associated with large cash-and-carry operations and bring the safeguards, activities, and sales associated with this business into the regulatory reporting compliance framework.

We must work together to look for solutions in this rapidly changing new policy landscape.



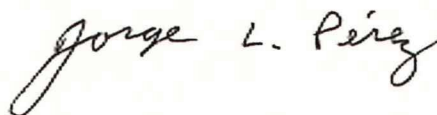
Robin Wiessmann  
Secretary  
Pennsylvania Department of Banking and  
Securities



Kenneth Boldt  
Acting Bank Commissioner  
Colorado Division of Banking



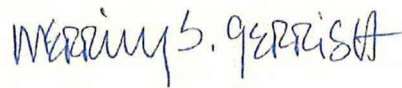
Patrice Walsh  
Director  
Alaska Division of Banking and Securities



Jorge L. Perez  
Commissioner  
Connecticut Department of Banking



Kevin B. Hagler  
Commissioner  
Georgia Department of Banking and Finance



Merrily S. Gerrish  
Acting Commissioner  
Massachusetts Division of Banks



Iris Ikeda  
Commissioner of Financial Institutions  
Hawaii Department of Commerce and  
Consumer Affairs



Anita G. Fox  
Director  
Michigan Department of Insurance and  
Financial Services



John Ducrest  
Commissioner  
Louisiana Office of Financial Institutions



Steve Kelly  
Commissioner  
Minnesota Department of Commerce

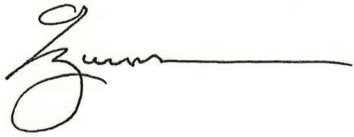


Lloyd P. LaFountain III  
Superintendent  
Maine Bureau of Financial Institutions



Melanie Hall  
Commissioner  
Montana Division of Banking and Financial  
Institutions





George E. Burns  
Commissioner  
Nevada Financial Institutions Division  
Department of Business and Industry



Linda A. Lacewell  
Acting Superintendent  
New York State Department of Financial  
Services



Marlene Caride  
Commissioner  
New Jersey Department of Banking and  
Insurance



Lise Kruse  
Commissioner  
North Dakota Department of Financial  
Institutions



Marguerite Salazar  
Superintendent  
New Mexico Regulation and Licensing  
Department



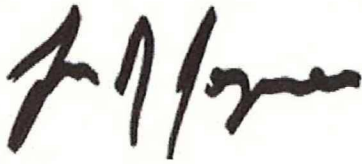
Mick Thompson  
Commissioner  
Oklahoma State Banking Department



Christopher Moya  
Director  
New Mexico Financial Institutions Division



Andrew R. Stolfi  
Administrator  
Oregon Division of Financial Regulation




George R. Joyner  
Commissioner  
Puerto Rico Office of the Commissioner of  
Financial Institutions



Dawn E. Holstein  
Commissioner  
West Virginia Division of Financial  
Institutions



G. Edward Leary  
Commissioner  
Utah Department of Financial Institutions



Kathy Blumenfeld  
Secretary  
Wisconsin Department of Financial Institutions



Charles Clark  
Director  
Washington Department of Financial  
Institutions