



April 20, 2022

Dear Senators Brown and Portman,

On behalf of the Ohio Bankers League and the Ohio Credit Union League, we are writing in support of the House-passed language in the COMPETES Act that includes H.R. 1996, the Secure and Fair Enforcement (SAFE) Banking Act of 2021. These provisions aim to address the challenges of providing financial services to the legal Ohio cannabis and cannabis-related industry, and we respectfully request that you include them in the final conference report.

Cannabis became legally available to purchase for medicinal use in Ohio in January 2019. Since then, state regulators announced that medical marijuana dispensaries have sold 87,598 pounds of product, totaling nearly \$762 million.¹ Those numbers do not even include the ancillary businesses that violate federal law by providing goods, services, or real estate to cannabis businesses and consequently put their own access to banking services at risk. Cannabis businesses, which are legally permitted under Ohio law, are forced to handle increasingly large amounts of cash because of their exclusion from the banking system.

Cash intensive businesses are difficult to monitor for compliance with tax laws or irregular financial activity and are ripe targets for violent crime. These businesses will be safer and better regulated if they are permitted to use the banking system, which would increase the transparency and accountability of the industry and better protect our communities. Such an expansive movement of hard currency puts Ohio's communities in an unnecessary public safety situation, as dispensaries continue to be targets for criminals. In Washington state, for example, 65 incidents of armed robberies have already occurred this year, some unfortunately leading to loss of life.²

Only Congress can resolve the divide between state and federal law. Without a change in federal law, neither the federal banking agencies nor state governments can remove the legal restrictions on providing banking services to cannabis-related businesses. The SAFE Banking Act of 2021 takes the important first step toward allowing cannabis-related businesses to legally access financial services and the electronic banking system.

The SAFE Banking Act has passed the U.S. House of Representatives with bi-partisan support six separate times. When attached as an amendment to the COMPETES Act, this language passed the House by a bipartisan vote of 222-210. There is robust support for this legislation, and we ask you to include it in the final conference report.

The SAFE Banking Act of 2021 offers narrowly targeted federal protections for financial institutions accepting deposits, extending credit, or providing payment services to individuals or businesses engaged in cannabis-related commerce in states where such activity is legal. The Act also provides safe harbor protections, so long as financial institutions are compliant with all other applicable laws and regulations. The Act will help Ohio's banks and credit unions navigate the difficult regulatory conundrum surrounding cannabis banking. We appreciate your careful consideration and look forward to further dialogue on this critical issue.

Sincerely,

Michael J. Adelman
President & CEO, Ohio Bankers League

Paul L. Mercer
President, Ohio Credit Union League

¹ <https://medicalmarijuana.ohio.gov/Documents/ProgramUpdate/program%20update.pdf>

² <https://www.usatoday.com/story/money/business/2022/03/26/pot-shop-robberies-washington-us/7155149001/?gnt-cfr=1>