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Proposed U.S. Federal Cannabis Legislation: Briefing on the SAFE Act and STATES Act

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Cannabis legislation for banking is now getting more serious attention, as it should. On Wednesday, February 13, the Consumer Protection and Financial Institutions Subcommittee of the House Committee on Financial Services will convene a hearing entitled, "Challenges and Solutions: Access to Banking Services for Cannabis-Related Businesses." The hearing follows Chairwoman Maxine Waters' remarks in November that "it's inevitable we are going to have to talk about" banking the cannabis sector. Its timing is almost five years to the day after the Department of Justice and the Financial Crimes Enforcement Network issued guidance regarding financial transactions in connection with cannabis-related activities. Our visual memorandum is a briefing on the two bills—the Secure and Fair Enforcement Banking Act (the SAFE Act) and the Strengthening the Tenth Amendment Through Entrusting States Act (the STATES Act)—that would reform federal law on this issue and are likely to surface in the hearing. As we explain in the memorandum, and as the *American Banker* noted in 2017, the risks and challenges apply not just to the small number of banks that directly bank the cannabis sector but also concern the vast majority of banking organizations that are consciously avoiding the sector.

Read the full update

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