

March 19, 2021



**AMERICANS FOR  
PROSPERITY**

Dear Member of Congress,

On behalf of Americans for Prosperity and the millions of American individuals, families, and business owners it represents, I write in support of the reintroduction of the Secure and Fair Enforcement (SAFE) Banking Act sponsored by Representatives Perlmutter, Velázquez, Stivers and Davidson and its Senate companion sponsored by Senators Merkley and Daines. The SAFE Banking Act will ensure access to financial services for legitimate cannabis-related businesses and service providers, so that these entrepreneurs can avoid top-down barriers, succeed in the marketplace, and contribute to economic recovery.

Obtaining a loan and accessing capital is often the first step taken by families, entrepreneurs, farmers, and business owners trying to make their dreams a reality. Burdensome financial regulations can constrain the flow of capital, create enormous paperwork and transaction costs, and unnecessarily penalize risk-taking. These regulations disproportionately impact lower-income individuals, small banks and businesses, and start-ups.

With multiple states legalizing cannabis use, American financial institutions face unnecessary barriers to providing access to capital for cannabis-related businesses. Currently, the federal government creates market-limiting risk and civil or criminal liability for state-licensed cannabis-related businesses, ancillary companies, and their financial institutions. Congress needs to recognize the economic opportunities generated by state-compliant cannabis businesses, with a total economic impact approaching \$100 billion. Without access to banks and basic financial services, these businesses are limited in their ability save, write checks, pay taxes, acquire loans, or accept credit cards. The SAFE Banking Act resolves conflicts between state and federal policy by expressly allowing these companies to bank their legitimate revenue and facilitate access to critical financial and investment services for this growing industry. Importantly, allowing marijuana and hemp businesses to use the banking system will also provide an immediate public safety benefit by reducing these businesses' risk of robbery and other potential crimes while complying with state law.

Finally, the lack of an available safe harbor for cannabis will continue to challenge the full adoption and deployment of the legal hemp and CBD products market in the U.S. due to the inextricable link between hemp and cannabis. The SAFE Banking Act would remove these barriers by extending the bill's safe harbor for providing financial services to businesses connected to hemp, hemp-derived CBD products, and other hemp-derived cannabinoid products and that are operating according to the legal status provided under the Agriculture Improvement Act of 2018.

We appreciate the reintroduction of the SAFE Banking Act, and look forward to working with your office toward its swift enactment.

Sincerely,

A handwritten signature in black ink that reads "Brent Gardner".

**Brent Gardner**

Chief Government Affairs Officer, Americans for Prosperity