

March 24, 2021

The Honorable Ed Perlmutter  
House of Representatives  
Washington, DC 20515

The Honorable Nydia Velázquez  
House of Representatives  
Washington, DC 20515

The Honorable Steve Stivers  
House of Representatives  
Washington, DC 20515

The Honorable Warren Davidson  
House of Representatives  
Washington, DC 20515

The Honorable Jeff Merkley  
U.S. Senate  
Washington, DC 20510

The Honorable Steve Daines  
U.S. Senate  
Washington, DC 20510

Dear Representatives Perlmutter, Velázquez, Stivers, and Davidson and Senators Merkley and Daines:

On behalf of the members of the Electronic Transactions Association (ETA), I am writing in support of the bipartisan Secure and Fair Enforcement Banking Act of 2021 (SAFE Banking Act). We appreciate your leadership on addressing the conflict between federal and state laws to allow states that have legalized medical or recreational use of cannabis to bring that commerce into the banking system.

ETA is the leading trade association for the payments technology industry, representing over 500 companies that offer electronic transaction processing products and services. ETA's members include financial institutions, mobile payment service providers, payment processors, mobile wallet providers, and non-bank online lenders that make commercial loans, primarily to small businesses, either directly or in partnership with other lenders. ETA member companies are creating innovative offerings in financial services, revolutionizing the way commerce is conducted with secure, convenient, and rewarding payment solutions and lending alternatives – employing millions of Americans and enabling over \$22 trillion in payments in 2019.

Forty-seven states, four U.S. territories, and the District of Columbia have legalized some form of recreational or medical cannabis, including CBD. Yet current law restricts legitimate licensed cannabis businesses from accessing financial industry services and products, resulting in businesses operating in all cash — posing a serious public safety risk for communities.

The conflict between state and federal laws forces businesses to operate on a cash-only basis and has created significant legal and compliance concerns for financial institutions that wish to provide banking services to cannabis related businesses in states where it is currently legal. The SAFE Banking Act would allow legitimate cannabis businesses to access the safety and security of the banking ecosystem in states that have legalized cannabis. This legislation is an important step toward enabling financial services for cannabis-related businesses. By directing FinCEN and the federal banking regulators to issue for financial institutions doing business with cannabis-related legitimate businesses. Having access to the banking system makes it easier for businesses to track revenues for taxation purposes, decreases a public safety threat as cash intensive

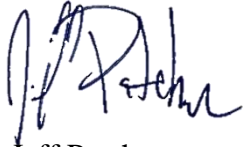


businesses are often targets for criminal activity, and allows proper tracking of finances for BSA/AML compliance.

ETA takes no position on the legalization or decriminalizing cannabis at the state or federal level for medicinal or recreational uses. However, ETA does support legislation that would resolve the conflict between state and federal laws to allow financial institutions to serve cannabis related businesses in states where these businesses are legal under state law.

ETA is pleased to support the SAFE Banking and urges Congress to quickly consider this important issue. If you have any questions, please contact me or ETA's Senior Vice President of Government Affairs, Scott Talbott at [stalbott@electron.org](mailto:stalbott@electron.org).

Sincerely,



Jeff Patchen  
Manager of Government Affairs  
Electronic Transactions Association

