

November 7, 2019

Senator Mike Crapo  
Chairman  
Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, DC 20510

Senator Sherrod Brown  
Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Brown:

Hemp businesses in Maine face banking access issues that threaten the viability of their operations. They need our help. I urge you to mark up the House-passed SAFE Banking Act (H.R.1595) and report this important legislation out of the Committee on Banking, Housing, and Urban Affairs speedily so that our hemp businesses can obtain the financial services they require.

A lack of federal banking regulation in response to hemp's federal legalization has left financial institutions without a firm legal basis for providing services to hemp-related businesses. As you know, the 2018 Farm Bill removed hemp from the list of controlled substances. Yet, federal banking regulators have not promulgated regulations to provide financial institutions with the guidance that they need to handle hemp funds in a legally sound way. USDA hemp regulations released on October 31 also do not provide the type of meaningful instruction that banks and insurance companies need before they can serve hemp businesses.

People like Taryn and Ben Marcus, who own Sheepscoot General Farm in Whitefield, Maine, have suffered due to the lack of hemp banking regulation. Taryn and Ben are hemp farmers who have done everything right. They applied for and received licenses from the State of Maine; they researched the best growing practices; they bought state-approved seeds; they actively marketed their crop; and they grew legal hemp successfully.

Due to a lack of federal regulation regarding hemp banking, however, Taryn and Ben have lost access to financial services. Their bank recently closed Sheepscoot General Farm's account and called its \$12,000 equipment loan. Additionally, their insurance company canceled the policy that covered the farm, general store, and the Marcus home.

Now, left without financing or an ability to insure against loss, Ben and Taryn, who, in Taryn's words, "tiptoed out of the dark woods of prohibition, guided by our elected officials," feel as

though they have been blindsided and are unjustly at risk of losing the legal livelihood that they worked hard to build. The House-passed SAFE Banking Act would require banking regulators to issue guidance on hemp to financial institutions. With such guidance in hand, banks, credit unions, and insurance companies could offer financial services to small businesspeople like Taryn and Ben in a legally sound way.

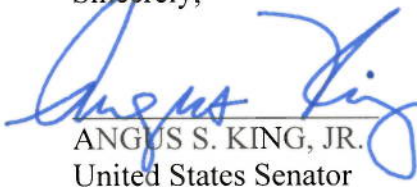
In addition to helping small businesspeople like the Marcuses, the SAFE Banking Act has earned my support for a reason that is implicit in its title: it will make our communities safer. Like you, I champion the reduction of crime. By enabling hemp and cannabis businesses to access the financial system through passage of H.R.1595, Congress will protect financial institutions from engaging in illegal transactions, and will safeguard our communities against the crime that follows cash. Many small bankers and credit union employees in Maine fear that their institutions could face drug trafficking or money laundering charges for banking hemp or cannabis funds, even given their good-faith attempts to turn away such deposits.

The potential for crime has increased as large amounts of cash, generated by businesses that many states, including Maine, deem legal, sit in our communities, unable to enter the banking system. Even Secretary Mnuchin has indicated that Treasury would rather not receive tax payments in cash. Cash tax payments have forced the IRS to build special cash rooms for cannabis businesses that are unable to make electronic tax payments.

Our constituents deserve the security that passage of the House's SAFE Banking Act would provide. We owe hardworking owners of legal small businesses like Taryn and Ben Marcus the opportunity to protect their investments and to obtain financing that all other small businesspeople have.

Our colleagues and I are eager to debate the SAFE Banking Act on the Senate floor. I urge you to mark up H.R.1595 immediately, and I also urge you to report the bill soon so that the full Senate can consider and vote on it. Thank you for your consideration.

Sincerely,



ANGUS S. KING, JR.  
United States Senator