

United States Senate

October 17, 2019

The Honorable Kenneth Blanco
Director
Financial Crimes Enforcement Network
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Director Blanco:

I write today to urge the Financial Crimes Enforcement Network (FinCEN) to update its hemp-related guidance to comply with federal law. The Agriculture Improvement Act of 2018 removed hemp from the list of Schedule I controlled substances nearly a year ago, and yet FinCEN regulations remain unchanged. Montana farmers are legally permitted to grow hemp, so I urge you to immediately provide them with equitable access to the U.S. financial system.

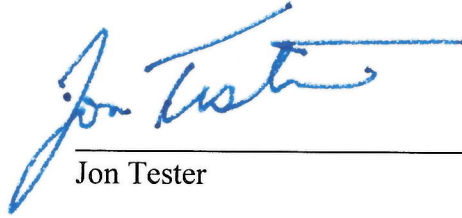
Montana leads the nation in hemp production, planting more than 40,000 acres in 2019. Yet, as producers pioneer a new crop, they are shut out of the banks that they have worked with for generations. I am hearing from folks across Montana that their banks will not accept funds related to hemp farming, fearing enforcement action from their regulators. Especially as most farmers are harvesting their very first hemp crop, it is absolutely unacceptable to deny legally available services to those who need them.

According to your organization, FinCEN is currently considering the merits and scope of hemp regulations, and has been for the past six months. You suggested that a U.S. Department of Agriculture (USDA) federal hemp plan is integral to comprehensive regulatory guidance, and yet FinCEN trails behind other federal regulators. In August, the National Credit Union Administration announced that it will now provide financial services to legally operating hemp businesses and farmers. The Fiscal Year 2020 Senate Appropriations bill directs the Farm Credit Service to bank hemp. FinCEN is among the last of the regulators to uphold its duty to implement the law as it is written. As such, I request a written response to the following questions:

- What prevents FinCEN from providing hemp guidance for states that have approved plans under the 2014 Farm Bill?
- Will FinCEN issue interim guidance for hemp producers and businesses who are operating legally, and when should producers currently legally producing hemp expect access to their bank?
- What is your recommendation for rural bank customers who do not have access to multiple financial institutions when they are unable to cash legal checks at their bank?

I appreciate your consideration of my questions, and your timely response. I stand ready to work with FinCEN to cut red tape for hemp farmers and businesses, and immediately implement the 2018 Farm Bill hemp provisions. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon Tester", is written over a horizontal line.

Jon Tester