

United States Senate

May 15, 2019

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

Dear Director Blanco:

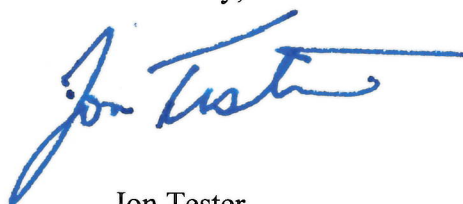
I write today to urge the Financial Crimes Enforcement Network (FinCEN) to expedite necessary regulatory changes to align your department's guidance on banking cannabis products with Section 10113 of the Agriculture Improvement Act of 2018. Section 10113 removes hemp from the list of Schedule I controlled substances and paves the way the production of industrial hemp. Growing hemp is an important economic opportunity for our nation's farmers that are dealing with low commodity prices and financial hardships as a result of the current trade war. That's why it is critically important to swiftly remove red tape holding back the hemp industry.

Previous FinCEN guidance restricts financial institutions from various transactions with cannabis-related businesses. This guidance requires financial institutions who engage with cannabis-related businesses to conduct oversight of cannabis customers to ensure laws are not being violated. This is leading to uncertainty in the banking industry about what types of businesses and products are bankable. From a practical standpoint, this guidance prevents financial institutions from providing everyday services to hemp producers. Services like checking and savings accounts on hemp earnings or operating loans for hemp operations. It can force hemp producers to make financial transactions with cash, which creates safety and security problems for businesses owners. It also creates issues for state departments of revenue, who deal with producers paying taxes in cash.

Producers in Montana are having difficulty banking and accessing capital due to a lack of federal policy clarity on financial institutions. Congress ended this era of uncertainty on banking hemp by fully removing hemp from the Controlled Substance list when it passed the 2018 Farm Bill. To ensure Montana producers fully benefit from Congress's actions, it is critically important to expeditiously update your hemp policies.

I look forward to working with you on this issue to ensure that we remove barriers to capital for small businesses in rural America. Thank you for your consideration.

Sincerely,



Jon Tester