



NATIONAL  
ASSOCIATION of  
REALTORS®

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U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

On behalf of the more than 1.3 million members of the National Association of REALTORS® (NAR) and its affiliate, the Institute of Real Estate Management (IREM), I urge you to pass H.R. 1595, the “Secure and Fair Enforcement (SAFE) Banking Act of 2019,” when it is considered on the House floor this week. This bipartisan bill, introduced by Representatives Ed Perlmutter (D-CO) and Steve Stivers (R-OH), provides a clear framework for cannabis businesses to access financial services. As more states legalize cannabis use, the industry continues to rapidly grow, with more than \$10 billion in sales and \$1 billion in state tax revenue already recorded. However, barriers preventing these state-legal businesses from accessing federally-insured banks can impede their ability to grow while raising safety issues in their communities.

Thirty-three states have legalized cannabis for medical or recreational use, a number that is expected to rise over the coming years. Despite this, current federal law prevents banks from working with cannabis businesses or ancillary businesses that provide them with goods and services – including real estate professionals who have cannabis business owners as their clients. As a result, those states are struggling to address significant challenges to public safety and the regulatory compliance issues that arise with cash-only businesses.

The SAFE Banking Act takes an important step toward enabling financial services for legitimate cannabis-related businesses by specifying that their proceeds will not be considered unlawful under federal money laundering laws, thus allowing these businesses access to federally-insured banking institutions. Further, it directs the Financial Crimes Enforcement Network (FinCEN) and federal banking regulators to issue guidance and exam procedures for banks working with cannabis businesses. As the legal state-cannabis industry grows, the connections to other types of industries – including real estate – will grow as well. The SAFE Banking Act not only gives the industry equal footing with other businesses, enabling it to continue to expand and stimulate the economy, but also provides oversight and improves financial transparency.

State-legal cannabis businesses require real estate – farmland, warehouses, and storefronts – creating multiple contacts to other industries and businesses, each of which is affected by current laws keeping their money out of the bank system. The SAFE Banking Act provides clarity for business owners, banks, and regulators in the cannabis industry while promoting safety and ensuring further growth within the U.S. economy.

REALTORS® thank you for your diligent work to help provide access and clarity to legitimate businesses in those states that have legalized cannabis, which in turn will boost economic growth in real estate and other industries around the country.

Sincerely,

John Smaby  
2019 President, National Association of REALTORS®



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