

March 18, 2021

Charlie Oppler
2021 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

Shannon McGahn
Chief Advocacy Officer

The Honorable Ed Perlmutter
U.S. House of Representatives
1226 Longworth House Office Building
Washington, DC 20515

The Honorable Nydia M. Velázquez
U.S. House of Representatives
2302 Rayburn House Office Building
Washington, DC 20515

The Honorable Steve Stivers
U.S. House of Representatives
2234 Rayburn House Office Building
Washington, DC 20515

The Honorable Warren Davidson
U.S. House of Representatives
2113 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Perlmutter, Stivers, Velázquez, and Davidson:

On behalf of the 1.4 million members of the National Association of REALTORS® (NAR) and its affiliate, the Institute of Real Estate Management (IREM), thank you for introducing the “Secure and Fair Enforcement (SAFE) Banking Act of 2021.” This bipartisan bill 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, the barriers keeping these state-legal businesses from accessing federally-insured banks can impede their ability to grow while raising safety issues in their communities.

Thirty-six states have legalized cannabis for medical or recreational use, a number that is expected to continue to go up in the coming years. Despite this, current federal law prevents federally-insured banks from working with cannabis businesses, as well as 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.



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 to 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,

A handwritten signature in black ink, appearing to read "Charlie Oppler", with a long horizontal flourish extending to the right.

Charlie Oppler
2021 President, National Association of REALTORS®