



Jim Nussle
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December 17, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

On behalf of America's credit unions, I am writing in support of S. 3032, the Strengthening the Tenth Amendment Through Entrusting States (STATES) Act of 2018, the text of which has been filed as an amendment to S. 756, the *FIRST STEP Act*, currently pending on the floor of the Senate. The Credit Union National Association (CUNA) represents America's credit unions and their 110 million members.

CUNA supports this amendment which would clarify the federal treatment of marijuana in states where it is legal, and permit credit unions in those states to safely serve their members' related financial needs. The legislation would provide credit unions and other financial institutions accepting deposits from, extending credit or providing payment services to an individual or business engaged in marijuana-related commerce in states where such activity is legal with appropriate legal protections, so long as they are compliant with all other applicable laws and regulations. Furthermore, the legislation makes clear that compliant financial transactions do not constitute trafficking or result in proceeds of an unlawful transaction, providing additional clarity to credit unions and the members they serve. This is a reasonable and sound approach.

Credit unions exist to serve the financial services needs of their members, but the disparate treatment of production, distribution, sale and use of marijuana under federal law and some state laws has discouraged them from providing services to businesses throughout the supply chain in states where marijuana is legal. In recent years, as various states have legalized marijuana for medicinal and recreational use, participants in the market have sought out credit unions to provide safe and affordable financial services. Medicinal marijuana is presently legal in 29 states, Puerto Rico, and Guam; recreational marijuana is legal in nine states and the District of Columbia; and decriminalized in eighteen states.

We take no position on the morality or wisdom of legalizing or decriminalizing medicinal or recreational marijuana at either the state or federal level. However, credit unions operating in states where marijuana is legal have members and member businesses involved in the marijuana market who need access to traditional depository and lending services, the absence of which creates a significant public safety issue.

On behalf of America's credit unions, we encourage you to act on this important amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle", is written over a printed name and title.

Jim Nussle
President & CEO

