

Congress of the United States
Washington, DC 20515

March 5, 2014

The Honorable Janet Yellen
Chair
Board of Governors of the Federal Reserve
20th Street and Constitution Ave, NW
Washington, DC 20551

Dear Chair Yellen,

We write you to follow up on the urgent task of bringing legal and licensed marijuana businesses into the banking system.

Last fall, your agency (along with the other functional supervisory banking regulators) indicated it would be premature to take action on this issue until the Department of Justice (DOJ) and Financial Crimes Enforcement Network (FinCEN) agreed on an approach to applying anti-money laundering provisions under the Bank Secrecy Act. In a letter to legislators on November 18, 2013 your agencies wrote, "Once the Justice Department and FinCEN agree on an approach, the Agencies will be able to consider whether guidance would be appropriate."

On February 14, 2014 the DOJ and FinCEN jointly issued guidance creating a framework to enable licensed and regulated marijuana businesses to access the banking system. In their words, the guidance "should enhance the availability of financial services for, and the financial transparency of, marijuana-related businesses."

In order for these goals to be achieved, it is critically important the Federal Reserve Board and Regional Federal Reserve Banks implement this guidance and ensure your on-site examiners fully comply with the new standards. Fed-member Banks need to have confidence they can provide banking services to legitimate marijuana businesses without threat their regulators will penalize them, threaten their deposit insurance, increase their capital requirements or force them to close accounts or stop providing services.

To date, 20 states and the District of Columbia have legalized certain marijuana-related activity. We believe these legitimate businesses should have equal access to banking services as other licensed businesses. Our states adopted robust regulatory regimes, but without access to the banking system, these businesses must operate on an all-cash basis, with the persistent threat of crime that accompanies large concentrations of cash.

If regulated institutions fully comply with the new expectations consistent with their anti-money-laundering obligations as outlined by FinCEN and DOJ (which include enhanced customer due diligence, know-your-customer requirements and Suspicious Activity Reporting requirements), this industry does not pose a "safety and soundness" concern to the United States economy.

We thank you for your continued attention and efforts to address this pressing issue.

Sincerely,



Ed Perlmutter
Member of Congress



Denny Heck
Member of Congress



Earl Blumenauer
Member of Congress



Barbara Lee
Member of Congress



Sam Farr
Member of Congress



Eric Swalwell
Member of Congress



George Miller
Member of Congress



Jim Moran
Member of Congress



Adam Smith
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Jared Polis
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Suzan DelBene
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Steve Cohen
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Beto O'Rourke
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Derek Kilmer
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Jim McDermott

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