

Cooperative Credit Union Association

Creating Cooperative Power

April 4, 2019

The Honorable Elizabeth Warren
United States Senate
309 Hart Senate Office Building
Washington, DC 20510

BY EMAIL

Dear Senator Warren:

On behalf of the member credit unions of the Cooperative Credit Union Association, Inc. (“Association”), I write in support of a bill introduced by you with Senator Cory Gardner on states’ rights relative to marijuana legalization, entitled the *Strengthening the Tenth Amendment through Entrusting States*, or the *STATES Act*. The Association is the state trade association representing credit unions located in the states of Delaware, Massachusetts, New Hampshire and Rhode Island, serving approximately 175 credit unions which further serve approximately 4.4 million consumer members.

In 2016, Massachusetts approved the legalization of marijuana for recreational use. Legislation legalizing marijuana for recreational use or setting up a system for the regulation of recreational marijuana is currently being considered by the state legislatures in New Hampshire and Rhode Island. Measures to alleviate and amend certain marijuana penalties remain pending in Delaware. Delaware, Massachusetts, New Hampshire, and Rhode Island all allow for medical marijuana use. From the time the progress of state legalization has begun, credit unions have received requests for services in a consistent and increasing amount and have been sought out as a preferred local provider of banking services for these new and growing businesses. Our history illuminates the credit union mission to step in when others step out and serving the needs of marijuana related businesses in our local communities is simply the latest in this chapter.

The Association is supportive of your bill and there is much about this narrowly designed proposal that is laudable. First, we firmly believe that the bill strikes a careful balance between federal and state governance on marijuana enforcement. The Association has held the longstanding position that states should function as their own laboratories of democracy. As the proud home of the first state credit union law in the country in Massachusetts, and the home of the first credit union in the country in New Hampshire, the local community of Association credit unions has long recognized the importance of credit unions and the promotion of consumer choice through a cooperative, not-for-profit, financial alternative. This bill continues these founding principles and represents a step in the right direction aimed at removing barriers to state legalization efforts.

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Cooperative Credit Union Association, Inc.

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The Honorable Elizabeth Warren
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Page 2

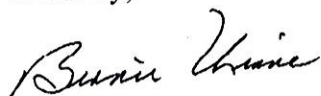
It is important to note that this bill does not legalize marijuana nationally but allows each state to determine its legality. In addition, the bill reserves a state's independence to make the final decision as to what is appropriate in their state. This proposal would protect Association-member states as well as any current or future cannabis-legal state from federal prosecution. It recognizes that if states move forward on emerging issues, such as medical marijuana, recreational marijuana, and others, that such activity will be lawfully and legally carried out. As such, you have appropriately titled the legislation "the STATES Act."

Most importantly, the measure expressly lifts restrictions that prevent member credit unions from providing quality banking services to the emerging legal marijuana industry which is currently either without financial services and/or clearly underserved. It also provides the framework for a safe and sound banking system. Your proposed legislation will help credit unions open the welcome door to both businesses and consumers as their volunteer boards of directors may determine to be appropriate to meet the financial services needs of those most in need.

Finally, the Association notes that similar legislation, H.R. 1595, the *Secure and Fair Enforcement (SAFE) Banking Act*, introduced by Congressmen Ed Perlmutter and Denny Heck, was recently approved by the House Financial Services Committee and will now move to a full floor vote. The legislation, co-sponsored by Massachusetts Congressmen James McGovern, Katherine Clark, Seth Moulton, Richard Neal, and Ayanna Pressley, New Hampshire Congressmen Chris Pappas and Ann Kuster, and Rhode Island Congressman David Cicilline, is narrower in scope and would provide credit unions and other financial institutions with a safe harbor for doing business with marijuana-related businesses where such activity is legal. The Association is supportive of any measure which will allow local credit unions to serve and provide financial services to their communities where marijuana may be legal.

Your action has distinguished your advocacy in introducing this bill as a leader, not only on behalf of your credit union constituents and the financial services industry, but on behalf of all consumers, as this is the first substantive bill on the issue presented in the Senate. Association member states have been on the forefront of moving marijuana legalization and its regulatory scheme forward. You have consistently been at the side of credit unions in this debate, heard and understood our needs and acted with a true commitment to assist in compliance with law and improvements to access to banking services by marijuana businesses. The Association applauds your leadership and commitment to fighting for consumer choice and consumer confidence in banking.

Sincerely,



John B. Winne
Interim CEO

JBW/mabc/kb