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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

To create protections for financial institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. PERLMUTTER introduced the following bill; which was referred to the
Committee on _____

A BILL

To create protections for financial institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Secure And Fair Enforcement Banking Act of 2021” or
6 the “SAFE Banking Act of 2021”.

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

- Sec. 1. Short title; table of contents; purpose.
- Sec. 2. Safe harbor for depository institutions.
- Sec. 3. Protections for ancillary businesses.
- Sec. 4. Protections under Federal law.
- Sec. 5. Rules of construction.
- Sec. 6. Requirements for filing suspicious activity reports.
- Sec. 7. Guidance and examination procedures.
- Sec. 8. Annual diversity and inclusion report.
- Sec. 9. GAO study on diversity and inclusion.
- Sec. 10. GAO study on effectiveness of certain reports on finding certain persons.
- Sec. 11. Application of this Act with respect to hemp-related legitimate businesses and hemp-related service providers.
- Sec. 12. Banking services for hemp-related legitimate businesses and hemp-related service providers.
- Sec. 13. Requirements for deposit account termination requests and orders.
- Sec. 14. Definitions.

3 (c) PURPOSE.—The purpose of this Act is to increase
4 public safety by ensuring access to financial services to
5 cannabis-related legitimate businesses and service pro-
6 viders and reducing the amount of cash at such busi-
7 nesses.

8 **SEC. 2. SAFE HARBOR FOR DEPOSITORY INSTITUTIONS.**

9 (a) IN GENERAL.—A Federal banking regulator may
10 not—

11 (1) terminate or limit the deposit insur-
12 ance or share insurance of a depository institu-
13 tion under the Federal Deposit Insurance Act
14 (12 U.S.C. 1811 et seq.), the Federal Credit
15 Union Act (12 U.S.C. 1751 et seq.), or take
16 any other adverse action against a depository
17 institution under section 8 of the Federal De-

1 posit Insurance Act (12 U.S.C. 1818) solely be-
2 cause the depository institution provides or has
3 provided financial services to a cannabis-related
4 legitimate business or service provider;

5 (2) prohibit, penalize, or otherwise discour-
6 age a depository institution from providing fi-
7 nancial services to a cannabis-related legitimate
8 business or service provider or to a State, polit-
9 ical subdivision of a State, or Indian Tribe that
10 exercises jurisdiction over cannabis-related le-
11 gitimate businesses;

12 (3) recommend, incentivize, or encourage a
13 depository institution not to offer financial serv-
14 ices to an account holder, or to downgrade or
15 cancel the financial services offered to an ac-
16 count holder solely because—

17 (A) the account holder is a cannabis-
18 related legitimate business or service pro-
19 vider, or is an employee, owner, or oper-
20 ator of a cannabis-related legitimate busi-
21 ness or service provider;

22 (B) the account holder later becomes
23 an employee, owner, or operator of a can-
24 nabis-related legitimate business or service
25 provider; or

1 (C) the depository institution was not
2 aware that the account holder is an em-
3 ployee, owner, or operator of a cannabis-re-
4 lated legitimate business or service pro-
5 vider;

6 (4) take any adverse or corrective super-
7 visory action on a loan made to—

8 (A) a cannabis-related legitimate busi-
9 ness or service provider, solely because the
10 business is a cannabis-related legitimate
11 business or service provider;

12 (B) an employee, owner, or operator
13 of a cannabis-related legitimate business or
14 service provider, solely because the em-
15 ployee, owner, or operator is employed by,
16 owns, or operates a cannabis-related legiti-
17 mate business or service provider, as appli-
18 cable; or

19 (C) an owner or operator of real es-
20 tate or equipment that is leased to a can-
21 nabis-related legitimate business or service
22 provider, solely because the owner or oper-
23 ator of the real estate or equipment leased
24 the equipment or real estate to a cannabis-

1 related legitimate business or service pro-
2 vider, as applicable; or

3 (5) prohibit or penalize a depository insti-
4 tution (or entity performing a financial service
5 for or in association with a depository institu-
6 tion) for, or otherwise discourage a depository
7 institution (or entity performing a financial
8 service for or in association with a depository
9 institution) from, engaging in a financial service
10 for a cannabis-related legitimate business or
11 service provider.

12 (b) **SAFE HARBOR APPLICABLE TO DE NOVO INSTI-**
13 **TUTIONS.**—Subsection (a) shall apply to an institution ap-
14 plying for a depository institution charter to the same ex-
15 tent as such subsection applies to a depository institution.

16 **SEC. 3. PROTECTIONS FOR ANCILLARY BUSINESSES.**

17 For the purposes of sections 1956 and 1957 of title
18 18, United States Code, and all other provisions of Fed-
19 eral law, the proceeds from a transaction involving activi-
20 ties of a cannabis-related legitimate business or service
21 provider shall not be considered proceeds from an unlawful
22 activity solely because—

23 (1) the transaction involves proceeds from a
24 cannabis-related legitimate business or service pro-
25 vider; or

1 (2) the transaction involves proceeds from—

2 (A) cannabis-related activities described in
3 section 14(4)(B) conducted by a cannabis-re-
4 lated legitimate business; or

5 (B) activities described in section
6 14(13)(A) conducted by a service provider.

7 **SEC. 4. PROTECTIONS UNDER FEDERAL LAW.**

8 (a) IN GENERAL.—With respect to providing a finan-
9 cial service to a cannabis-related legitimate business
10 (where such cannabis-related legitimate business operates
11 within a State, political subdivision of a State, or Indian
12 country that allows the cultivation, production, manufac-
13 ture, sale, transportation, display, dispensing, distribution,
14 or purchase of cannabis pursuant to a law or regulation
15 of such State, political subdivision, or Indian Tribe that
16 has jurisdiction over the Indian country, as applicable) or
17 a service provider (wherever located), a depository institu-
18 tion, entity performing a financial service for or in associa-
19 tion with a depository institution, or insurer that provides
20 a financial service to a cannabis-related legitimate busi-
21 ness or service provider, and the officers, directors, and
22 employees of that depository institution, entity, or insurer
23 may not be held liable pursuant to any Federal law or
24 regulation—

1 (1) solely for providing such a financial service;

2 or

3 (2) for further investing any income derived

4 from such a financial service.

5 (b) PROTECTIONS FOR FEDERAL RESERVE BANKS
6 AND FEDERAL HOME LOAN BANKS.—With respect to
7 providing a service to a depository institution that pro-
8 vides a financial service to a cannabis-related legitimate
9 business (where such cannabis-related legitimate business
10 operates within a State, political subdivision of a State,
11 or Indian country that allows the cultivation, production,
12 manufacture, sale, transportation, display, dispensing, dis-
13 tribution, or purchase of cannabis pursuant to a law or
14 regulation of such State, political subdivision, or Indian
15 Tribe that has jurisdiction over the Indian country, as ap-
16 plicable) or service provider (wherever located), a Federal
17 reserve bank or Federal Home Loan Bank, and the offi-
18 cers, directors, and employees of the Federal reserve bank
19 or Federal Home Loan Bank, may not be held liable pur-
20 suant to any Federal law or regulation—

21 (1) solely for providing such a service; or

22 (2) for further investing any income derived

23 from such a service.

24 (c) PROTECTIONS FOR INSURERS.—With respect to
25 engaging in the business of insurance within a State, polit-

1 ical subdivision of a State, or Indian country that allows
2 the cultivation, production, manufacture, sale, transpor-
3 tation, display, dispensing, distribution, or purchase of
4 cannabis pursuant to a law or regulation of such State,
5 political subdivision, or Indian Tribe that has jurisdiction
6 over the Indian country, as applicable, an insurer that en-
7 gages in the business of insurance with a cannabis-related
8 legitimate business or service provider or who otherwise
9 engages with a person in a transaction permissible under
10 State law related to cannabis, and the officers, directors,
11 and employees of that insurer may not be held liable pur-
12 suant to any Federal law or regulation—

13 (1) solely for engaging in the business of insur-
14 ance; or

15 (2) for further investing any income derived
16 from the business of insurance.

17 (d) FORFEITURE.—

18 (1) DEPOSITORY INSTITUTIONS.—A depository
19 institution that has a legal interest in the collateral
20 for a loan or another financial service provided to an
21 owner, employee, or operator of a cannabis-related
22 legitimate business or service provider, or to an
23 owner or operator of real estate or equipment that
24 is leased or sold to a cannabis-related legitimate
25 business or service provider, shall not be subject to

1 criminal, civil, or administrative forfeiture of that
2 legal interest pursuant to any Federal law for pro-
3 viding such loan or other financial service.

4 (2) FEDERAL RESERVE BANKS AND FEDERAL
5 HOME LOAN BANKS.—A Federal reserve bank or
6 Federal Home Loan Bank that has a legal interest
7 in the collateral for a loan or another financial serv-
8 ice provided to a depository institution that provides
9 a financial service to a cannabis-related legitimate
10 business or service provider, or to an owner or oper-
11 ator of real estate or equipment that is leased or
12 sold to a cannabis-related legitimate business or
13 service provider, shall not be subject to criminal,
14 civil, or administrative forfeiture of that legal inter-
15 est pursuant to any Federal law for providing such
16 loan or other financial service.

17 **SEC. 5. RULES OF CONSTRUCTION.**

18 (a) NO REQUIREMENT TO PROVIDE FINANCIAL
19 SERVICES.—Nothing in this Act shall require a depository
20 institution, entity performing a financial service for or in
21 association with a depository institution, or insurer to pro-
22 vide financial services to a cannabis-related legitimate
23 business, service provider, or any other business.

24 (b) GENERAL EXAMINATION, SUPERVISORY, AND
25 ENFORCEMENT AUTHORITY.—Nothing in this Act may be

1 construed in any way as limiting or otherwise restricting
2 the general examination, supervisory, and enforcement au-
3 thority of the Federal banking regulators, provided that
4 the basis for any supervisory or enforcement action is not
5 the provision of financial services to a cannabis-related le-
6 gitimate business or service provider.

7 (c) BUSINESS OF INSURANCE.—Nothing in this Act
8 shall interfere with the regulation of the business of insur-
9 ance in accordance with the Act of March 9, 1945 (59
10 Stat. 33, chapter 20; 15 U.S.C. 1011 et seq.) (commonly
11 known as the “McCarran-Ferguson Act”) and the Dodd-
12 Frank Wall Street Reform and Consumer Protection Act
13 (12 U.S.C. 5301 et seq.).

14 **SEC. 6. REQUIREMENTS FOR FILING SUSPICIOUS ACTIVITY**
15 **REPORTS.**

16 Section 5318(g) of title 31, United States Code, is
17 amended by adding at the end the following:

18 “(5) REQUIREMENTS FOR CANNABIS-RELATED
19 LEGITIMATE BUSINESSES.—

20 “(A) IN GENERAL.—With respect to a fi-
21 nancial institution or any director, officer, em-
22 ployee, or agent of a financial institution that
23 reports a suspicious transaction pursuant to
24 this subsection, if the reason for the report re-
25 lates to a cannabis-related legitimate business

1 or service provider, the report shall comply with
2 appropriate guidance issued by the Financial
3 Crimes Enforcement Network. Not later than
4 the end of the 180-day period beginning on the
5 date of enactment of this paragraph, the Sec-
6 retary shall update the February 14, 2014,
7 guidance titled ‘BSA Expectations Regarding
8 Marijuana-Related Businesses’ (FIN–2014–
9 G001) to ensure that the guidance is consistent
10 with the purpose and intent of the SAFE
11 Banking Act of 2021 and does not significantly
12 inhibit the provision of financial services to a
13 cannabis-related legitimate business or service
14 provider in a State, political subdivision of a
15 State, or Indian country that has allowed the
16 cultivation, production, manufacture, transpor-
17 tation, display, dispensing, distribution, sale, or
18 purchase of cannabis pursuant to law or regula-
19 tion of such State, political subdivision, or In-
20 dian Tribe that has jurisdiction over the Indian
21 country.

22 “(B) DEFINITIONS.—For purposes of this
23 paragraph:

24 “(i) CANNABIS.—The term ‘cannabis’
25 has the meaning given the term ‘mari-

1 huana’ in section 102 of the Controlled
2 Substances Act (21 U.S.C. 802).

3 “(ii) CANNABIS-RELATED LEGITIMATE
4 BUSINESS.—The term ‘cannabis-related le-
5 gitimate business’ has the meaning given
6 that term in section 14 of the SAFE
7 Banking Act of 2021.

8 “(iii) INDIAN COUNTRY.—The term
9 ‘Indian country’ has the meaning given
10 that term in section 1151 of title 18.

11 “(iv) INDIAN TRIBE.—The term ‘In-
12 dian Tribe’ has the meaning given that
13 term in section 102 of the Federally Rec-
14 ognized Indian Tribe List Act of 1994 (25
15 U.S.C. 479a).

16 “(v) FINANCIAL SERVICE.—The term
17 ‘financial service’ has the meaning given
18 that term in section 14 of the SAFE
19 Banking Act of 2021.

20 “(vi) SERVICE PROVIDER.—The term
21 ‘service provider’ has the meaning given
22 that term in section 14 of the SAFE
23 Banking Act of 2021.

24 “(vii) STATE.—The term ‘State’
25 means each of the several States, the Dis-

1 trict of Columbia, the Commonwealth of
2 Puerto Rico, and any territory or posses-
3 sion of the United States.”.

4 **SEC. 7. GUIDANCE AND EXAMINATION PROCEDURES.**

5 Not later than 180 days after the date of enactment
6 of this Act, the Financial Institutions Examination Coun-
7 cil shall develop uniform guidance and examination proce-
8 dures for depository institutions that provide financial
9 services to cannabis-related legitimate businesses and
10 service providers.

11 **SEC. 8. ANNUAL DIVERSITY AND INCLUSION REPORT.**

12 The Federal banking regulators shall issue an annual
13 report to Congress containing—

14 (1) information and data on the availability of
15 access to financial services for minority-owned and
16 women-owned cannabis-related legitimate businesses;
17 and

18 (2) any regulatory or legislative recommenda-
19 tions for expanding access to financial services for
20 minority-owned and women-owned cannabis-related
21 legitimate businesses.

22 **SEC. 9. GAO STUDY ON DIVERSITY AND INCLUSION.**

23 (a) STUDY.—The Comptroller General of the United
24 States shall carry out a study on the barriers to market-
25 place entry, including in the licensing process, and the ac-

1 cess to financial services for potential and existing minor-
2 ity-owned and women-owned cannabis-related legitimate
3 businesses.

4 (b) REPORT.—The Comptroller General shall issue a
5 report to the Congress—

6 (1) containing all findings and determinations
7 made in carrying out the study required under sub-
8 section (a); and

9 (2) containing any regulatory or legislative rec-
10 ommendations for removing barriers to marketplace
11 entry, including in the licensing process, and ex-
12 panding access to financial services for potential and
13 existing minority-owned and women-owned cannabis-
14 related legitimate businesses.

15 **SEC. 10. GAO STUDY ON EFFECTIVENESS OF CERTAIN RE-**
16 **PORTS ON FINDING CERTAIN PERSONS.**

17 Not later than 2 years after the date of the enact-
18 ment of this Act, the Comptroller General of the United
19 States shall carry out a study on the effectiveness of re-
20 ports on suspicious transactions filed pursuant to section
21 5318(g) of title 31, United States Code, at finding individ-
22 uals or organizations suspected or known to be engaged
23 with transnational criminal organizations and whether any
24 such engagement exists in a State, political subdivision,
25 or Indian Tribe that has jurisdiction over Indian country

1 that allows the cultivation, production, manufacture, sale,
2 transportation, display, dispensing, distribution, or pur-
3 chase of cannabis. The study shall examine reports on sus-
4 picious transactions as follows:

5 (1) During the period of 2014 until the date of
6 the enactment of this Act, reports relating to mari-
7 juana-related businesses.

8 (2) During the 1-year period after date of the
9 enactment of this Act, reports relating to cannabis-
10 related legitimate businesses.

11 **SEC. 11. APPLICATION OF THIS ACT WITH RESPECT TO**
12 **HEMP-RELATED LEGITIMATE BUSINESSES**
13 **AND HEMP-RELATED SERVICE PROVIDERS.**

14 (a) IN GENERAL.—The provisions of this Act (other
15 than sections 6 and 10) shall apply with respect to hemp-
16 related legitimate businesses and hemp-related service pro-
17 viders in the same manner as such provisions apply with
18 respect to cannabis-related legitimate businesses and serv-
19 ice providers.

20 (b) DEFINITIONS.—In this section:

21 (1) CBD.—The term “CBD” means
22 cannabidiol.

23 (2) HEMP.—The term “hemp” has the meaning
24 given that term under section 297A of the Agricul-
25 tural Marketing Act of 1946 (7 U.S.C. 1639o).

1 (3) HEMP-RELATED LEGITIMATE BUSINESS.—

2 The term “hemp-related legitimate business” means
3 a manufacturer, producer, or any person or company
4 that—

5 (A) engages in any activity described in
6 subparagraph (B) in conformity with the Agri-
7 cultural Improvement Act of 2018 (Public Law
8 115–334) and the regulations issued to imple-
9 ment such Act by the Department of Agri-
10 culture, where applicable, and the law of a
11 State or political subdivision thereof or Indian
12 Tribe; and

13 (B) participates in any business or orga-
14 nized activity that involves handling hemp,
15 hemp-derived CBD products, and other hemp-
16 derived cannabinoid products, including culti-
17 vating, producing, extracting, manufacturing,
18 selling, transporting, displaying, dispensing, dis-
19 tributing, or purchasing hemp, hemp-derived
20 CBD products, and other hemp-derived
21 cannabinoid products.

22 (4) HEMP-RELATED SERVICE PROVIDER.—The
23 term “hemp-related service provider”—

24 (A) means a business, organization, or
25 other person that—

1 (i) sells goods or services to a hemp-
2 related legitimate business; or

3 (ii) provides any business services, in-
4 cluding the sale or lease of real or any
5 other property, legal or other licensed serv-
6 ices, or any other ancillary service, relating
7 to hemp, hemp-derived CBD products, or
8 other hemp-derived cannabinoid products;
9 and

10 (B) does not include a business, organiza-
11 tion, or other person that participates in any
12 business or organized activity that involves han-
13 dling hemp, hemp-derived CBD products, or
14 other hemp-derived cannabinoid products, in-
15 cluding cultivating, producing, manufacturing,
16 selling, transporting, displaying, dispensing, dis-
17 tributing, or purchasing hemp, hemp-derived
18 CBD products, and other hemp-derived
19 cannabinoid products.

20 **SEC. 12. BANKING SERVICES FOR HEMP-RELATED LEGITI-**
21 **MATE BUSINESSES AND HEMP-RELATED**
22 **SERVICE PROVIDERS.**

23 (a) FINDINGS.—The Congress finds that—

24 (1) the Agriculture Improvement Act of 2018
25 (Public Law 115–334) legalized hemp by removing

1 it from the definition of “marihuana” under the
2 Controlled Substances Act;

3 (2) despite the legalization of hemp, some hemp
4 businesses (including producers, manufacturers, and
5 retailers) continue to have difficulty gaining access
6 to banking products and services; and

7 (3) businesses involved in the sale of hemp-de-
8 rived CBD products are particularly affected, due to
9 confusion about the legal status of such products.

10 (b) FEDERAL BANKING REGULATORS’ HEMP BANK-
11 ING GUIDANCE.—Not later than the end of the 90-day pe-
12 riod beginning on the date of enactment of this Act, the
13 Federal banking regulators shall update their existing
14 guidance, as applicable, regarding the provision of finan-
15 cial services to hemp-related legitimate businesses and
16 hemp-related service providers to address—

17 (1) compliance with financial institutions’ exist-
18 ing obligations under Federal laws and imple-
19 menting regulations determined relevant by the Fed-
20 eral banking regulators, including subchapter II of
21 chapter 53 of title 31, United States Code, and its
22 implementing regulation in conformity with this Act
23 and the Department of Agriculture’s rules regulating
24 domestic hemp production (7 C.F.R. 990); and

1 (2) best practices for financial institutions to
2 follow when providing financial services, including
3 processing payments, to hemp-related legitimate
4 businesses and hemp-related service providers.

5 (c) DEFINITIONS.—In this section:

6 (1) FINANCIAL INSTITUTION.—The term “fi-
7 nancial institution”—

8 (A) has the meaning given that term under
9 section 5312(a) of title 31, United States Code;
10 and

11 (B) includes a bank holding company, as
12 defined under section 2(a) of the Bank Holding
13 Company Act of 1956 (12 U.S.C. 1841(a)).

14 (2) HEMP TERMS.—The terms “CBD”,
15 “hemp”, “hemp-related legitimate business”, and
16 “hemp-related service provider” have the meaning
17 given those terms, respectively, under section 11.

18 **SEC. 13. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMI-**
19 **NATION REQUESTS AND ORDERS.**

20 (a) TERMINATION REQUESTS OR ORDERS MUST BE
21 VALID.—

22 (1) IN GENERAL.—An appropriate Federal
23 banking agency may not formally or informally re-
24 quest or order a depository institution to terminate
25 a specific customer account or group of customer ac-

1 counts or to otherwise restrict or discourage a de-
2 pository institution from entering into or maintain-
3 ing a banking relationship with a specific customer
4 or group of customers unless—

5 (A) the agency has a valid reason for such
6 request or order; and

7 (B) such reason is not based solely on rep-
8 utation risk.

9 (2) TREATMENT OF NATIONAL SECURITY
10 THREATS.—If an appropriate Federal banking agen-
11 cy believes a specific customer or group of customers
12 is, or is acting as a conduit for, an entity which—

13 (A) poses a threat to national security;

14 (B) is involved in terrorist financing;

15 (C) is an agency of the Government of
16 Iran, North Korea, Syria, or any country listed
17 from time to time on the State Sponsors of
18 Terrorism list;

19 (D) is located in, or is subject to the juris-
20 diction of, any country specified in subpara-
21 graph (C); or

22 (E) does business with any entity described
23 in subparagraph (C) or (D), unless the appro-
24 priate Federal banking agency determines that
25 the customer or group of customers has used

1 due diligence to avoid doing business with any
2 entity described in subparagraph (C) or (D),
3 such belief shall satisfy the requirement under para-
4 graph (1).

5 (b) NOTICE REQUIREMENT.—

6 (1) IN GENERAL.—If an appropriate Federal
7 banking agency formally or informally requests or
8 orders a depository institution to terminate a spe-
9 cific customer account or a group of customer ac-
10 counts, the agency shall—

11 (A) provide such request or order to the
12 institution in writing; and

13 (B) accompany such request or order with
14 a written justification for why such termination
15 is needed, including any specific laws or regula-
16 tions the agency believes are being violated by
17 the customer or group of customers, if any.

18 (2) JUSTIFICATION REQUIREMENT.—A jus-
19 tification described under paragraph (1)(B) may not
20 be based solely on the reputation risk to the deposi-
21 tory institution.

22 (c) CUSTOMER NOTICE.—

23 (1) NOTICE REQUIRED.—Except as provided
24 under paragraph (2) or as otherwise prohibited from
25 being disclosed by law, if an appropriate Federal

1 banking agency orders a depository institution to
2 terminate a specific customer account or a group of
3 customer accounts, the depository institution shall
4 inform the specific customer or group of customers
5 of the justification for the customer's account termi-
6 nation described under subsection (b).

7 (2) NOTICE PROHIBITED.—

8 (A) NOTICE PROHIBITED IN CASES OF NA-
9 TIONAL SECURITY.—If an appropriate Federal
10 banking agency requests or orders a depository
11 institution to terminate a specific customer ac-
12 count or a group of customer accounts based on
13 a belief that the customer or customers pose a
14 threat to national security, or are otherwise de-
15 scribed under subsection (a)(2), neither the de-
16 pository institution nor the appropriate Federal
17 banking agency may inform the customer or
18 customers of the justification for the customer's
19 account termination.

20 (B) NOTICE PROHIBITED IN OTHER
21 CASES.—If an appropriate Federal banking
22 agency determines that the notice required
23 under paragraph (1) may interfere with an au-
24 thorized criminal investigation, neither the de-
25 pository institution nor the appropriate Federal

1 banking agency may inform the specific cus-
2 tomer or group of customers of the justification
3 for the customer's account termination.

4 (d) REPORTING REQUIREMENT.—Each appropriate
5 Federal banking agency shall issue an annual report to
6 the Congress stating—

7 (1) the aggregate number of specific customer
8 accounts that the agency requested or ordered a de-
9 pository institution to terminate during the previous
10 year; and

11 (2) the legal authority on which the agency re-
12 lied in making such requests and orders and the fre-
13 quency on which the agency relied on each such au-
14 thority.

15 (e) DEFINITIONS.—For purposes of this section:

16 (1) APPROPRIATE FEDERAL BANKING AGEN-
17 CY.—The term “appropriate Federal banking agen-
18 cy” means—

19 (A) the appropriate Federal banking agen-
20 cy, as defined under section 3 of the Federal
21 Deposit Insurance Act (12 U.S.C. 1813); and

22 (B) the National Credit Union Administra-
23 tion, in the case of an insured credit union.

24 (2) DEPOSITORY INSTITUTION.—The term “de-
25 pository institution” means—

1 (A) a depository institution, as defined
2 under section 3 of the Federal Deposit Insur-
3 ance Act (12 U.S.C. 1813); and

4 (B) an insured credit union.

5 **SEC. 14. DEFINITIONS.**

6 In this Act:

7 (1) BUSINESS OF INSURANCE.—The term
8 “business of insurance” has the meaning given such
9 term in section 1002 of the Dodd-Frank Wall Street
10 Reform and Consumer Protection Act (12 U.S.C.
11 5481).

12 (2) CANNABIS.—The term “cannabis” has the
13 meaning given the term “marihuana” in section 102
14 of the Controlled Substances Act (21 U.S.C. 802).

15 (3) CANNABIS PRODUCT.—The term “cannabis
16 product” means any article which contains cannabis,
17 including an article which is a concentrate, an edi-
18 ble, a tincture, a cannabis-infused product, or a top-
19 ical.

20 (4) CANNABIS-RELATED LEGITIMATE BUSI-
21 NESS.—The term “cannabis-related legitimate busi-
22 ness” means a manufacturer, producer, or any per-
23 son or company that—

24 (A) engages in any activity described in
25 subparagraph (B) pursuant to a law established

1 by a State or a political subdivision of a State,
2 as determined by such State or political subdivi-
3 sion; and

4 (B) participates in any business or orga-
5 nized activity that involves handling cannabis or
6 cannabis products, including cultivating, pro-
7 ducing, manufacturing, selling, transporting,
8 displaying, dispensing, distributing, or pur-
9 chasing cannabis or cannabis products.

10 (5) DEPOSITORY INSTITUTION.—The term “de-
11 pository institution” means—

12 (A) a depository institution as defined in
13 section 3(c) of the Federal Deposit Insurance
14 Act (12 U.S.C. 1813(c));

15 (B) a Federal credit union as defined in
16 section 101 of the Federal Credit Union Act
17 (12 U.S.C. 1752); or

18 (C) a State credit union as defined in sec-
19 tion 101 of the Federal Credit Union Act (12
20 U.S.C. 1752).

21 (6) FEDERAL BANKING REGULATOR.—The
22 term “Federal banking regulator” means each of the
23 Board of Governors of the Federal Reserve System,
24 the Bureau of Consumer Financial Protection, the
25 Federal Deposit Insurance Corporation, the Federal

1 Housing Finance Agency, the Financial Crimes En-
2 forcement Network, the Office of Foreign Asset
3 Control, the Office of the Comptroller of the Cur-
4 rency, the National Credit Union Administration,
5 the Department of the Treasury, or any Federal
6 agency or department that regulates banking or fi-
7 nancial services, as determined by the Secretary of
8 the Treasury.

9 (7) FINANCIAL SERVICE.—The term “financial
10 service”—

11 (A) means a financial product or service,
12 as defined in section 1002 of the Dodd-Frank
13 Wall Street Reform and Consumer Protection
14 Act (12 U.S.C. 5481), regardless if the cus-
15 tomer receiving the product or service is a con-
16 sumer or commercial entity;

17 (B) means a financial product or service,
18 or any combination of products and services,
19 permitted to be provided by—

20 (i) a national bank or a financial sub-
21 sidiary pursuant to the authority provided
22 under—

23 (I) the provision designated
24 “Seventh” of section 5136 of the Re-

1 vised Statutes of the United States
2 (12 U.S.C. 24); or

3 (II) section 5136A of the Revised
4 Statutes of the United States (12
5 U.S.C. 24a); and

6 (ii) a Federal credit union, pursuant
7 to the authority provided under the Fed-
8 eral Credit Union Act;

9 (C) includes the business of insurance;

10 (D) includes, whether performed directly or
11 indirectly, the authorizing, processing, clearing,
12 settling, billing, transferring for deposit, trans-
13 mitting, delivering, instructing to be delivered,
14 reconciling, collecting, or otherwise effectuating
15 or facilitating of payments or funds, where such
16 payments or funds are made or transferred by
17 any means, including by the use of credit cards,
18 debit cards, other payment cards, or other ac-
19 cess devices, accounts, original or substitute
20 checks, or electronic funds transfers;

21 (E) includes acting as a money transmit-
22 ting business which directly or indirectly makes
23 use of a depository institution in connection
24 with effectuating or facilitating a payment for
25 a cannabis-related legitimate business or service

1 provider in compliance with section 5330 of
2 title 31, United States Code, and any applicable
3 State law; and

4 (F) includes acting as an armored car
5 service for processing and depositing with a de-
6 pository institution or a Federal reserve bank
7 with respect to any monetary instruments (as
8 defined under section 1956(e)(5) of title 18,
9 United States Code.

10 (8) INDIAN COUNTRY.—The term “Indian coun-
11 try” has the meaning given that term in section
12 1151 of title 18.

13 (9) INDIAN TRIBE.—The term “Indian Tribe”
14 has the meaning given that term in section 102 of
15 the Federally Recognized Indian Tribe List Act of
16 1994 (25 U.S.C. 479a).

17 (10) INSURER.—The term “insurer” has the
18 meaning given that term under section 313(r) of
19 title 31, United States Code.

20 (11) MANUFACTURER.—The term “manufac-
21 turer” means a person who manufactures, com-
22 pounds, converts, processes, prepares, or packages
23 cannabis or cannabis products.

1 (12) PRODUCER.—The term “producer” means
2 a person who plants, cultivates, harvests, or in any
3 way facilitates the natural growth of cannabis.

4 (13) SERVICE PROVIDER.—The term “service
5 provider”—

6 (A) means a business, organization, or
7 other person that—

8 (i) sells goods or services to a can-
9 nabis-related legitimate business; or

10 (ii) provides any business services, in-
11 cluding the sale or lease of real or any
12 other property, legal or other licensed serv-
13 ices, or any other ancillary service, relating
14 to cannabis; and

15 (B) does not include a business, organiza-
16 tion, or other person that participates in any
17 business or organized activity that involves han-
18 dling cannabis or cannabis products, including
19 cultivating, producing, manufacturing, selling,
20 transporting, displaying, dispensing, distrib-
21 uting, or purchasing cannabis or cannabis prod-
22 ucts.

23 (14) STATE.—The term “State” means each of
24 the several States, the District of Columbia, the

- 1 Commonwealth of Puerto Rico, and any territory or
- 2 possession of the United States.