



State of Washington

**DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CREDIT UNIONS**

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August 13, 2014

Sent via email

From: Linda Jekel, Director of Credit Unions
Subject: Fed, FDIC, NCUA and Comptroller Joint Response to Gov. Inslee on Banking Marijuana

Attached is a letter to Governor Inslee from the federal financial institution agencies (the Agencies) dated August 13, 2014 stating their instructions to their examiners regarding a financial institution's Bank Secrecy Act (BSA) obligations when providing financial services to marijuana-related businesses. The Agencies incorporate guidance issued by the Financial Crimes Enforcement Network (FinCEN) concerning the Bank Secrecy Act (BSA) into their supervisory process, and they are currently reviewing the recent FinCEN guidance, as well as the Department of Justice guidance, for inclusion in the Federal Financial Institutions Examination Council BSA/Anti-Money Laundering Examination Manual.

The Agencies' letter is consistent with NCUA's letter dated July 18, 2014 regarding examination of credit unions banking licensed marijuana-related accounts. The expectation is that credit unions will follow the FinCEN guidance when banking marijuana-related businesses.

If you have any questions, please contact Director of Credit Unions Linda Jekel at (360) 902-8778 or linda.jekel@dfi.wa.gov.

Sincerely,

Handwritten signature of Scott Jarvis.

Scott Jarvis
Director

Handwritten signature of Linda Jekel.

Lina Jekel
Director of Credit Unions

Enclosure: Letter to Washington Governor Jay Inslee from the federal financial institutions agencies dated August 13, 2014

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of the Comptroller of the Currency**

August 13, 2014

The Honorable Jay Inslee
Governor of Washington
Olympia, Washington 98504

Dear Governor Inslee:

This letter is in response to your letter of May 23, 2014, regarding your request to provide guidance to examiners, banks, and credit unions following the issuance of guidance on February 14, 2014, by the Financial Crimes Enforcement Network (FinCEN) in consultation with the United States Department of Justice (DOJ), entitled “BSA Expectations Regarding Marijuana-Related Businesses” (FinCEN Guidance). DOJ also recently issued guidance to federal prosecutors concerning the enforcement of federal criminal laws related to marijuana (Deputy Attorney General James Cole’s Memorandum for all United States Attorneys dated February 14, 2014). The FinCEN Guidance outlines the customer due diligence expectations and reporting requirements under the Bank Secrecy Act (BSA), identifies what banks and credit unions should do to fulfill their BSA obligations when providing services to marijuana-related businesses permitted under state law, and addresses the recent DOJ guidance.

The federal financial institution regulatory agencies (the Agencies) have the responsibility and statutory obligation to ensure the safety and soundness of the U.S. banking system and the banks and credit unions we supervise. We also recognize the importance of ensuring public access to financial services within an environment that promotes trust and confidence. To accomplish these goals, we conduct regular examinations of banks and credit unions for compliance with applicable laws, regulations, and regulatory guidance and communicate our findings to senior management.

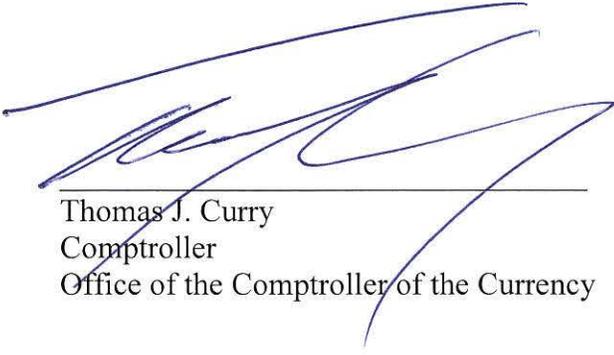
To this end, the Agencies incorporate guidance issued by FinCEN concerning the BSA into our supervisory process, and are currently reviewing the recent FinCEN guidance, as well as the DOJ guidance, for inclusion in the Federal Financial Institutions Examination Council BSA/Anti-Money Laundering Examination Manual. The DOJ is primarily responsible for the interpretation and enforcement of federal criminal laws related to marijuana. However, further clarity from Congress on the legal treatment of state-licensed marijuana-related businesses under federal law would provide greater legal certainty for both marijuana-related businesses and banks and credit unions.

As the Agencies have stated previously, generally the decision to open, close, or decline a particular account or relationship is made by a bank or credit union, without involvement by its supervisor. This decision may be based on the bank or credit union’s particular business

objectives, its evaluation of the risks associated with offering particular products or services, and its capacity and systems to effectively manage those risks.

Thank you for sharing your concerns about this important matter, and we hope you find this information helpful.

Sincerely,



Thomas J. Curry
Comptroller
Office of the Comptroller of the Currency



Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation



Janet L. Yellen
Chair
Board of Governors of the
Federal Reserve System



Deborah Matz
Chairman
National Credit Union Administration