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Minnesota Industrial Hemp Association Applauds Banking Guidance

Importance of banking guidance cannot be understated

Apple Valley, Minnesota – The Minnesota Industrial Hemp Association (MIHA), a non-profit trade association based in Apple Valley, MN, applauded today’s announcement by four federal agencies and state bank regulators clarifying the legal status of hemp growth and production.

“This is a critical and long-awaited step for the banking community as it works to navigate the regulatory landscape related to the re-emerging industrial hemp sector,” said Dave Ladd, President of the Minnesota Industrial Hemp Association. “Much work remains to be done in this, and numerous other areas, but the importance of this guidance cannot be understated.”

The joint statement issued by the Federal Reserve Board, the Federal Deposit Insurance Corporation, FinCEN, the Office of the Comptroller of the Currency and the Conference of State Bank Supervisors notes that banks are no longer required to file suspicious activity reports (SAR) for customers solely because they are engaged in the growth or cultivation of hemp in accordance with applicable laws and regulations.

The joint statement also provides banks with background information on the legal status of hemp, the U.S. Department of Agriculture’s (USDA) interim final rule concerning the Establishment of a Domestic Hemp Production Program that is currently open for comment, and Bank Secrecy Act (BSA) considerations when providing banking services to hemp-related businesses.

“The Financial Crimes Enforcement Network will issue additional guidance after further reviewing and evaluating the USDA interim final rule. We will continue working with our members to ensure their interests are protected on all fronts, including banking and lending,” stated MIHA Executive Director Noah Rouen.

For additional information regarding the Minnesota Industrial Hemp Association, please visit mnindustrialhemp.com or contact us via e-mail at info@mnindustrialhemp.com.

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