

## Board of Directors

*Chair*  
Debra A. Cafaro  
Chairman and CEO  
Ventas, Inc.

*President and CEO*  
Jeffrey D. DeBoer

*Treasurer*  
Thomas M. Flexner  
Vice Chairman and Global Head  
of Real Estate  
Citigroup

*Secretary*  
Tim Byrne  
President and CEO  
Lincoln Property Company

Dr. Thomas R. Arnold  
Global Head of Real Estate  
Abu Dhabi Investment Authority

Thomas J. Baltimore, Jr.  
Chairman, President and CEO  
Park Hotels & Resorts  
*Immediate Past Chair, Nareit*

Tray E. Bates, CCIM SIOR CIPS  
Principal  
Bates Commercial LLC  
*Former Commercial Committee Chair  
National Association of Realtors®*

Jeff T. Blau  
CEO  
Related Companies

Richard B. Clark  
Senior Managing Partner & Chairman  
Brookfield Property Group

John F. Fish  
Chairman and CEO  
SUFFOLK

Steven Hason  
Managing Director, Head of Americas Real  
Estate and Infrastructure  
APG Asset Management US Inc.  
*Chairman, Pension Real Estate Association*

Anthony E. Malkin  
Chairman and CEO  
Empire State Realty Trust, Inc.

Roy Hilton March  
Chief Executive Officer  
Eastdil Secured

Kathleen McCarthy  
Global Co-Head of Blackstone Real Estate  
Blackstone

Jodie W. McLean  
Chief Executive Officer  
EDENS

Robert R. Merck  
Senior Managing Director and  
Head of Real Estate Investments  
MetLife

Holly Neber  
CEO  
AEI Consultants  
*President, CREW Network*

David Neithercut  
Former President and Chief Executive Officer  
Equity Residential

Ross Perot, Jr.  
Chairman  
Hillwood

William C. Rudin  
Co-Chairman and CEO  
Rudin Management Company, Inc.  
*Immediate Past Chair  
The Real Estate Roundtable*

Rob Speyer  
President and CEO  
Tishman Speyer

Barry Sternlicht  
Chairman and CEO  
Starwood Capital Group

Owen D. Thomas  
Chief Executive Officer  
Boston Properties



## The Real Estate Roundtable

March 25, 2019

The Honorable Maxine Waters  
Chairwoman  
Committee on Financial Services  
U.S. House of Representatives

The Honorable Jerrold Nadler  
Chair  
Committee on the Judiciary  
U.S. House of Representatives

The Honorable Patrick McHenry  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives

The Honorable Doug Collins  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives

Dear Chairwoman Waters, Chairman Nadler, and Ranking Members McHenry and Collins:

We represent members involved in almost every aspect of residential and commercial real estate development, design, construction, ownership, management, finance, and brokerage. Our members provide the homes, apartments, health care facilities, offices, industrial sites, shopping centers, and hotels where the American people live, work, play, and heal.

We support the broadly bipartisan H.R. 1595, the Secure and Fair Enforcement (“SAFE”) Banking Act. The bill has been referred to your committees and is scheduled for markup tomorrow by the Financial Services Committee. The measure will bring state-licensed cannabis-related businesses (“CRBs”) into the federal banking system. If enacted, federally regulated banks would no longer face the threat of sanction simply by providing financial services to a legitimate CRB.

Furthermore, H.R. 1595 clarifies that banks could not take adverse action on a loan to a real estate owner solely because that owner leases property to a legitimate CRB. The measure also protects sellers and lessors of real estate and other CRB “service providers” by clarifying that proceeds from legitimate marijuana-related transactions do not derive from unlawful activity, and thus do not provide a predicate for federal criminal money laundering.

There is a deepening rift between federal and state laws regarding cannabis policy. According to the National Conference of State Legislatures, all but four (4) states have enacted some form of public marijuana access to this point.<sup>1</sup> At the federal level, however, the Controlled Substances Act classifies marijuana as a “schedule 1” drug rendering its use, possession, and sale illegal.<sup>2</sup> This federal-state conflict leaves banks and real estate providers trapped between their mission to serve the needs of lawful businesses in their local communities, and the threat of federal enforcement action. The SAFE Banking Act provides much-needed clarity for the banking, real estate, and business sectors to function within the contours of state laws that have legalized marijuana.

<sup>1</sup> <http://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx>.

<sup>2</sup> <https://www.dea.gov/drug-scheduling>.

Without a bank account, dispensaries and other legal CRBs must operate on a cash basis. Risks of crime thus increase and tax revenues to pay for infrastructure and other government services are potentially lost. H.R. 1595 can significantly address these problems by providing protections for banks, real estate firms and their employees from punishment simply because they aim to serve businesses within the 46 states that have legalized marijuana to varying degrees.

Passage of the SAFE Banking Act is a strong first step to clarify a full range of proper business conduct in the rapidly evolving context of cannabis policy. We recommend that Congress further pass the bipartisan Strengthening the Tenth Amendment through Entrusting States Act (“STATES Act,” H.R. 6043 last Congress). The STATES Act more holistically addresses financial issues caused by the federal marijuana prohibition. It provides that state-compliant transactions are not “trafficking” and do not result in unlawful proceeds. Brokerage, investment, transportation, advertising and other commercial transactions intrinsic and ancillary to real estate services could function more productively with STATES Act safeguards.

We commend Representatives Perlmutter (D-CO), Heck (D-WA), Stivers (R-OH), and Davidson (R-OH) for originally introducing the SAFE Banking Act, and the dozens of members who have joined as co-sponsors. The Real Estate Roundtable urges H.R. 1595’s swift enactment. For more information, please contact Duane J. Desiderio, Senior Vice President and Counsel ([ddesiderio@rer.org](mailto:ddesiderio@rer.org)).

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey D. DeBoer". The signature is fluid and cursive, with the first name being the most prominent.

Jeffrey D. DeBoer  
President and Chief Executive Officer

cc: Members of the House Financial Services Committee  
Members of the House Judiciary Committee