

Cannabis Banking: Operational and Revenue Considerations

What Does this White Paper Cover?

Given the market demand and legalization of cannabis in most US states and territories, not only is it difficult for credit unions to avoid the issue, there is also market opportunity for credit unions willing to tolerate the risk.

In this white paper, these issues important to both Finance and Operations & Member Experience leaders are explored:

- **Understanding** the risks, based on federal and state regulations,
- **Determining** the CU's risk tolerance in congruence with its business and growth strategies,
- **Managing** the tangible and intangible costs of servicing the cannabis industry, including bias and reputational risks,
- **Understanding** the market opportunities and both social and economic benefits in relation to the risks,
- **Understanding** BSA and FinCEN requirements and guidance, and
- **Charting** a path to enter the industry, including the unique processes and limitations of banking cannabis customers.

Contributor Profiles



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\$89 million in assets
2,500 members



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Top 3 Takeaways

- 1 The regulatory contradictions cannabis businesses face exposes them to increased uncertainty and risk.
- 2 A credit union interested in cannabis banking needs to research their market, as well as the legal and compliance landscape they would operate in.
- 3 The restrictions surrounding cannabis businesses will likely cause an influx of cash into the credit union, affecting capital ratios.