

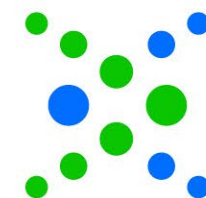


# Payments Policy & Politics

PacPay Annual Meeting

April 22, 2024

Bill Sullivan, Nacha



**Nacha**<sup>®</sup>

# Background

## Nacha's Government and Industry Relations

- FI Trade Groups
- End-User Trade Groups
- Regulators
  - FI
  - Consumer
- Congress
  - Advocacy vs Lobbying

## GRAG

Hill Day June 13, 2024



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# Policy in an Election Year

- CFPB
- Crypto, Digital Assets, CBDC, Stablecoins
- Cannabis Banking
- NSS Expansion
- No Fees for EFTs Act
- Financial Inclusion
- Elections

# CFPB: Making Headlines

- Consumer Data (1033) NPRM
- Larger Participant NPRM
- Credit Card Late Fees
- Director Chopra Recent Comments
  - Reg E (Zelle)
- Junk Fees
  - Overdraft/NSF
- Constitutionality – Supreme Court ruling expected in 2024
  - Recent Oral Arguments
  - Congressional Review Act & Year-End Deadlines

# Digital Assets

- Crypto Bill – strange bedfellows
- New Tech Commission
  - Privacy
- CBDC
- Stablecoin



## BACKGROUND

- The SAFE Banking Act of 2021, which protects banking institutions that provide services to legitimate cannabis-related businesses, was passed by the House in April 2021 but has seen no movement in the Senate
- The SAFE Banking Act has been introduced and passed by the House five times since 2013

## WHAT TO WATCH

- The bill received strong bipartisan support, with 106 Republicans joining Democrats in voting for the bill; the bill also has 42 bipartisan cosponsors in the Senate
- This bill is likely to continue to be a bipartisan priority in the new Congress

# S. 2860 (118th): SAFER Banking Act

## Bill sponsor



Jeff Merkley

D-OR

## Committees

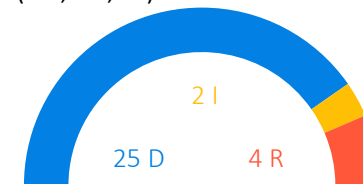
Banking, Housing, and Urban Affairs

## Outlook

The bill has passed the Senate Committee on Banking, Housing, and Urban Affairs by a 14-9 vote, and is now waiting for a vote in the full Senate

## Cosponsors

12 original cosponsors  
(6 D, 4 R, 2 I)



## Summary



Forbids federal regulators from penalizing financial institutions for providing services to marijuana businesses



Proceeds from legal transactions with a marijuana business will no longer be considered as proceeds from illegal activity

## Related bills

H.R. 2891: SAFE Banking Act of 2023

S. 1323: SAFE Banking Act of 2023

## Recent actions

Date	Action
9/28/2023	Reported to Senate
9/20/2023	Introduced in Senate

# The SAFER Banking Act attracted both supporters and opposition across party lines



“ I am committed to building bipartisan momentum to finally get a bill signed into law that ends the cannabis cash economy and improves public safety across the nation.”

– Jeff Merkley, US Senator (D-OR)



“ The ‘SAFER Banking Act’ is a win-win for our Montana communities. On one hand, it’s about keeping our Montana communities safe, reducing the risk of crime and providing much-needed clarity for law enforcement officers. It’s also about protecting legal business’ access to financial institutions.”

– Steve Daines, US Senator (R-MT)



“ This bill will make life safer for bankers, for businesses and financial institutions, some of whom have been profiting from the cannabis industry illegally for years, which is ironic given many of the regular folks who illegally sold or used cannabis are sitting in jail cells right now.”

– Raphael Warnock, US Senator (D-GA)



“ The bill would give special protections to businesses conducting a federally illicit activity, protections that legal businesses simply do not enjoy... Meanwhile, legal industries such as firearms or traditional fuel sources still must fight to even hold accounts.”

– Mike Round, US Senator (R-SD)



# But.....

Speaker Johnson (R-LA) and HFSC Chair McHenry's (R-NC) ongoing opposition to the bill. **Breaking News....McHenry** *maybe open to a deal in order to pass stablecoin legislation.*

Opposition from Minority Leader McConnell (R-KY), and Democratic concerns about the lack of criminal justice aspects of the legislation.

Additionally, there is likely not a strong appetite amongst lawmakers to bring the bill to the floor, as it poses the risk of forcing votes on other banking related bills (CCCA and RECOUP).

Senate Majority Leader Schumer and expungement of records for cannabis offenders. A priority for Schumer.

# NSS Expansion

- Federal Reserve
- Congress

# No Fees for EFTs Act

- Plan Reimbursement Utilizing ACH
  - ACH Growth
  - Congressman (Doctor) Murphy
    - ProPublica

# Financial Inclusion

- Payments and Inclusion
  - ACH is a great tool
- FRB Atlanta
- U.S. Treasury
  - RFI
  - Nacha on Advisory Panel



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# 2024 Elections

- Congressional Elections
- Presidential Elections

# Questions?

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