



December 24, 2019

Docket Clerk
Marketing Order and Agreement Division
Specialty Crops Program
AMS, USDA
1400 Independence Avenue SW, STOP 0237
Washington, D.C. 20250-0237

Re: Request for Comment: Docket No. AMS-SC-19; SC19-990-2 IR

To Whom It May Concern:

The Ohio Credit Union League (OCUL) appreciates the opportunity to submit comments concerning the United States Department of Agriculture's (USDA) request for comment on the establishment of a Domestic Hemp Production Program.

As the state trade association representing Ohio's 261 credit unions and more than three million members, we appreciate the work the USDA has conducted thus far regarding the development of a licensing program for hemp cultivators and processors. In a concerted effort, the Ohio Department of Agriculture (ODA) recently proposed a state plan to regulate the hemp authorities outlined in the 2018 Farm Bill and Ohio's Senate Bill 57, which legalizes hemp cultivation and processing at the state level.

Generally, OCUL is supportive of the decision to develop a federal and state regulatory framework for hemp, specifically as the legal distinction between hemp and marijuana relies on an explicit tetrahydrocannabinol concentration level. While OCUL and our member credit unions appreciate the USDA's leadership and continued progress on hemp regulation, we write to encourage USDA and the participating states implementing hemp rules to consider the rulemaking's impact on hemp industry partners, like financial service providers, especially regarding key participant definitions and access to information.

To preserve financial transparency and prevent criminal activity, financial institutions are required to comply with the Bank Secrecy Act (BSA) and customer due diligence rules (CDD), as defined by the U.S. Department of Treasury (Treasury). To remain compliant with BSA and CDD obligations, credit unions must classify and verify the identity of any individual who owns 25 percent or more of a legal entity and the individuals who control the legal entity. Implementing competing definitions of a "key participant" may lead to confusion for financial institutions seeking to serve the hemp industry or inadvertently complicate current BSA compliance obligations. As such, we urge USDA to adapt the proposed definition of "key participant" for hemp business entities to complement existing federal definitions of beneficial ownership within CDD as set forth by Treasury.

Additionally, financial institutions serving the hemp industry will rely on the critical information points collected by USDA and participating states, such as contact information, ownership designation, federal identification number, and product compliance, to responsibly prioritize BSA compliance in serving hemp cultivators and processors. Having real-time access to federal and state hemp licensure information would enable credit unions to confidently serve the hemp industry and quickly identify and address non-compliant entities posing a risk to the financial services system. We urge USDA to further





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encourage information sharing with hemp industry partners, such as financial institutions, to preserve system confidence and streamline compliance obligations.

We appreciate the opportunity to engage with USDA and provide comments on the establishment of a domestic hemp program. We urge USDA and participating states to consider the final rulemaking's impact on hemp industry partners, such as financial institutions. If you have further questions or would like to discuss OCUL's comments in more detail, please feel free to contact us at (800) 486-2917.

Respectfully,

A handwritten signature in black ink, appearing to read 'Paul L. Mercer'.

Paul L. Mercer
President

A handwritten signature in black ink, appearing to read 'Emily C. Leite'.

Emily C. Leite
SVP, Advocacy



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