



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
OFFICE OF CREDIT UNIONS
JOHN J. KOLHOFF
DIRECTOR

PATRICK M. MCPHARLIN
DIRECTOR

DATE: March 12, 2018

LETTER NO.: 2018-CU-02

TO: The Board of Directors and Management of Michigan State-Chartered Credit Unions

SUBJECT: Rescission Of Memorandum re: Financial Services and Michigan Medical Marihuana

On December 19, 2017 the Department of Insurance and Financial Services (DIFS) issued a Memo and FAQ (covered by OCU letter 2017-CU-03) intended to provide reference information relating to national guidance that existed relating to providing financial services to entities in the marijuana industry.

Due to the rescission of certain national guidance relating to the enforcement of marihuana related activity where federal and state laws conflict, DIFS has determined it is necessary to rescind the December 2017 guidance it issued.

Attached you will find DIFS' rescission memo which provides the Department's current stance on this issue.

Sincerely,

A handwritten signature in black ink that reads "John J. Kolhoff". The signature is written in a cursive style with a large, sweeping "J" and "K".

John J. Kolhoff, Director
Office of Credit Unions




STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
LANSING

RICK SNYDER
GOVERNOR

PATRICK M. MCPHARLIN
DIRECTOR

Memorandum

DATE: March 8, 2018
TO: Interested Persons
FROM: Patrick M. McPharlin, Director 
SUBJECT: Rescission of Memorandum re: Financial Services and Michigan Medical Marihuana

On December 19, 2017, the Department of Insurance and Financial Services (DIFS) issued a Memorandum Regarding Financial Services and Michigan Medical Marihuana (DIFS Memo) and related Frequently Asked Questions (FAQs). DIFS Memo and FAQs were intended to provide reference information to any financial institutions considering providing financial services to the medical marihuana industry. The DIFS Memo and FAQs were based upon guidance within United States Deputy Attorney General James M. Cole's August 29, 2013 and February 14, 2014 memoranda regarding marijuana enforcement (Cole Memo) and marijuana related financial crimes (Companion DOJ Memo).

Subsequently, on January 4, 2018, United States Attorney General Jefferson B. Sessions issued a memorandum (Sessions Memo) immediately rescinding all previous guidance memoranda to United States Attorneys specific to enforcement of federal laws, including the Cole Memo and Companion DOJ Memo.

In light of the Sessions Memo and its rescission of significant federal guidance, I hereby rescind the DIFS Memo and FAQs.

DIFS remains neutral regarding whether financial institutions should provide financial services to the medical marihuana industry. It is imperative that any decision to provide or not provide such services be made with a complete understanding of the associated risks. Therefore, financial institutions should consult their own legal counsel for advice based upon their particular circumstances, applicable state and federal law, and all related regulatory guidance.

Boards of directors must establish policy regarding providing services to businesses and individuals operating within or on the periphery of the medical marihuana industry, and ensure that appropriate risk management systems are in place to support the board's determination. The impact of the marihuana-related activity to the institution's overall risk profile will be reviewed as part of DIFS examination assessment and ratings

process. Examiners will continue to utilize risk-based examination procedures, and regulatory expectations for the institution's risk management functions will be commensurate with the inherent risk to the institution's safety and soundness.

Any questions regarding this memorandum should be directed to:

Department of Insurance and Financial Services

Office of Credit Unions

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or

Office of Banking

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