

NEWS RELEASE

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CBD Companies Would Have Access to Financial Services Under New Legislation Proposed in New Jersey

WASHINGTON, DC – Companies producing and selling hemp-derived CBD products would have access to essential banking services under new legislation introduced today in the New Jersey State Senate. The legislation, introduced by State Senator Robert W. Singer (R-NJ-30), would clarify that banks and credit unions will not be penalized by state regulators for working with legitimate hemp businesses.

The Natural Products Association (NPA) also supports federal legislation that would confirm “the legality of hemp and hemp derived CBD products, and the legality of engaging in financial services with businesses selling hemp and hemp-derived CBD products” and “provide recommended best practices for financial institutions to follow when providing financial services and merchant processing services to businesses involved in the sale of hemp and hemp derived CBD products.”

“CBD is one of the most popular products in America right now and the government needs to start taking it seriously across the board. We have already asked FDA for clear regulatory rules on safety, labelling, and potency. But companies also need clear rules and the ability to use America’s financial services sector to deliver this product to consumers,” said Dr. Daniel Fabricant, President, and CEO of the NPA. “We look forward to continuing to work with Senator Singer and other lawmakers on legislation that provides clarity to this growing industry while protecting consumers.”

NPA recently worked with lawmakers in New Jersey to pass a resolution urging Congress to set a safe level and is continuing to work with the U.S. Congress and the FDA to do so. Last year, the U.S. House of Representatives passed legislation that would appropriate \$100,000 for the FDA to perform a Health Hazard Evaluation (HHE) and set a safe level of CBD for consumers to use each day. The process would follow the same precedent as red yeast rice, which allows a natural product to contain a level of a drug ingredient that the FDA has determined to be safe. With the exception of [Epidiolex](#), *all* CBD products in the U.S. are considered illegal by the federal government.

“Setting a safe level of consumption for CBD products at the federal level is the best way to move forward with this promising new product while protecting consumers,” added Dr. Fabricant.

Recent NPA Actions on CBD:

- NPA led a legislative effort to secure language in the FY 2020 House Agriculture Appropriations bill to appropriate \$100,000 for the FDA to perform an HHE and is leading a [grassroots effort](#) urging the Senate to act.
- On Oct. 17, 2019, NPA published a [poll](#) that shows 70 percent of registered voters believe FDA should have already established safety standards for CBD products.



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- On May 31, 2019, NPA testified at the FDA's first public hearing on CBD.
- On March 14, 2019, NPA submitted [official comments](#) to the FDA concerning approaches to CBD regulation that will also help facilitate the discussion.
- On October 24, 2018, NPA sent a [letter](#) to FDA asking for regulatory leadership on CBD products.

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Natural Products Association

The **Natural Products Association (NPA)** is *the* trade association representing the entire natural products industry. We advocate for our members who supply, manufacture and sell natural ingredients or products for consumers. The Natural Products Association promotes good manufacturing practices as part of the growth and success of the industry. Founded in 1936, NPA represents over 1,000 members accounting for more than 10,000 locations of retailers, manufacturers, wholesalers and distributors of natural products, including foods, dietary supplements, and health/beauty aids. Visit www.npanational.org