The Virgin Islands Consortium

VI Banks Won't Accept Marijuana-Related Money Because The Drug Is Still Illegal On The Federal Level, Officials Tell Office Of Banking And Insurance

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Officials of the territory's most prominent banks expressed concerns on Tuesday with engaging a potential medical marijuana market in the U.S. Virgin Islands. The concerns were shared during a meeting organized by Lieutenant Governor Tregenza Roach in his capacity as chairman of the VI Banking Board. The meeting was held in the second floor rotunda at the Office of the Lieutenant Governor in St. Thomas.

A medical marijuana bill was *signed into law* by Governor Albert Bryan on January 19, paving the way for a potential bustling industry in the territory. Even so, with the banks being members of the Federal Deposition Insurance Corporation (F.D.I.C.), officials said their institutions were wary of taking money from a business that is still illegal on the federal level. The F.D.I.C. is a U.S. government corporation providing deposit insurance to depositors in U.S. commercial banks and savings institutions. The F.D.I.C. was created by the 1933 Banking Act, enacted during the Great Depression to restore trust in the American banking system. Officials of Banco Popular, Firstbank, Scotiabank, Bank of St. Croix and Merchants Bank were present at the meeting.

Even with the concerns, bank officials indicated that their organizations were lobbying Congress for a type of dispensation that would allow for the proceeds to be banked in states where the drug is legalized.

Aside from the marijuana-related topic, all the banks expressed optimism in the territory's financial future as it relates to the private sector. “The reports that were shared with the Board all painted an optimistic outlook for the territory’s economy and reaffirmed each financial institution’s commitment to the Virgin Islands community,” Mr. Roach said, according to a release issued by the Lieutenant Governor's Office. The lieutenant governor raised concerns about the slow process of loan approvals in the territory, especially in regards to mortgages, the release said.

“Overall the banks were all excited about the state of the economy and the opportunities that can arise from increased capital coming into the territory," he said.