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ILLINOIS STATE TREASURER

Community Invest - Cannabis Banking Services

Empowering Local Financial Institutions to Uplift Communities

OVERVIEW

There are communities throughout Illinois that struggle with unemployment, poverty, affordable housing, and a lack of economic activity. In many instances, individuals, families, and community organizations in these areas can empower themselves – and stimulate economic activity in their communities – with increased access to low-cost loans.

The Community Invest – Cannabis Banking Services Program is a community development program that offers qualified banks and credit unions access to state impact investment capital at a lower rate, in the form of time deposits.



Through the Community Invest – Cannabis Banking Services Program, the Treasurer's Office partners with approved financial institutions to provide basic banking services to cannabis-related businesses that would not otherwise have access or limited access to banking services due to federal government statutes.

This gives banks and local credit unions additional financial resources to support the implementation or expansion of basic banking services to cannabis-related businesses in Illinois. In turn, this allows cannabis-related businesses, their employees and the ancillary businesses that support them to: (1) make deposits; (2) write checks; (3) enable payroll; (4) permit electronic payments; (5) conduct other related banking services to facilitate cash deposits and the payments of taxes, fees/charges; and (6) execute a number of banking activities promptly and accurately.

- Provides financial institutions a 2-year term deposit with variable monthly rates based on Federal Overnight Excess Funds.
- Supports financial institutions so they will provide cannabis-related businesses with reasonable banking fees.
- Enables cannabis-related businesses access to banking services that helps build operational capacity and better service their communities.
- Promotes the transition of an all-cash cannabis market to a fully banked, regulated, and transparent market.

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Community Development Linked Deposits

How They Work



TREASURER'S OFFICE

Impact Investment Deposits are placed with a participating financial institution based on an application request in one of the following programs: (1) Ag Invest; (2) Business Invest; or (3) Community Invest.

Financial Institution pays the Treasurer's Office a monthly below-market interest rate for the lending of the funds.



FINANCIAL INSTITUTIONS

Financial Institution dispenses low-cost funds to qualified borrowers for use in the program application request.

Borrower pays the Financial Institution either a below-market rate, or a market rate for a loan the borrower would not otherwise qualify for, for the use of the funds based on the program parameters.



BORROWERS