

Publications

April 27, 2026 • Updates

DOJ Reclassification of State-Licensed Medical Marijuana Creates New Opportunities for Banks

Key Takeaways

- On April 23, 2026, the Trump Administration reclassified medical marijuana from Schedule I to Schedule III under federal law. The change lowers its regulatory status but applies only to medical marijuana, not recreational use.
- The reclassification alters how financial institutions assess risk when serving medical marijuana businesses. Some banks may begin treating these clients as manageable, regulated customers rather than too risky for banking.
- Financial institutions should reassess policies in response while maintaining existing compliance obligations.

On Thursday, April 23, 2026, the Trump Administration reclassified medical marijuana to a lower classification schedule. Previously, marijuana had been classified as a Schedule I drug, similar to heroin; however, through this action, the Department of Justice (DOJ) has lowered the classification of medical marijuana to Schedule III, which includes such drugs as Tylenol with Codeine and appetite suppressants. “These actions will enable more targeted, rigorous research into marijuana’s safety and efficacy, expanding patients’ access to treatments and empowering doctors to make better-informed healthcare decisions,” the acting attorney general wrote. This action impacts the financial services industry in that it lowers the risk assessment for banks deciding whether to serve medical marijuana companies. Previously, some financial institutions refused to do business even with medical marijuana companies because all forms of marijuana were heavily restricted under federal law. With this move, the DOJ has placed marijuana under a less regulated classification. Now, more banks may start to view medical marijuana companies as similar to other heavily-regulated customers, such as money services businesses, casinos, card clubs and precious metal dealers — a manageable risk.

The DOJ action has no impact on recreational marijuana activities. Additionally, the rescheduling does not immediately legalize marijuana or affect the sentences of those currently incarcerated for possession or distribution of marijuana. It also does not affect financial institutions’ obligations to comply with BSA/AML requirements related to banking the marijuana community, such as the 2014 FinCEN guidance on marijuana banking. The DOJ and Drug Enforcement Administration (DEA) will hold a hearing on June 29, 2026 to

Related People

- Travis P. Nelson

Related Capabilities

- Banking & Financial Institutions

consider reclassifying marijuana more broadly as a Schedule III drug.