



# CHICAGO TITLE INSURANCE COMPANY

NATIONAL COMMERCIAL SERVICES | CHICAGO

September 3, 2019

To Our Valued Customers:

Schedule B, Part I of all title commitments issued by Chicago Title Insurance Company (“Chicago Title”) now include the following:

5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

While a number of states have legalized the cultivation and distribution of marijuana at various levels, it remains recognized as a Schedule I controlled substance by the federal government. Further, the manufacturing, distribution, or possession of marijuana is punishable under the Controlled Substances Act (the “CSA”). In the event of federal prosecution and when read with the Supremacy Clause of the Constitution, the CSA would govern and supersede any state law that does not agree. Given the conflict between federal and state laws at this time, Chicago Title will not insure land that is associated with marijuana-based activities.

Outside of the above, we have received inquiries concerning Chicago Title’s stance on insuring land that is used for the production, distribution and/or sale of hemp products and hemp-derived products such as Cannabidiol (CBD). While it is important that you reach out to your Chicago Title, NCS Chicago account manager to begin conversations concerning our willingness to insure land involving any such related uses, the following shall serve as basic guidelines in these areas:

## **Hemp**

Under the recently passed Agriculture Improvement Act of 2018 (the “2018 Farm Bill”), the production of hemp has been legalized on a federal level, subject to the conditions contained therein. Chicago Title is willing to insure land containing hemp facilities, provided we are able to determine that such facilities exist legally under both state and federal law—with all necessary permits/licenses issued by the appropriate authorities.

## **CBD**

CBD and other hemp-derived products are likewise legal under the 2018 Farm Bill, provided the hemp from which they are derived is produced in accordance with the Bill. As a result, Chicago Title is willing to insure land containing retail establishments being used for the sale of such hemp-derived products.

Since the regulation of the above remains in a state of fluctuation, it is important that all specific questions concerning Chicago Title’s position be directed to your Chicago Title, NCS Chicago account manager. We strongly encourage that our customers have conversations with their clients about the planned use(s) of land and address questions as to Chicago Title’s willingness to insure as early as possible.

*Nationwide Coverage. Personal Commitment™*