

California Lender Highlights Strong Cannabis Industry Health Through Low Default Rates

In a recent statement, Adam Stettner, CEO of FundCanna, emphasized the resilience and strength of the cannabis industry, contrary to recent media narratives of decline and failure. Despite facing federal tax burdens and systemic hurdles, Stettner highlighted that many cannabis companies are not only surviving but also thriving.

Comparative Default Rates

Stettner compared the default rates of cannabis businesses to mainstream companies, showcasing a stark difference. While traditional lending businesses experienced default rates between 6% and 11%, FundCanna's cannabis loans had a default rate of slightly more than 2% over three years, indicating the industry's stability.

Survival and Thriving Businesses

Stettner pointed out that many small and mid-sized cannabis businesses are not receiving the attention they deserve due to overshadowing stories of larger companies facing difficulties. He mentioned that for every high-profile company facing challenges, there are thousands of dispensaries and businesses across the country that are quietly succeeding.

Challenges and Resilience

Despite facing challenges such as the 280E tax provision and interstate commerce restrictions, many cannabis businesses are finding ways to survive. Stettner emphasized that these businesses demonstrate resilience and strength in an industry that faces unique regulatory and economic challenges.

Future Outlook

Stettner expressed optimism about the future of the cannabis industry, particularly with potential regulatory changes on the horizon. The possible rescheduling of marijuana at the federal level could eliminate the 280E tax provision, providing significant tax savings for cannabis businesses and further strengthening the industry.

Stettner's insights shed light on the often overlooked success stories within the cannabis industry. While challenges remain, the industry's resilience and adaptability are evident, suggesting a promising future for cannabis businesses, especially if regulatory barriers are lifted.

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