

Understanding FinCEN and the New Reporting Rule

March 2026



What is FinCEN?

- FinCEN = Financial Crimes Enforcement Network
- A bureau of the U.S. Department of the Treasury
- Protects the financial system from illicit use
- Combats money laundering and promotes national security
- Collects and shares financial intelligence across agencies





Real Estate and Money Laundering

- Real estate can absorb large amounts of money quickly
- Historically limited AML oversight, especially in cash deals
- Criminals hide behind shell companies or trusts
- Property purchases can make illicit funds look legitimate
- A known global concern for financial regulators



Building on Previous Oversight



FinCEN has used Geographical Targeting Orders for high-risk areas since 2016



Required title companies to report certain all-cash purchases in specific cities



Helped identify suspicious patterns and risky buyers



Findings revealed gaps that led to a nationwide residential real estate reporting rule



Why FinCEN is Focusing on Cash Real Estate Transactions

- Mortgage loans already have AML protections in place
- Lenders must verify funds, Identify buyers, and report suspicious activity
- Cash transactions have no lender oversight
- This creates a gap where illicit funds can be hidden in property purchases



Closing the Gap: The Title Industry's New Role



FinCEN's new rule extends reporting duties to title and settlement companies



These companies now help monitor all-cash residential transactions



The goal: close the AML gap when no lender is involved



Creates transparency and protects the integrity of the housing market



Why This Matters to Realtors

- Real estate professionals play a role in maintaining a transparent market
- Understanding the rule helps you guide your clients and protect your transactions
- FinCEN's goal isn't to add burden—it's to protect the integrity of U.S. real estate





What Makes the Transaction Eligible?

What is Being Purchased?

Residential Real Property

- Single- Family
- Townhouses
- Condos
- Cooperatives
- Apartment buildings designed by occupancy by one to four families
- Mixed-use property if a single-family residence is located above commercial property

Transfers of vacant land only if the buyer intends to build residential property

Who is Purchasing the Property?

Legal Entity or Trust

This includes LLC's, corporations or trust managed by trustees, even if these entities are only co-buyers alongside individuals.

Purchase Price?

\$0.00 or higher

When is it Closing?

March 1, 2026, or later

How Are They Paying for It?

- All cash via wire, cashier's check, certified check, etc.
- Using a lender that is not a regulated financial institution and does not have Anti-Money Laundering rules they must follow
- Private Lender, Hard Money Lender, Seller Financing
- Gift



What Makes a Transaction Exempt?

- Transfer is due to a death (will, trust, inheritance)
- Divorce/dissolution settlement
- No-cost transfer to seller's or spouse's own trust
- Transfer to bankruptcy estate
- Court-ordered or supervised transfer
- Easement (no property transfer)
- 1031 exchange to Qualified Intermediary
- Buyer is exempt regulated entity or its subsidiary
- Buyer is government authority
- Trust is securities reporting issuer or has a public company trustee
- No reporting person involved in transfer



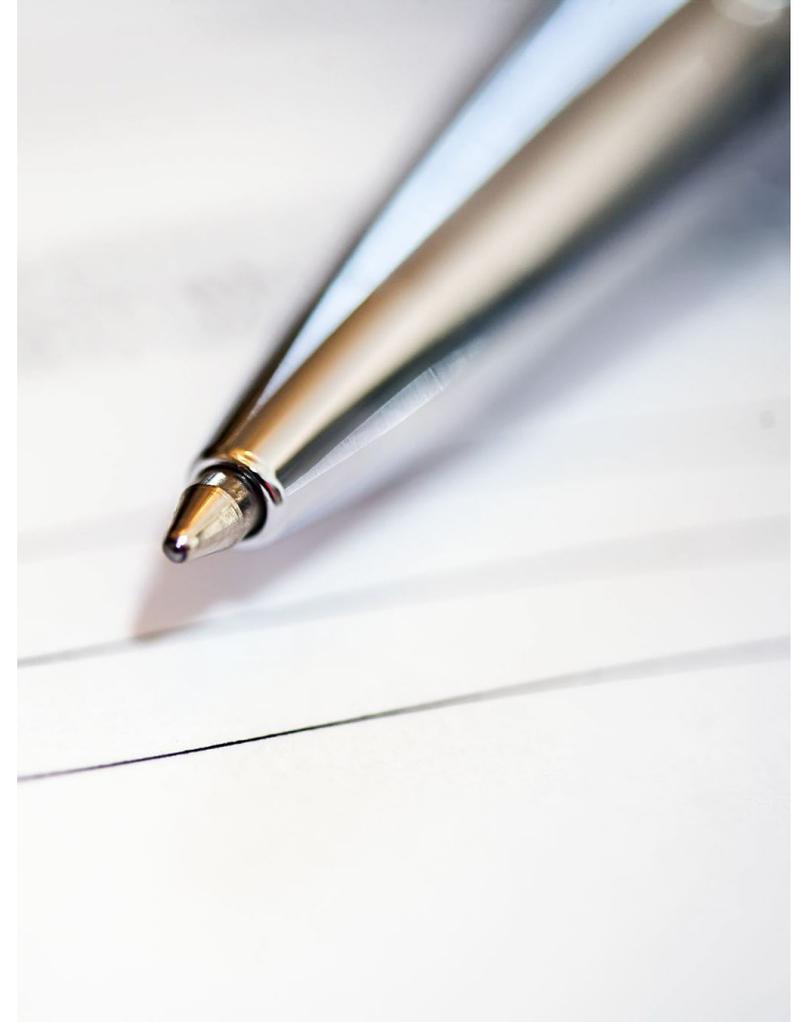
Information that is Collected

PROPERTY DETAILS

BANKING INFORMATION – where did the money come from, including bank account number

SELLERS – Personal or Entity details including address, date of birth, and personal identification number or TIN

BUYERS - Personal details about the Beneficial Owner(s)/Trustee(s) of the Entity including address, date of birth, and personal identification number or TIN





Beneficial Owner – Who is That?

ENTITY

- Any individual who directly or indirectly:
- Owns or controls at least 25% of the entity's ownership interests; or
- Exercises substantial control over the entity

- This could mean you have to collect personal information from more than one buyer



Trusts

Any individual who, directly or indirectly, falls into any of the following roles:

- Trustee, or
- Has authority to dispose of trust assets, or
- Is a beneficiary with the right to demand or withdraw substantially all of the trust's assets, or
- Is a grantor or settlor who retains revocation rights, or
- Is the beneficial owner of an entity or trust holding any of the above positions



Penalties for Not Reporting

Intentional failure to report a FinCEN eligible transaction can result in fines up to \$250,000 and five years in prison.

Unintentional failure to timely report FinCEN eligible transactions can result in fines of about \$1400 per violation.





How We are Collecting and Reporting the Information.

We handle this report for you through a secure service provided by fincenrealestatereport.com. You will receive an invitation email with a secure link to a short online form. The system protects your information and guides you step by step. It takes about five minutes and completing it promptly helps prevent closing delays.

If you have questions before you receive the link, contact us. After you receive it, you may email support@fincenrealestatereport.com or use the support button in the submission portal. There is also a secure live chat available to help you when you are completing the report online. We recommend opening the link on a computer if available to make the process easier.



FAQ's

Do my Legal Entity and/or Trust investors have to do this with each reportable transaction? **YES- the data collected is connected to the address of the property, each transfer is required to have its own separate report.**

LLC is going to purchase under their individual name and then transfer to the LLC through a Quit Claim Deed upon closing – **Still Reportable!**

The individuals are transferring the title to their trust where they are the beneficiaries and there's no consideration – **Not Reportable!**

I don't know if they are going to build a home. **ASK and have the FinCEN Vacant Lot Hold Harmless signed if they say NO**



FAQ's

Are we permitted to complete this information on behalf of buyers and/or sellers? **NO – We cannot do so for two reasons: First, this may be viewed as the authorized practice of law. Second, the online forms being completed by the parties contain reasonable reliance clauses. The parties are required to complete the information themselves and certify that it is accurate and complete for us to reasonably reply on it.**

Will there be a charge for this additional reporting? **Yes- \$200- depending on state regulations this will be included in your filed rates or an individual line item on the settlement statement.**



Resources

Information Notice that will be branded to each company explaining the FinCEN rule, who will be handling the reporting for us, what the customer will need to provide, who to reach out to with any questions.

This is currently in all offices for your convenience.



Information Notice

Required FinCEN Real Estate Report

Starting March 1, 2026, settlement providers must file a FinCEN Real Estate Report to the U.S. Department of the Treasury when a residential property is transferred without a [loan](#) and the buyer is an entity or a trust. This rule applies in all states and [to](#) many no-cost transfers. It is a common report with nearly one million filed each year.

We handle this report for you through a secure service provided by [fincenrealestatereport.com](#). You will receive an invitation email with a secure link to a short online form. The system protects your information and guides you step by step. It takes about [five minutes](#), and completing it promptly helps prevent closing delays.

Here is what you will need to provide:

If you are buying as an entity (like an LLC or corporation):

List the entity and anyone who owns 25 percent or more or has major decision power. If no one owns 25 percent, list at least one person who makes key decisions. If another company owns part of the entity, list the real people behind that company. A video of the process is available on [FincenRealEstateReport.com](#)

If you are buying under a trust:

List the trust and all trustees. Also list any beneficiaries who can demand money or withdraw trust assets, and any grantors who can revoke the trust. If a trustee is a company, list the real people who own or control that company. A video of the process is available [FincenRealEstateReport.com](#)

If you are the seller:

We must collect some basic information from you, including your taxpayer number. More information is available [FincenRealEstateReport.com](#).

For all listed individuals:

You will provide your legal name, date of birth, home address, taxpayer ID, ID documents, and payment account information for buyers.

If you have questions before you receive the link, contact us. After you receive it, you may email support@fincenrealestatereport.com or use the support button in the submission portal. There is also a secure live chat available to help you when you are completing the report online. We recommend opening the link on a computer if available to make the process easier.



Resources

Buyer and Seller checklists to ensure they have all necessary information needed to gather for reporting.

SELLER CHECKLIST
FinCEN

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Federal law requires certain residential real estate transactions purchased with all cash or without institutional lender financing (where the lender has an anti-money laundering program) and where at least one buyer/transferee is a legal entity (corporation, LLC, partnership), trust, or other non-natural person, be reported to the United State Treasury Department's Financial Crimes Enforcement Network (FinCEN). FinCEN requires the following information be provided by Sellers according to these categories:

INDIVIDUAL

- Full Legal Name
- Date of Birth
- Residential Street Address After Settlement (No P.O. Box)
- Unique ID - Tax ID (US) or Foreign ID/Passport and Country of Issuance

TRUST

- Full Legal Name of Trust as listed on Trust Document
- Date Trust Instrument Executed
- Unique ID - IRS TIN or Foreign ID and Name of Jurisdiction

TRUSTEE INFORMATION

- Full Legal Name
- Residential Street Address for Individuals or Principal Place of Business for Legal Entities
- Unique ID - Tax ID (US) or Foreign ID/Passport and Country of Issuance

ENTITY

- Full Legal Name of Entity
- Trade Name or "d/b/a"
- Street Address (No P.O. Box)
- Unique ID - Tax ID (US) or Foreign ID and Name of Jurisdiction

www.titlealliance.com

BUYER CHECKLIST
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FinCEN requires Buyers to submit the following information if they are an Entity or Trust. Both types of Buyers will also submit information concerning the Funds used to Acquire the Property.

ENTITY INFORMATION

- Full Legal Name of Entity
- Trade Name or "d/b/a"
- Street Address (No P.O. Box)
- Unique ID - Tax ID (US) or Foreign ID and Name of Jurisdiction

BENEFICIAL OWNERSHIP-ENTITY

- Individuals with Substantial Control
- Owners above 25% on date of closing
- Signer of closing documents
- Full legal name, d/o/b, Residential Street Address, Citizenship, Tax ID (SSN) or Foreign Tax ID/Passport Number with Country of Issuance

FUNDS FOR ACQUISITION - ENTITIES & TRUSTS

- Originating Financial Institution
- Account Number
- Payor (Name on Account)
- Method of Payment (wire, check, other)
- Dollar Amount of Payment

OR TRUST INFORMATION

- Full Legal Name of Trust as listed on Trust Document
- Date Trust Instrument Executed
- Unique ID - IRS TIN or Foreign ID and Name of Jurisdiction
- IS the Trust Revocable?

BENEFICIAL OWNERSHIP- TRUST

- Trustees
- Someone other than trustee who may dispose of assets
- Sole beneficiary who can demand or make withdrawal of assets
- Grantor or settlor with right to revoke trust or withdraw assets
- Beneficial owner of legal entity or trust that is trustee or transferee trust
- Beneficial owner of legal entity or trust that is not a trustee and who may dispose of assets
- Beneficial owner of legal entity or trust that is sole principal of income or who can demand or make withdrawals of assets
- Beneficial owner of legal entity or trust who can remove trust or withdraw assets
- Signer of closing docs
- Full legal name, d/o/b, Residential Street Address, Citizenship, Tax ID (SSN) or Foreign Tax ID or Passport Number with Country

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Resources

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FinCen Reporting Coming Soon: Learn More

Email us at help@alliance2.wpenginepowered.com Call us at 1-800-220-3901 [f](#) [v](#) [in](#)

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Introduction Content

This is a placeholder for introductory content letting people know what this page is about


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FAQs

▼Example question 1

▼Example question 2

▼Example question 3

▼Example question 4



Resources