



New FinCEN Real Estate Reporting Rules

Effective March 1, 2026

What's Changing? Beginning March 1, 2026, the Financial Crimes Enforcement Network (FinCEN) will require federal filing of a Real Estate Report for certain non-financed ("all cash") residential property transfers when the buyer is a legal entity or trust. This is a nationwide requirement with no minimum purchase price.

Why the New Rule? FinCEN aims to increase transparency and reduce the use of shell companies or trusts to hide funds or identities in real estate purchases.

When Is a Transaction Reportable? A transaction is generally reportable if all the following apply:

- ✓ Residential real estate (1-4 family homes, condos, townhomes, co ops, and certain land intended for residential use)
- ✓ Buyer is an entity or trust (NOT an individual). There are exempt entities and trusts, and certain transactions are excluded from the Reporting Rule - these will be rare.
- ✓ No traditional institutional financing (i.e., no mortgage from a lender with required federal anti money laundering obligations)

Who Files the Report? Only one party must file. FinCEN assigns responsibility through a "reporting cascade," which may include: The settlement/closing agent, the preparer of the closing statement, the person preparing the deed, the person recording the deed or the title insurance underwriter

Important Note for Realtors - Independence Title is only acting as federally required

- This is not a title insurance requirement.
- The title insurance industry opposed the national expansion of the previous reporting rule.
- We are simply complying with federal law.

What Information Must Be Collected? FinCEN requires:

- Buyer entity/trust details
- Beneficial owners (individuals with 25% ownership or substantial control)
 - Names, SSN# /ITIN#, Driver's license or passport information
 - Physical address, phone number, occupation
- Seller information
- Property details, closing date and purchase price
- Payment method - cash or is any non institutional financing being used

What Realtors Should Do Now?

- Ask early: "Is the buyer using an entity or trust?" And if so, does the seller understand this will result in a reportable transaction?
- Prepare clients for additional documentation.
- Notify Independence Title early if a transaction may fall under the rule and allow extra time for information gathering prior to closing.

Helpful Links for Easy Reference

FinCEN Residential Real Estate Rule (Official Site) www.fincen.gov/rre
and **For information on this topic and others, check out our Blog:**
independencetitle.com/blog/

