New FinCEN Rule

FOR REAL ESTATE TRANSACTIONS

WHAT REAL ESTATE AGENTS & CUSTOMERS NEED TO KNOW

The Financial Crime Enforcement Network (FinCEN) has issued a new rule, effective March 1, 2026, requiring title companies and closing attorneys to collect and report information about certain non-institutionally financed residential real estate transactions.

WHAT IS THE RULE?

This rule applies when residential real estate is bought by a legal entity or trust in an all-cash purchase or without a loan from a regulated financial institution. FinCEN aims to increase transparency and prevent the use of real estate for money laundering.

WHY IS THIS INFORMATION BEING COLLECTED?

- To comply with the Bank Secrecy Act
- To help law enforcement identify suspicious activity
- To ensure transparency in high-risk transactions

WHAT INFORMATION WILL BE COLLECTED?

Title companies or closing attorneys may ask for:

- Beneficial ownership information
- Identification documents
- Details about the purchasing entity or trust

This information is securely reported to FinCEN and is not used for marketing or sales purposes.

Key Insights

FOR REAL ESTATE AGENTS & CUSTOMERS

1

START EDUCATING EARLY

Talk to your clients about these new requirements before they enter into a transaction.

2

PLAN AHEAD

Encourage buyers to have their documentation ready early in the process.

3

SUPPORT YOUR TITLE COMPANY

Understand that title companies are following federal law, not adding red tape.

4

UNDERSTAND REASONABLE RELIANCE

Title companies and closing attorneys can reasonably rely on the information provided by buyers or their representatives. This means they don't have to verify every detail, as long as the information appears accurate and complete.

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