



## FINANCIAL CRIMES ENFORCEMENT NETWORK (FinCEN)

### Client Information:

New FinCEN Residential Real Estate Reporting Rule. Effective Date: March 1, 2026

### What is changing?

To increase transparency in the housing market, FinCEN is requiring that specific "non-financed" residential real estate transactions have a "Real Estate Report" filed with the U.S. Department of the Treasury.

### Does this apply to my transaction?

This rule applies only if your transaction meets all three of the following criteria:

1. Residential Real Property: The property is a 1-4 family home, townhome, condo, or vacant land for such use.

2. Non-Financed: The purchase does not involve a bank loan or mortgage (e.g., all-cash, using a hard money lender, or seller-financed).

3. Entity/Trust Buyer: The buyer is a Limited Liability Company (LLC), corporation, partnership, or trust.

Note: If you are an individual buying a home with a traditional mortgage, this rule generally does not apply.

### What information must be reported?

For covered transactions, the following details must be reported to FinCEN:

- Beneficial Owners: Names, dates of birth, addresses, and ID numbers (driver's license or passport) of individuals who own 25% or more of the purchasing entity/trust, or who exercise substantial control.
- Transaction Details: Purchase price, payment method (wire, check, etc.), and property address.
- Seller Information: Name and address of the seller.

### Key Facts for Buyers & Sellers

It is not public: The reports are sent to a secure, confidential database and are not accessible to the public.

- No cost to file: There is no fee to file this report.
- It is mandatory: This is a federal requirement, not a choice by your agent or title company.
- Prepare early: If you are buying via an LLC/Trust, gather your beneficial owner IDs and entity documents immediately to avoid closing delays.
- Who files? The settlement agent, closing attorney, or title company will handle the filing.

### Checklist for Realtors (To accompany client info)

- Identify Entity/Trust Buyers Early: Ask if the buyer is an entity or trust immediately.
- Confirm Financing Type: Determine if the deal is all-cash/non-financed.
- Advise on Documentation: Tell buyers to have IDs and trust/entity documents ready early.
- Confirm Reporting Party: Ensure your title company or closing attorney is prepared to handle the filing by March 1, 2026.
- Use Updated Contracts: Ensure your local association's updated, compliant purchase agreements are used.

For more information, visit: <https://www.fincen.gov/> Disclaimer: This information is based on reporting as of Feb 2026 and subject to change by FinCEN. This is not legal advice.

