

WHAT IS FinCEN?

FINCEN OVERVIEW:

Starting December 1, 2025 title companies will be required to report residential real estate transaction details to FinCEN when the buyer is a legal entity (corporation, LLC, or trust). This new federal rule aims to increase transparency and combat money laundering in the real estate sector by targeting high-risk, cash-based property transfers.

WHY IS THIS NEW?

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

THE REASONING:

Criminal profits flowing into the U.S. financial system are massive and damaging. Drug trafficking alone brings in tens of billions annually, but money laundering goes far beyond that—covering trade fraud, tax evasion, organized crime, and financial scams, all contributing billions more.



What is collected?

- Property address & legal description
- Purchase price & closing date
- Buyer information (name, DOB, address, TIN)
- Person(s) associated with the Buyer (authorized signers and beneficial owners)
- Seller information (name, DOB, address, TIN)
- If the Transferor is Trust, provide the trustee's information
- Payment Information, including bank account details for sourcing funds
- Detailed payment information for payments made on behalf of the Buyer

When is it collected?

- The property is residential real property
- Buyer/transferee is a legal entity, LLC, corporation, partnership, trust, trustee or other non-natural person
- The transfer is non-financed, all cash, or without institutional lender financing


SMOOTH TRANSACTION & TRANSITION

Understand title companies are following federal law, NOT adding red tape. Encourage buyers to have their documentation ready early in the process to keep things running smoothly.



Scan for more information

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