



Taylor Law, PLLC

FINCEN COMPLIANCE WHAT YOU NEED TO KNOW NOW

On August 29, 2024, FinCEN (the Financial Crimes Enforcement Network) finalized a new rule that expands anti-money laundering requirements to cover certain non-financed residential real estate transactions involving legal entities and trusts.

WHAT:

- Cash Transactions
- Residential Real Estate
- \$0 transfers/hard money lenders to Non-Exempt Entities

WHO:

- Non-Individual Buyers - (corporations, LLCs, partnerships or certain trusts)
- If the Buyer triggers the reporting requirement, then the Seller in the transaction is also required to report.

WHY:

- To combat money laundering and increase transparency in the U.S. residential real state market. This new rule targets transactions that have been known to be used to launder proceeds from criminal activities because they often bypass traditional bank financing and scrutiny.
 - Failure to report will come with civil and criminal liability and fines.

WHEN:

- March 1, 2026, all reporting requirements begin. Reports are due at the end of the following month after closing or thirty (30) days after closing whichever is longer.

HOW:

- Title companies, settlement agencies, and closing attorneys are required to collect data to file reports with details about the parties in a non-exempt transaction, the property, the entity's beneficial owners' personal information, and the source of funds, etc.

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