

# FinCEN FACT SHEET

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## Residential Real Estate Reporting Rule

**ALL transfers of non-financed residential real estate to a entity must be reported to FinCEN.**

⇒ “Non-financed” includes cash purchases, no-consideration transfers and financing from a hard money or non-institutional lender

⇒ Residential real estate includes: 1-4 family homes, residential units within buildings, vacant land purchased to build a 1-4 family home and co-op & condominium units.

⇒ Entities include all corporations, LLCs and trusts with exceptions for certain large or regulated companies and gov’t entities.

**Reporting to FinCEN will be done by Settlement Agents or other real estate professionals involved in the transaction.**

⇒ Settlement Agents are required to file the report unless there is no settlement agent, then the preparer of the closing statement then the recorder of the deed then the underwriter of the title policy then the disbursing agent then the one who evaluates title then the preparer of the deed—in that order.

⇒ Any two of the above listed parties may enter into a designation agreement to set out who will file the report.

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## Residential Real Estate Reporting Rule

**The report must include information about the Reporting Person, Purchasing Entity & its Beneficial Owner(s), the Seller, the Property and the source of funds**

⇒ A Beneficial Owner is someone who owns 25% of the entity or exercises substantial control over the entity i.e. senior officer, voting power, direct influence

⇒ The Reporting Person can reasonably rely on the information provided by the purchaser if they obtain a certification from the purchaser in writing.

⇒ The filing of the report must be done through FinCEN's online filing system.

**The Rule is effective for all transactions which close on or after December 1, 2025.**

⇒ The reporting person has 30 days from closing or until the end the month after closing to file the report or face potential civil and criminal penalties.