

FinCEN Residential Real Estate Reporting Quick Guide for Real Estate Agents

What Is the FinCEN Rule? Beginning **March 1, 2026**, the Financial Crimes Enforcement Network (FinCEN) requires certain residential real estate transactions to be reported to help prevent money laundering through real estate purchases.

Why This Rule Exist? FinCEN implemented this rule to prevent money laundering through residential real estate. Criminal organizations have historically used all-cash purchases through shell companies to hide the true owner of property.

The rule increases transparency by requiring reporting when certain entity buyers purchase residential property without traditional bank financing.

A FinCEN report is generally required when ALL three conditions are met:

1. Residential Property
 - a. 1-4 family homes
 - b. condominiums
 - c. townhomes
 - d. vacant land intended for residential construction
 - e. cooperative housing units
2. Non-Financed Purchase: transactions **without a traditional bank loan**, such as
 - a. all cash purchases
 - b. private lenders
 - c. hard money loans
 - d. seller financing
 - e. investor funds
 - f. self-directed retirement accounts
 - g. NOTE: Transactions financed through a regulated bank or credit union are typically excluded.
3. Buyer Is a Legal Entity: The purchaser is not an individual but a legal entity, such as
 - a. LLC
 - b. Corporation
 - c. Partnership
 - d. Trust
 - e. Similar legal entity structure

Who Files the Report? The title company typically files the FinCEN report. Entity buyers may be asked to provide beneficial ownership information, entity documentation, and identification prior to closing.

Questions/Concerns: Please feel free to reach out to Passport Title Forever Home or go to the Financial Crimes Enforcement Network at <https://www.fincen.gov/rre-faqs>.



www.PassportTitleTN.com