

IMPORTANT INDUSTRY UPDATE

NEW FINCEN REPORTING REQUIREMENTS (EFFECTIVE 3/1/2026)

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has issued a final rule aimed at increasing transparency in the U.S. residential real estate market. This rule requires title companies to collect and report information on specific non-financed (cash) real estate transfers.

KEY PROVISIONS OF THE NEW RULE

Starting March 1, 2026, certain residential real estate transactions must be reported to FinCEN if they meet the following criteria:

- **Non-Financed Transfers:** The rule applies to "cash" transactions where the purchase is not financed by a financial institution subject to an anti-money laundering program (e.g., no traditional bank mortgage).
- **Transfers to Entities & Trusts:** Reporting is required when the transferee (buyer) is a legal entity (LLC, Corporation, Partnership) or a trust.
- **Residential Property:** This includes single-family homes, condos, townhomes, and buildings designed for 1-4 families, as well as vacant land zoned for such structures.
- **No Minimum Dollar Threshold:** Unlike previous Geographic Targeting Orders (GTOs), this rule applies regardless of the purchase price.

WHAT INFORMATION IS COLLECTED?

As your Title & Escrow partner, we are required to file a Real Estate Report (RE Report) containing:

- **Beneficial Ownership:** Names, addresses, and tax identification numbers for the individuals who ultimately own or control the buyer entity/trust.
- **Authorized Signatories:** Information on the individual signing the closing documents.
- **Transaction Details:** Property address, date of closing, and total consideration paid.



At Arizona Premier Title, we are dedicated to navigating these new regulatory waters alongside you. We have implemented streamlined digital systems to collect this data securely and efficiently, ensuring your closings remain on schedule.

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WHY EDUCATE YOUR CLIENTS

Real Estate Agents are the first point of contact. To ensure a smooth closing, it is vital to set expectations early:

- **Avoid Closing Delays:** Collecting beneficial ownership information can be time-consuming. Buyers using an LLC or Trust should have their corporate transparency documents ready at the time of contract.
- **Privacy Expectations:** High-net-worth clients or those using trusts for privacy need to be informed that their information will be reported to a federal database (though the database is not public).
- **Compliance is Mandatory:** This is a federal requirement. Title companies cannot waive these reporting duties. Failure to provide the required information may result in an inability to close the transaction.

ACTION ITEMS FOR AGENTS

- **Identify the Buyer Early:** Ask if the buyer will be taking title in the name of an LLC, Corporation, or Trust.
- **Inquire about Financing:** Confirm if the deal is "all cash" or using private/non-traditional lending.
- **Pre-Closing Preparation:** If the deal is a "reportable transfer," advise the buyer that the Title Company will be sending a FinCEN Information Request Form.
- **Consult Professionals:** Encourage clients with complex entity structures to consult with their legal or tax counsel regarding beneficial ownership status.

Please contact APT for any questions or assistance at: letschat@azpremiertitle.com



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Disclaimer: This flyer is for informational purposes only and does not constitute legal advice.

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