

ADVISOR ALERT

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

FinCEN is implementing a final rule to increase transparency in residential real estate. As the title and escrow provider, Arizona Premier Title (APT) is required to file a federal Real Estate Report (RE Report) for specific transactions.

DOES THIS APPLY TO YOUR TRANSACTION?

Reporting is required if the deal meets all three criteria:

- **The Property:** Residential (1-4 units, including Apt. complexes) or vacant land with intent to build.
- **The Buyer:** A legal entity (LLC, Corp, Partnership) or a Trust.
- **The Money:** A "non-financed" transfer (Cash, private lending, or any method not involving a bank with a standard AML program).
- **No minimum dollar threshold.** Even a \$10,000 vacant lot is reportable if the buyer is an entity.

THE "BUYER" IMPACT

The Buyer is the primary focus of this rule. To close on time, they must provide:

- **Beneficial Ownership Info:** Name, address, and Tax ID for every individual who owns 25% or more or has "significant control" over the entity.
- **Signatory Info:** Identification for the person physically signing the closing documents.
- **Privacy Note:** While this data goes into a federal database, it is not public record. However, reporting is mandatory; we cannot waive this requirement.
- **Secure Reporting:** APT utilizes FinCEN Real Estate Report as a trusted and secure reporting solution that must be completed prior to closing. The Fee for the service is estimated to be under \$200.00 for simple transactions.



Arizona Premier Title has partnered with a trusted and secure digital system provider to handle this sensitive data, ensuring your transaction remains private, compliant, and on schedule.

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THE "SELLER" IMPACT

While the Seller provides less data, the rule still affects their side of the Closing:

- **Verification:** Sellers must be aware that APT will verify the transaction details and total consideration paid to the federal government.
- **Closing Risk:** If a Buyer refuses to comply, the APT may be legally unable to close the transaction, potentially leaving the Seller in breach or stranded.

ACTION ITEMS: PROTECT YOUR CLOSING

- **Identify Early:** Ask your Buyer on Day 1: "Will you be taking title as an LLC or Trust?".
- **Pre-Qualify the Entity:** If they are using an entity and cash, tell them: "APT will reach out to coordinate the FinCEN Reporting Service."
- **Private Lending-Seller Financing:** Confirm if "all cash" means "no bank." Private or hard money loans still trigger this reporting.



THIS AFFECTS CLOSINGS ON AND AFTER 3/1/2026

Please notify your Sellers and Buyers of this requirement if your transaction meets the criteria to close on time.

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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