Attorneys

What you need to know about the new

FinCEN Reporting Rule

STARTING MARCH 1, 2026 certain residential real estate transactions must be reported to the Financial Crimes Enforcement Network (FinCEN). The rule is known as the Anti-Money Laundering Regulations for Residential Real Estate Transfers (RRE).

Let's work together to ensure smooth closings and full compliance.

> Update your workflows
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> Educate your clients
>
> Coordinate with your closer or title professional

What Attorneys Need to Know

While settlement agents (including attorneys acting as settlement agents) are responsible for filing, attorneys play a critical role in identifying reportable transactions and preparing clients for a smooth transaction.

YOU'LL NEED TO:

Ask early if the buyer is an entity or trust and immediately alert the settlement agent if there are any changes.

Confirm whether financing involves a lender with an AML (Anti-Money Laundering) program and an obligation to file SARS.

Help Buyer and Seller clients identify:

- Entity/trust details
- Beneficial ownership information (Buyer only)
- Payment sources and bank details (Buyer only)

Why it Matters

Failure to comply can result in civil and criminal penalties, including imprisonment. Agents must be proactive to avoid delays and protect clients.

What Transactions are Reportable

A TRANSACTION MUST BE REPORTED IF:

- The property is residential real estate (including condos, townhomes, entire apartment buildings designed for 1-4 families, co-ops, and vacant land intended for 1–4 family structures)
- The transfer is non-financed (e.g., all-cash) or where the lender does not have an anti-money laundering (AML) program
- The buyer is a legal entity or trust
- No exemption applies

Common Exemptions

NO REPORT IS REQUIRED FOR:

- Transfers due to death, divorce, or bankruptcy
- 1031 reverse exchanges
- Specific, highly-regulated trusts and entities
- Transactions where the lender has an AML program and an obligation to file Suspicious Activity Reports (SARS) and the lender is securing a lien against the property

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The rule itself has many other exemptions. Exemptions to the Rule can be found at the FinCEN website, https://www.fincen.gov/rre-faqs, and in the US Code of Federal Regulations, see 31 C.F.R. 1031.320(b), (n)(10), (n)(11).

NOTE: This information is for your reference only and is not intended to represent the only approach to any particular issue. These guidelines should not be construed as legal, financial or business advice. We recommend you consult your legal counsel and subject-matter experts to determine appropriate policies, procedures and strategies applicable to your office or organization. © 2026 Fidelity National Financial, Inc.