



FinCEN Residential Real Estate Rule

(Effective for closings on or after March 1, 2026)

The Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Treasury, has created a new national reporting requirement for certain real estate transfers. It is a transactional report intended to help prevent money laundering by increasing transparency in real estate transactions involving entities or trusts.

1. What transactions require a FinCEN report?

A report is required for **non-financed transfers** of **residential real property** located in the United States, U.S. territories, or on Indian Land when the **buyer is an entity or a trust** and an exception does not apply.

The rule does not apply when the buyer is an individual.

2. What is a “non-financed” transfer?

A transfer **without a loan** made to all buyers in which the loan is **both**:

1. **Secured by the property**, and
2. **Issued by a financial institution** with anti-money laundering and suspicious activity reporting obligations.

Examples of non-financed transfers: **cash closings, seller-financed deals, private loans**

- ❖ Note: There is no minimum sales price, even a gift or other transfer for zero dollars may be reportable
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3. Who is the Reporting Person?

FinCEN uses a **cascade**, starting at the top with the **Settlement Agent**:

1. Person listed as closing or settlement agent on the closing disclosure
2. Person who prepares the settlement statement
3. Person who files the deed
4. Person issuing the owner’s title policy
5. Person disbursing the greatest funds
6. Person performing the title exam

This bulletin is not legal advice. It is intended as general information by our approved attorneys. Please consult the applicable regulations and other government guidance. Please don’t hesitate to contact any of our title counsel with questions.

7. Person preparing the deed

The reporting person may enter into a **Designation Agreement** for any given transaction with another person in the reporting cascade for the transaction to designate the other person as the reporting person. Any such agreement must be in writing and must be **retained for 5 years** by all parties to the agreement.

4. What properties are covered?

- 1–4 family residential properties
- Vacant land intended for 1–4 family construction
- A unit designed for 1-4 family within a structure on land
- Shares in a cooperative housing corporation

This may include condos, co-ops, mixed-use buildings, and apartments, as well as timeshares.

- ❖ **NOTE** that some commercial transactions may be reportable such as developers acquiring multiple tracts of land where they intend to develop a residential subdivision or developers building mixed use commercial and residential structures.

Find more answers here in the FAQs → [Residential](#) Real Property

5. What information must be collected?

- Reporting Person details
- Buyer entity/trust information
- Beneficial owners and authorized signers of the buyer entity/trust
- Seller information
- Property address and legal description
- Total consideration
- Payment details including bank name and account number if applicable

- ❖ **Real Estate Report Form:** <https://bsaefiling-sandbox.fincen.gov/forms/RERX.pdf>
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6. Are there exemptions?

There are transactional exemptions such as:

- Transfers due to death, divorce, bankruptcy
- Easements
- 1031 exchanges (only the transfer to the 1031 exchange intermediary)

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- Court-supervised transfers
- Certain no-consideration transfers to a grantor's own trust
- Transfers where there is no reporting person

There are also exceptions to the transferee entities/trusts such as banks, credit unions, public utilities, securities reporting issuers, publicly traded companies, and certain regulated financial entities. The list of excepted transferee entities and trusts can be found here → [Transferee entities and trusts](#)

7. How is the report filed?

The report is filed through FinCEN's **BSA E-Filing System** (online, PDF, or batch upload) where it is free to file, but it requires enrolling the organization, designating a Supervisory User, and creating user accounts. Enroll [here](#)

The BSA E-Filing System is a secure database and is not public. The reports may only be accessed by authorized federal agencies for anti-money laundering purposes.

You do not need to retain a copy of the report, but once filed you cannot pull a copy, so be sure to save prior to submission if you want to retain the report.

You may outsource the filing to a third-party vendor, but **you** will still be the reporting person and responsible for compliance.

8. When is the report due?

You will need to file the report by the **last day of the month following the month in which the date of closing occurred OR 30 calendar days after closing**, whichever is later.

9. Can I rely on certifications from others?

Yes. You may **reasonably rely** on written certifications from parties or their representatives to the extent you do not have information that calls into question the reliability of the information. **Beneficial ownership information** must be provided by the transferee or the transferee's representative in writing, with the certification that the information is correct to the best of their knowledge. Certifications must be kept for **5 years**.

10. What are the penalties?

The rule does not introduce new penalties, but **existing Bank Secrecy Act civil and criminal penalties** apply for violations.

Quick Tips for Attorneys

- **In NC, the closing attorney** will most often be the settlement agent and therefore, the reporting person.
 - **Identify early** whether the transferee is an entity or trust.
 - **Screen for financing**—verify if the loan falls within the rule’s definition of a non-financed transfer.
 - **Document** exemptions.
 - **Collect data up front** using buyer/seller info forms.
 - **Store certifications and designation agreements for 5 years.**
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Additional Resources

- The FinCEN Residential Real Estate Report website can be found at <https://www.fincen.gov/rre> with many resources including Quick Reference Guides, a step-by-step filing guide, and the most up to date FAQs.
- Don’t want to go it alone? Third Party vendors can assist you with filing. We have partnered with FinCEN Real Estate Report. They offer discounts for our approved attorneys. For further information, check out [Fidelity Discount Program - FinCEN Filing Discounts](#)
- Want a little more information? Check out our online CLE course at [FinCEN Anti-Money Laundering Regulations and Real Estate - Online CLE Course | Lawline](#)

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