

SUN TITLE

# A Guide to FinCEN's Residential Real Estate Rule



## What is the FinCEN Rule?

The FinCEN Residential Real Estate Rule is a federal anti-money-laundering requirement that applies to certain all-cash and non-traditional financed residential real estate transactions involving entities or trusts. It requires designated closing professionals to report certain information about the buyer, seller, and transaction to FinCEN to increase transparency and prevent illicit use of real estate to launder funds.

## When Is A Transaction Reportable?

A residential real estate transaction must be reported if it meets these criteria:

- 1. Non-Traditional Financed Transfer:** No traditional lender involved (e.g., all cash, seller or non-traditional lender financed).
- 2. Buyer Type:** Transferee is an entity or trust.
- 3. Property Type:** Residential real property (1–4 family dwelling or mixed use structure, vacant land intended for residential use, condominium, cooperative units or mixed use with 1-4 residential units).
- 4. Possible Exemptions or Exclusions:** Review for exclusions (inheritance, divorce, 1031 exchange, etc.) exempt entities (banks, government agencies, insurance companies, etc.) or exempt trusts (managed by securities-reporting issuers, statutory trusts, and subsidiaries of exempt trusts).

In most cases, the title company, escrow agent, or closing attorney is responsible for filing the Real Estate Report. A real estate agent is only responsible for reporting if all higher-priority parties in the cascade are unavailable or exempt.

## Process and timing



The title company typically emails a secure link to a short online form. Completing it promptly reduces closing friction.



Simple structures often take 5 minutes. Complex entities or trusts can take longer.



The title company needs the information before closing per federal requirements.



# What Information Must Be Reported

## Entity Buyer:

- + Entity legal name, address, jurisdiction, EIN
- + Individuals with 25%+ ownership
- + Individuals with substantial control (major decision authority)
- + If another company owns any part, identify the real people behind it

## Beneficial Owners or Those with Substantial Control Over Buyer

- + Legal name, date of birth, home address
- + Taxpayer ID (SSN or TIN)
- + Government ID image
- + How buyer funds are paid (wire, cashier's check, personal check, etc.) and the financial institution name or payment platform used."

## Explainer Videos:

[suntitle.com/fincen](https://suntitle.com/fincen)

## Trust Buyer:

- + Trust name, foreign or domestic, revocable or irrevocable
- + All trustees
- + Grantors who can revoke or withdraw assets
- + Beneficiaries who can demand money or withdraw substantially all assets
- + If a trustee is a company, identify the real people behind it

## Seller Information:

- + Sellers may be asked for basic identifying info, including legal name, address, and role as transferor.

### Agent talking points:

*"Not every transaction is affected, but residential deals involving entities or trusts and all-cash or non-financed purchases may require additional reporting."*

*"It is a federal requirement and fast responses will prevent closing delays."*

*"The title company will guide the process and handle any required information gathering and reporting."*

*"Sellers are only asked for limited identifying information and are not subject to expanded disclosures."*



# Required FinCEN Real Estate Report



Title companies and settlement providers must file a FinCEN Real Estate Report to the U.S. Department of the Treasury when a residential property is transferred without a traditional loan and the buyer is an entity or a trust. This rule applies in all states and to many no-consideration transfers.

Sun Title will file this report for you through a secure service provided by [fincenrealestatereport.com](https://fincenrealestatereport.com). You will receive an invitation email with a secure link to a short online form. The system protects your information and guides you step by step. It takes about five minutes, and completing it promptly helps prevent closing delays.

Here is what you will need to provide:

**If you are buying as an entity (like an LLC, partnership, or corporation):**

List the entity and anyone who owns 25 percent or more or has major decision power. If no one owns 25 percent, list at least one person who makes key decisions. If another company owns part of the entity, list the real people behind that company. A video of the process is available, and you can see who must be included in the report.

**If you are buying in a trust:**

List the trust and all trustees. Also list any beneficiaries who can demand money or withdraw trust assets, and any grantors who can revoke the trust. If a trustee is a company, list the real people who own or control that company. A video of the process is available, and you can see who must be included in the report.

**Information Required for Listed Individuals of Buyers:**

You will provide your legal name, date of birth, home address, taxpayer ID, ID documents, and how buyer funds are paid (wire, cashier's check, personal check, etc.) and the financial institution name or payment platform used.

**If you are the seller:**

We must collect some information from you, including your name, address, tax identifier number and role as transferor.

If you have questions before you receive the link, contact us at: [YesTeam@suntitle.com](mailto:YesTeam@suntitle.com) or call 616.458.9100. After you receive it, you may also email [support@fincenrealestatereport.com](mailto:support@fincenrealestatereport.com) or use the support button in the submission portal. There is also a secure live chat available to help you when you are completing the report online. We recommend opening the link on a computer if available to make the process easier.

**Additional Resources:**

[fincenrealestatereport.com/fincen-for-buyers/](https://fincenrealestatereport.com/fincen-for-buyers/)  
[fincenrealestatereport.com/benefical-owner-guide-fincen-rre/#entity](https://fincenrealestatereport.com/benefical-owner-guide-fincen-rre/#entity)  
[fincenrealestatereport.com/fincen-for-buyers/](https://fincenrealestatereport.com/fincen-for-buyers/)  
[fincenrealestatereport.com/benefical-owner-guide-fincen-rre/#trust](https://fincenrealestatereport.com/benefical-owner-guide-fincen-rre/#trust)  
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