



# FinCEN Residential Real Estate Reporting Rule Postponed Until March 1<sup>st</sup>, 2026

The Financial Crimes Enforcement Network (FinCEN) Residential Real Estate Reporting Rule targets non-financed (all-cash) transactions where residential real estate is transferred to legal entities (e.g., LLCs, corporations) or trusts.

Rationale: All-cash transactions involving entities or trusts have been identified as high-risk for money laundering activities due to the potential for anonymity.

FinCEN's Final Rule emphasizes the necessity of reporting such transactions to enhance transparency and deter illicit financial activities.

## Effective for transactions that close on or after March 1, 2026

- Closing is the date an ownership interest is received
- Files open now might be reportable if they close on March 1, 2026

### What to Report?

All non-financed/cash transfers of residential real estate where the transferee is an entity or trust subject to exceptions and exemptions

### Who must Report?

Typically, the settlement agent to the transactions but there is a cascade hierarchy structure, or you can have an agreement

### When do you Report?

The later of the last day of the month following "closing" or 30 calendar days after closing

### How do you report?

Electronically with FinCEN form called Real Estate Report

## Covered Transactions

### Residential property may fall within the parameters of the Rule in one of four ways:

1. It is real property located in the United States that includes a structure designed principally for occupancy by one to four families
2. It is land in the United States on which the transferee intends to build a structure designed principally for occupancy by one to four families
3. It is a unit designed principally for occupancy by one to four families within a structure on land located in the United States; and/or
4. It is a share in a cooperative housing corporation for which the underlying property is located on land within the United States