

UNDERSTANDING THE NEW FINCEN REAL ESTATE REPORTING REQUIREMENT

To promote transparency, prevent fraud, and protect consumers, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has implemented a new reporting requirement for certain real estate transactions involving entity ownership. Additional information about the FinCEN Real Estate Reporting Rule can be found [here](#).

Why This Rule Exists — and Why It's Consumer-Friendly

This rule is designed to deter illegal activity in real estate transactions while maintaining a smooth, secure closing process for legitimate buyers and sellers. By collecting limited, verified information about entity ownership, FinCEN helps ensure the integrity of the real estate market while protecting consumers.

What This Means for Your Transaction

Because the buyer has chosen to take title to the property in the name of an entity (such as an LLC or trust), this transaction qualifies as a FinCEN-reportable real estate transaction. As a result, certain information must be securely collected and reported, which may include information from both the buyer and the seller depending on how each party is structured.

Why Might the Seller be Asked to Provide Information?

FinCEN's reporting rule focuses on transparency in transactions involving entities. While the reporting requirement is triggered by the buyer taking title in an entity, FinCEN also requires information from the seller when the seller is an entity (such as an LLC or corporation). This information helps FinCEN accurately identify the parties to the transaction and complete the required report. Individual (natural person) sellers are generally not required to provide information and are only contacted when FinCEN regulations require it.

How the Information Is Collected

A specialized, reputable third-party vendor — FinCEN Real Estate Reporting — will contact buyers and sellers (as applicable) directly via email. The email will include a secure link to a short, guided online form used to collect the required information. This vendor is an expert in FinCEN compliance and uses secure systems to safely collect and transmit the information.

Cost and Timing

The cost associated with collecting and submitting the FinCEN report is \$100. Because this reporting requirement is triggered by the buyer's decision to take title in an entity, this fee will be collected from the buyer at the time of settlement. All required FinCEN information must be provided in order for the transaction to close.

Our Commitment to You

We understand that regulatory requirements can feel unfamiliar, but this process is straightforward, secure, and designed to protect all parties involved. Your cooperation helps ensure compliance while supporting a transparent and trustworthy real estate marketplace.

If you have questions, your settlement team is happy to help guide you through the process.

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