FinCEN

WHAT EVERY REALTOR NEEDS TO KNOW

ARETSI
ALL REAL ESTATE TITLE SOLUTIONS



What is the FinCEN Real Estate Report?

The FinCEN Real Estate Report refers to reporting requirements issued by the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury.

How Does This Affect Real Estate in Florida?

In certain transactions, especially cash purchases involving entities (LLCs, corporations, trusts), title companies may be required to collect and report information about the beneficial owner(s) of the purchasing entity.

FinCEN Quick Guide

When Does the Rule Apply?

- *Residential property (1–4 units, condo, townhome, residential land)*
- *Buyer is a legal entity (LLC, Corporation, Partnership, certain Trusts)*
- *No traditional institutional mortgage loan is involved (Cash, Hard money, Seller finance, Private money).*

What Must Be Collected?

- *Entity name, state of formation, business address*
- *List of beneficial owners (25%+ ownership OR substantial control)*
- *For each beneficial owner: Full name, SSN, DOB, residential address, government-issued ID number.*

Realtor Compliance Checklist

- *Ask early if buyer is purchasing through an LLC or entity*
- *Confirm whether the transaction is financed*
- *Inform buyer that beneficial ownership documentation may be required*
- *Build extra time into contract timelines*
- *Notify title early of entity purchases*
- *Avoid last-minute vesting or entity changes*

Red Flags That May Cause Delays

- *Layered or complex LLC ownership structures*
- *Refusal to provide ownership information*
- *Foreign beneficial owners without documentation*
- *Unusual or complex funding sources*

Important Disclaimer: This material reflects a federal regulation issued by the U.S. Department of the Treasury (FinCEN) and is not a policy created by ARETSI. Compliance is mandatory for qualifying transactions. Although **the regulation becomes effective on March 1st 2026,** ARETSI may implement compliance procedures in advance for transactions closing on or after that date. This information is for general purposes only and is not legal or tax advice.

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FinCEN Frequently Asked Questions

What is the FinCEN Real Estate Reporting Rule?

A federal anti-money laundering regulation requires certain residential real estate transactions to be reported when purchased by legal entities without traditional bank financing.

Does this apply to individuals buying in their own name?

No. Natural persons purchasing in their personal name are generally excluded.

Does this apply if there is a traditional mortgage?

Generally no. If a regulated financial institution issues the loan, reporting is typically not required.

Who files the report?

The reporting person is typically the title company, settlement agent, or closing attorney.

What happens if the required information is not provided?

If the required documentation is not provided, the transaction cannot proceed to closing.

Is this the same as FIRPTA?

No. FIRPTA relates to foreign seller tax withholding. This rule relates to buyer transparency reporting.

Is this the same as BOI reporting?

No. BOI reporting is a separate business filing requirement. This real estate report is transaction-specific.

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