

FinCEN Now Requires Detailed Reports on Residential Real Estate Transactions

What Families and Family Offices Need to Know

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Executive Summary

The U.S. Treasury Department's Financial Crimes Enforcement Network ("[FinCEN](#)") has begun enforcing a nationwide reporting requirement for certain residential real estate transactions.

The latest: FinCEN now requires disclosure of transaction details and sensitive personal information of individuals involved in a wide range of residential real estate transactions, including some common estate planning transactions.

- The [final rules](#) target residential real estate acquisitions by LLCs, trusts, and other legal entities—structures frequently used by families and family offices for estate planning, privacy and liability protection.

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- Despite being **intended to combat money laundering**, law-abiding individuals engaged in legitimate transactions will be required to submit their personal information to FinCEN.
- **Enforcement began on March 1, 2026**, after a U.S. District Court in Florida [upheld](#) FinCEN's final regulations. Although litigation continues, **compliance is now mandatory**.

What it means: Even though FinCEN reports are not available to the public, **it will now be more difficult to maintain anonymity in residential real estate deals.**

What to do now: Families and family offices that prioritize privacy may wish to **plan for compliance while evaluating their legal structures and options to manage disclosures.**

What Transactions Are Covered?

A real estate transfer must be reported to FinCEN when **all** of the following conditions are met:

1. **The property is residential real estate**, including single-family homes, townhouses, condos, co-ops, and land on which the buyer intends to construct a residence.
2. **No bank loan is involved**, meaning no mortgage or loan is provided by a bank, credit union, or other regulated lender with an anti-money laundering program.
3. **The transferee is a legal entity or trust**, such as LLCs and revocable or irrevocable trusts.
4. **An exemption is not available.** Key available exemptions include transfers resulting from death, divorce, or bankruptcy; gifts to a trust created by the donor or the donor's spouse; and 1031 like-kind exchange transactions involving a qualified intermediary.

No minimum dollar threshold applies, so even low-value transactions and non-exempt gifts must be reported.

What Information Must Be Reported?

In addition to detailed information about the transaction such as purchase price and location, sensitive personal information about the parties involved must be reported, including full legal names, dates of birth, residential or principal business addresses, personal banking information, Social Security Numbers (or TINs/foreign equivalents), and country of citizenship for all of the following:

1. **The buyer and seller entities;**
2. **All signing individuals**, meaning anyone who signed the transaction documents on behalf of the buyer or seller; and
3. **All individual beneficial owners of both the buyer and seller.**

Beneficial owners of legal entities are individuals who directly or indirectly (a) exercise substantial control over the entity or (b) own 25% or more of the entity. Substantial control is broadly defined and includes senior officers and individuals with authority to make significant decisions on behalf of the entity.

Beneficial owners of trusts are individuals who are a (a) trustee or someone who otherwise has power to dispose of trust assets; (b) settlor who can revoke the trust or withdraw trust assets; or (c) beneficiary who is the sole recipient of income/principal or can demand distribution of substantially all trust assets.

There is no limit on the number of beneficial owners—all who meet any of the above definitions must be reported.

Other Key Details

No Public Disclosure: Real Estate Reports are maintained in a secure FinCEN database available only to law enforcement and certain regulatory agencies. They are **not** accessible to the general public or subject to disclosure under FOIA (the Freedom of Information Act).

Reporting Responsibilities: The “reporting person” for a transaction will normally be a transaction facilitator or advisor, such as the closing agent, title insurer, or attorney, whose exact identity is determined by a hierarchy specified in the final rule.

- Although buyers and sellers may not be required to file the report themselves, they must provide the necessary information to the reporting person. Otherwise, the reporting person may decline to facilitate the transaction or may elect to file a Suspicious Activity Report with FinCEN.

Filing Deadline: Reports must be filed by the end of the month following the month in which the closing occurs (or within 30 days, if later). For example, the report for a closing on March 2 would be due on April 30.

Penalties for Noncompliance: Civil fines range from \$1,430 for an isolated, negligent violation up to the value of the transaction for a willful violation. In addition, criminally willful violations may result in up to 5 years’ imprisonment and/or a criminal fine of up to \$250,000.

What Can Families and Family Offices Do Now?

- ✓ **Plan for compliance:** Develop a process to identify covered transactions early, gather beneficial ownership information before closing, and coordinate with legal counsel and title companies to confirm who will be the reporting person.
- ✓ **Review entity structures:** Evaluate whether an entity or trust is still the best choice for your residential deals and, if so, consider whether to update and curate the roster of managers, officers, trustees or other individuals whose information must now be included in a FinCEN report.

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- ✓ **Consider bank financing:** Assess whether a bank loan would be desirable (even if not required from a financial perspective) given that transactions involving a mortgage from a regulated lender need not be reported to FinCEN.
- ✓ **Monitor pending litigation:** Although compliance is currently mandatory, legal challenges continue and should be monitored for impact on the FinCEN rules now in effect.

Additional Resources for Families and Family Offices

- [Final FinCEN Rule, 31 CFR 1031.320](#)
- [FinCEN Web Resources](#)

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