



Residential Real Estate Reporting

EFFECTIVE MARCH 1, 2026

Historically, banks carried the bulk of reporting responsibility under the Bank Secrecy Act. Real estate, particularly all-cash purchases, has operated with fewer federal reporting requirements. Regulators have identified that gap — especially when properties are purchased through LLCs or trusts that obscure the true owner. This new rule closes that gap making real estate now part of the Financial Crimes Enforcement Network's (FinCEN) role in protecting the U.S. financial system from money laundering, terrorism financing, and other illegal financial activity.



WHAT

is changing in Residential Real Estate Reporting?

Beginning with closings on or after March 1, 2026, title and settlement agents must file reports with [FinCEN](#) when certain residential transactions meet specific criteria.

WHY

are reports required to be filed?

The Department of the Treasury has long recognized that the illicit use of residential real estate threatens U.S. economic and national security and can disadvantage those that seek to compete fairly in the U.S. real estate market. This reporting requirement is designed to increase transparency in the U.S. residential real estate sector and to combat and deter money laundering. Residential Real Estate Reporting is:

TARGETED: Transfers covered by this reporting requirement make up a small fraction of the market, but they have a high risk for involvement in money laundering and other crimes.

PROVEN: This requirement builds on the success of FinCEN's long-running residential real estate

geographic targeting order program, which required similar reporting in specific regions. Data from this program has supported law enforcement investigations into fentanyl trafficking, violent crimes and gangs, transnational organized crime, and terrorism.

NECESSARY FOR U.S. ECONOMIC & NATIONAL SECURITY:

Criminals use opaque legal and trust structures to anonymously buy American homes to hide and launder dirty money. This practice makes it harder for everyday Americans to purchase their own homes, as many cannot compete with anonymous all-cash buyers with unlimited budgets. This reporting requirement will help law enforcement investigate suspicious residential real estate transfers and protect our housing market from national security threats.

WHO

is required to file reports?

Closing and settlement agents, are required to file reports. Homebuyers are **not** required to file reports.



WHEN

is a report required to be filed?

A transfer is reportable when **ALL** of the following conditions are met:

- ☑ **The Real Property is Residential** — this includes:
 - Single-family homes
 - Residential lots
 - Vacant land intended for residential construction
 - Land for apartments or multifamily development
 - Townhomes, condos, and duplexes

The key is how the property is classified and intended to be used — not just how it appears on the contract.

- ☑ **The Transfer is Non-Financed** — this includes:
 - All-cash purchases
 - Seller financing
 - Hard money loans
 - Private or non-institutional financing

If there is no traditional institutional lender subject to federal reporting requirements, the transaction may fall under this rule.

There is no dollar threshold — whether the property is \$150,000 or \$5 million, if the conditions are met, the transaction may be reportable. This includes deeds where the grantee is an entity or trust — even if no money is changing hands at that moment.

- ☑ **The Property is Transferred to a Certain Type of Entity or Trust** — this includes:
 - LLCs
 - Corporations
 - Partnerships
 - Business trusts
 - Revocable or irrevocable trusts

If the buyer is not a natural person purchasing in their individual name, the transaction should immediately raise a compliance review. Even if a buyer initially purchases individually and later deeds the property into an LLC or trust, that transfer may trigger reporting.

HOW

is Patten Title Protecting Your Closings?

We are implementing systems to ensure compliance does not slow your business down:

- ☑ **Qualia Alerts:** Automated notifications when a buyer is identified as an entity or trust
- ☑ **Transaction Screening Checklist:** Clear criteria to determine whether reporting is required
- ☑ **Reporting Partner Integration:** A third-party platform to collect required beneficial ownership data
- ☑ **Buyer-Facing Data Collection:** Direct outreach to collect required federal reporting information
- ☑ **Cost Transparency:** Reporting costs will be passed to the buyer, as the triggering party

Our goal is early identification and proactive compliance — not last-minute scrambling at the closing table.

Learn More...

This rule represents a significant shift in how certain residential transactions are handled at the federal level. The earlier you understand how it applies to your pipeline, the smoother your closings will be.

For additional guidance, we recommend reviewing the official FinCEN resources and short industry overview videos below:

[U.S. Treasury – Financial Crimes Enforcement Network \(FinCEN\)](#)

[U.S. Department of the Treasury Newsroom](#)

[Short Video Overview of the New Rule](#)

If you would like help reviewing current files or screening upcoming transactions, reach out. We're here to make sure compliance supports your business — not slows it down.



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