



FinCEN's New Residential Real Estate Reporting Rule

Client Advisories

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By: Hari V. Iyer

The U.S. Treasury Department's Financial Crimes Enforcement Network ("FinCEN") has published a new Residential Real Estate Reporting Rule ("Rule"), which will take effect nationwide on March 1, 2026.

The Rule requires certain real estate professionals involved in residential real estate closings to report specified information to FinCEN for certain residential real estate transfers that FinCEN considers as high-risk for illicit finance, such as money laundering. Notably, the Rule requires disclosure of the beneficial owners of the transferee entity or trust receiving title to the property, creating new compliance considerations for residential closings occurring on or after March 1, 2026.

Who May Be Affected

The Rule may apply to the following:

- Buyers using entities (such as limited liability companies, partnerships or corporations) or trusts to take title to residential real property, including corporations, partnerships, estates, associations, and limited liability companies.
- Parties involved in all-cash or privately financed residential real estate transactions.
- Settlement agents, title companies, escrow agents, and attorneys or law firms involved in residential real estate closings.

Transactions That Are Reportable

Effective March 1, 2026, the Rule applies to transfers of real property that meet all of the following criteria:

- **Residential real property.** Includes property designed for one-to-four family occupancy, townhouses, condominiums, cooperatives, and vacant land on which a residence will be built.

- **Non-financed transfer.** The transfer does not involve an extension of credit secured by the property from an applicable financial institution, although transactions with private or seller financing might be considered “non-financed transfers”.
- **Entity or trust transferee.** The transferee is a corporation, partnership, estate, association, limited liability company, or trust. Certain regulated entities are exempt, including governmental authorities, banks, and credit unions.

What Must Be Reported to FinCEN

A Real Estate Report must be submitted to FinCEN through FinCEN’s Bank Secrecy Act (“BSA”) **E-Filing System**. The report includes, among other items:

- Property information (including legal description)
- Transferee information, including beneficial owners. A “beneficial owner” is any individual who owns or controls at least 25% of the transferee’s ownership interests or who exercises substantial control over the transferee entity.
- Transferor information
- Transaction payment information

The Real Estate Report must be filed by the later of:

1. The last day of the month following the month in which the closing occurs, or
2. Thirty (30) days after the date of closing.

Responsibility to Report

The Real Estate Report must be submitted by a designated “reporting person.” In most cases, the reporting person will be the closing or settlement agent. Although buyers and sellers are generally not responsible for filing the report, they must provide accurate and timely information required for the Real Estate Report, including information regarding the buyer’s beneficial owners. Failure to do so may result in civil penalties and other enforcement actions imposed by FinCEN.

Next Steps

Clients are encouraged to identify potentially covered transactions and to review ownership structures well in advance of closing, in the event they are party to a reportable transaction. Clients should also coordinate early with legal counsel and closing or settlement agents to ensure that all of the information required for the Real Estate Report can be collected and submitted on a timely basis. We will continue to monitor FinCEN guidance and implementation developments related to the Rule. If you need assistance evaluating a contemplated or pending transaction, or would like additional information regarding the Residential Real Estate Reporting Rule, please contact **Michael Stutman** at mstutman@archerlaw.com or 215.246.3155, or **Michael Supko** at msupko@archerlaw.com or 732.859.5432.



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Related People



Hari V. Iyer

Associate

✉ hiyer@archerlaw.com

☎ 215.246.3165



Michael J. Stutman

Partner

✉ mstutman@archerlaw.com

☎ 215.246.3155



Michael P. Supko, Jr.

Partner

✉ msupko@archerlaw.com

☎ 732.859.5432

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