

March 2, 2026

CLIENT ALERT

The New FinCEN Real Estate Reporting Requirements Explained

Dear Clients and Friends:

Beginning March 1, 2026, certain residential real estate transactions must be reported to the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). The new rule is intended to combat money laundering and other illicit activity. In covered transactions that do not involve a bank or other financial institution, attorneys and title companies are required to file the FinCEN Real Estate Report.

When Is a Report Required?

A report is generally required if **all three** of the following apply:

1. **Residential property** is involved (1–4 family homes, condominiums, co-ops, or vacant land intended for residential development).
2. The transfer is made **without bank financing** (e.g., all-cash purchase, gift, or private financing).
3. The buyer is a **legal entity or trust** (such as an LLC). Purchases by individuals are exempt.

This rule applies in all states, subject to certain exemptions.

Common Exemptions

A report is not required for:

- Transfers of easements.
- Transfers resulting from the death of an individual.
- Transfers incident to divorce or dissolution of a marriage or civil union.
- Certain no-consideration transfers by an individual (alone or with a spouse) to a trust of which they and/or their spouse are the settlors or grantors.

Information You May Need to Provide

If a report is required, parties should be prepared to provide:

Buyers purchasing through an entity (e.g., LLC or corporation):

- Entity name.
- Names of individuals who own 25% or more or exercise substantial control.
- If no one owns 25%, at least one individual with significant decision-making authority.
- If an entity owner is another company, the names of the ultimate individual owners.

Buyers purchasing through a trust:

- Trust name and all trustees.
- Beneficiaries with withdrawal rights.
- Grantors with revocation rights.
- If a trustee is an entity, the individuals who own or control that entity.

Sellers:

- Basic identifying information, including taxpayer identification or Social Security number.

All identified individuals:

- Legal name, date of birth, home address, taxpayer ID number, government-issued photo ID, and (for buyers) payment account information.

Filing Deadline

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

- The last day of the month following closing, or
- 30 calendar days after closing.

Please note that attorneys and other settlement agents may require all necessary information **before scheduling closing.**

Your Hinman, Howard and Kattell attorneys are ready to assist by determining whether you are subject to this new requirement and help with filing the required report when necessary.

This information is not legal advice and may not be suitable for all client situations. This Client Alert provides general information and does not outline all of the important considerations related thereto.

This Client Alert is not a substitute for legal guidance regarding program details and how those may be applicable to your business. As always, if we can be of assistance with this topic or any other matters, please do not hesitate to contact your HH&K attorney.

■ ■ ■ ■

AUTHORS



John E. Jones
Partner
80 Exchange Street
Binghamton, NY 13901
Email: jjones@hbk.com



Kenneth F. Tomko
Partner
80 Exchange Street
Binghamton, NY 13901
Email: ktomko@hbk.com

Copyright © 2026 by Hinman, Howard & Kattell LLP. This Client Alert is provided as a general information service to clients and friends of Hinman, Howard & Kattell, LLP. It should not be construed as, and does not constitute legal advice on any specific matter, nor does this message create an attorney-client relationship. These materials may be considered Attorney Advertising in some states.