

# FinCEN Real Estate Reporting – The 3 Question Trigger Test

Agents are not expected to determine reportability, but these three questions help flag transactions early:

1. Is the property residential?
2. Is the buyer a legal entity or a trust?
3. Is there no traditional bank mortgage? (All-cash, private, hard-money, or seller financing)

**YES to all three questions → a FinCEN report is likely required.**

## Key point – The buyer determines whether FinCEN reporting is necessary

(Settlement/title makes the final determination, and if you're unsure, stop and ask your title company or broker)

## What clients may be asked to provide

### Buyers (entity or trust):

- Entity or trust details
- Owners or controllers (25%+ or significant control)
- Government-issued ID
- How purchase funds are paid and source account details

### Sellers:

- Limited identifying information
- Entity or trust details if applicable

Some sensitive information (such as SSNs or EINs) is required by federal law and is submitted securely to the U.S. Department of the Treasury.

## Why a third-party reporting service is used

Settlement agents often use specialized reporting vendors for:

- Security (encrypted portals for sensitive data)
- Efficiency (most submissions take ~5 minutes)
- Compliance (direct, standardized filing with FinCEN)

Clients should expect a secure email link, which may come from an authorized reporting partner rather than directly from the title company.

## Agent talking points

- “LLC or trust buyer plus no bank mortgage usually means FinCEN reporting.”
- “This is routine federal compliance.”
- “Fast responses prevent delays.”
- “This cannot be handled after closing.”

**Disclaimer:** This document is for educational purposes only and is not legal or tax advice. Reporting requirements are subject to change. Final determinations are made by the settlement agent in accordance with federal law.

# FinCEN Real Estate Reporting

## One-Page Guide for Real Estate Agents

### What is FinCEN?

FinCEN is a federal anti-money-laundering reporting requirement administered by the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury. For certain residential real estate transactions, settlement agents must collect information from the parties and file a report with FinCEN.

### Key points for agents:

- Nationwide federal rule
- Report is not public
- Required before closing, not after
- Applies beginning March 1, 2026

### Why agents need to know this

Agents do not file FinCEN reports, but agents play a key role in:

- Flagging reportable deals early
- Setting client expectations
- Avoiding closing delays

**Failure to complete required FinCEN reporting will delay closing.**

### What agents do *not* do (important guardrails)

Agents should not:

- Give legal advice
- Give tax advice
- Advise clients on how to structure transactions to avoid reporting
- Promise anonymity or confidentiality
- Tell clients reporting can be handled after closing

### If questions arise, agents should direct clients to:

- The escrow officer title company
- The client's attorney or tax advisor
- Their broker



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Real Estate  
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Guide  
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Guide  
for Sellers