

Backman Title Services

www.backmantitle.com

FinCEN Reporting Basics (CORE)

Course No.
RC260231

What Is FinCEN?

- Financial Crimes Enforcement Network (U.S. Treasury)
- Anti-money laundering authority
- Real Estate Transfer Rule (effective March 1, 2026)
- Applies nationwide
- Report is not public



#1 thing to know

**The BUYER
is the trigger
for
FinCEN
Reporting**

What is a "Reportable Transfer"?

Residential Property: 1–4 family houses, condos, co-ops, or land intended for such structures.

Mixed-use buildings, and large buildings with many residential units.

Transfers of unimproved land on which the buyer intends to build a structure designed principally for occupancy by 1-4 families.

Non-Financed: Any deal not involving a mortgage from a bank/lender already subject to AML/SAR reporting. (Private/Hard Money or seller financing is reportable). Ask for NMLS license Info.

Transferee (Buyer): An ownership interest is transferred to a Legal Entity (LLC, Corp, etc.) or a Trust.

Do any exemptions apply? 31 C.F.R. *§1031.320(b)(2) and (n)(10)(ii)*

- **Easements:** Grant, transfer, or revocation of an easement.
- **Transfers due to death:** Including wills, trusts, operation of law, or contractual provisions.
- **Divorce-related transfers:** Transfers incident to divorce or dissolution of marriage or civil union.
- **Bankruptcy:** Transfers to a bankruptcy estate.
- **Court-supervised transfers:** Transfers supervised by a U.S. court.
- **Certain trust transfers:** Transfers for no consideration by an individual (or with their spouse) to a trust where they are the settlor(s) or grantor(s).
- **1031 exchanges:** Transfers to a qualified intermediary under 26 CFR 1.1031(k)-1.
- **Transferee (buyer) is a regulated entity:** The transferee is a regulated entity such as a public company, government agency, financial institution, insurance provider, utility, or an entity they wholly own or control.



FinCEN Flow Chart Identifying Reportable Transactions

Reporting starts for closings on or after March 1, 2026.

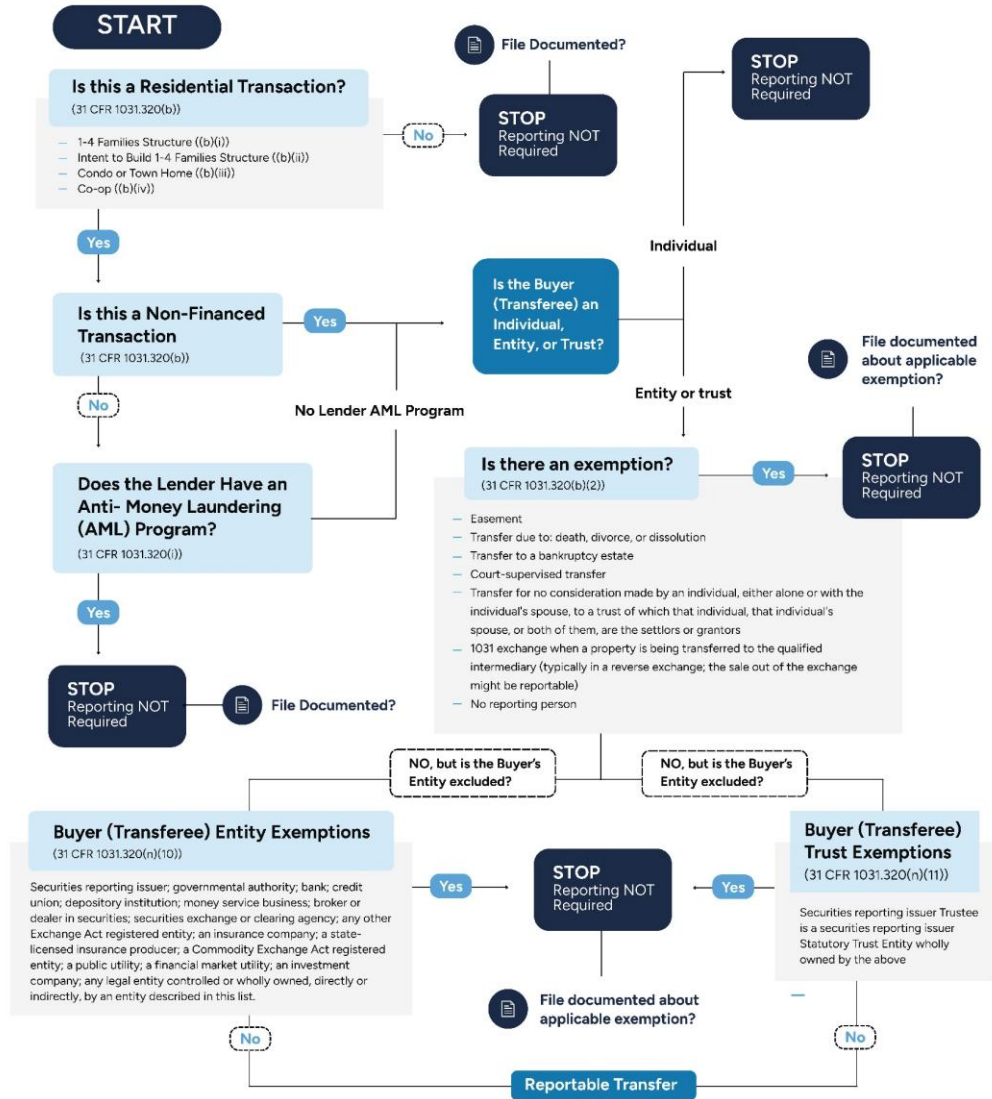


FinCEN Flowcharts



FinCEN Flowcharts

FinCEN Real Estate Report Required?



Who is the "Reporting Person"? (The Cascade)

Closing/Settlement Agent (Listed on the statement).

Settlement Statement Preparer.

Deed Filer.

Title Insurance Underwriter.

Largest Fund Disburser.

Title Evaluator.

Deed/Legal Instrument Preparer.

Deadlines & Retention

Filing Deadline:
The later of –
30 calendar days
after closing.

The last day of the
month following
the month of
closing.

Information Collected

Property Details: Address and legal description.

Transaction Details: Total consideration, payment methods (wire, check, etc.), and payor bank info.

Entity/Trust Details: Full legal name, Tax ID (TIN), and principal place of business.

Signing Individual: Name, DOB, and address of the person signing for the entity/trust.

Defining Beneficial Owners

We must identify any individual(s) who, at the time of closing, is/are the "Beneficial Owner"

- For Entities: Anyone who exercises substantial control OR owns/controls at least 25% of the entity.
- For Trusts: Includes any Trustee, Trust Protector, a beneficiary who is the sole recipient of income, or a Grantor with the right to revoke the trust.

The "Reasonable Reliance" Standard



The Rule: You may rely on info provided by others **unless you have "red flags" or reason to doubt its reliability.**



The Exception (BOI): When collecting Beneficial Ownership Information, you **MUST** obtain a written certification from the transferee (or their representative) stating the info is correct to the best of their knowledge.



Retention: This certification must be kept for 5 years.

FinCEN – Collected info. ALTA Collection Forms



Anti-Money Laundering Information Collection & Certification Form - BUYERS
Pursuant to FinCEN Real Estate Report Rule 31 CFR 1031.320
2025 v. 01.01 (XXXX)

Transaction Data	
Address of property being acquired by the Transferee Entity or Transferee Trust ("Property")	
Anticipated settlement date for the Property acquisition	
Sale Price	
Settlement Agent/Reporting Person File Number	

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Part 1: INFORMATION ABOUT THE PERSON COMPLETING THIS FORM

1	Full Legal Name (First, M.I., Last)	
2	Physical Mailing Address - Street Address, City, State ZIP (do not list a P.O. Box)	
3	Phone Number	
4	Email	
5	Relationship to the Transferee Entity (if you complete box 5 you don't need to complete box 6)	<input type="checkbox"/> Owner/LLC Member <input type="checkbox"/> Corporate officer/LLC Manager <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____
6	Relationship to the Transferee Trust (if you complete box 6 you don't need to complete box 5)	<input type="checkbox"/> Trustee <input type="checkbox"/> Beneficiary <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____

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Part 2: Reporting Exemptions

If an exemption applies, complete this page and sign the certification in part 5. If none, skip to part 3.

1	Does an EXEMPTION from FinCEN reporting apply?	<input type="checkbox"/> No <input type="checkbox"/> Yes a transactional exemption (must complete box 2 below) <input type="checkbox"/> Yes an entity exemption (must complete box 3 below) <input type="checkbox"/> Yes a trust exemption (must complete box 4 below)
2	The reason for the transfer is one of the following TRANSACTIONAL exemptions? (see 31 CFR 1031.320(b)(2))	<input type="checkbox"/> Death of an individual including transfer pursuant to the terms of a will or trust <input type="checkbox"/> Divorce or dissolution of a marriage or civil union <input type="checkbox"/> Transfer to a bankruptcy estate <input type="checkbox"/> Court order or supervised by a court
3	The Transferee ENTITY is one of the following exempt entities? (including a wholly owned subsidiary)	<input type="checkbox"/> Securities reporting issuer defined in 31 CFR 1010.380(c)(2)(i) <input type="checkbox"/> Governmental authority defined in 31 CFR 1010.380(c)(2)(ii) <input type="checkbox"/> Bank defined in 31 CFR 1010.380(c)(2)(iii) <input type="checkbox"/> Credit union defined in 31 CFR 1010.380(c)(2)(iv) <input type="checkbox"/> Depository institution holding company defined in 31 CFR 1010.380(c)(2)(v) <input type="checkbox"/> Money service business defined in 31 CFR 1010.380(c)(2)(vi) <input type="checkbox"/> Broker or dealer in securities defined in 31 CFR 1010.380(c)(2)(vii) <input type="checkbox"/> Securities exchange or clearing agency defined in 31 CFR 1010.380(c)(2)(viii) <input type="checkbox"/> Exchange Act registered entity defined in 31 CFR 1010.380(c)(2)(ix) <input type="checkbox"/> Insurance company defined in 31 CFR 1010.380(c)(2)(xii) <input type="checkbox"/> State-licensed insurance producer defined in 31 CFR 1010.380(c)(2)(xiii) <input type="checkbox"/> Commodity Exchange Act registered entity defined in 31 CFR 1010.380(c)(2)(xiv) <input type="checkbox"/> Public utility defined in 31 CFR 1010.380(c)(2)(xvi) <input type="checkbox"/> Financial market utility defined in 31 CFR 1010.380(c)(2)(xvii) <input type="checkbox"/> Investment company as defined 15 U.S.C. 80a-3(a)
4	The Transferee TRUST is one of the following exempt trusts?	<input type="checkbox"/> A trust that is a securities reporting issuer defined in 31 CFR 1010.380(c)(2)(i) <input type="checkbox"/> A trust in which the trustee is a securities reporting issuer defined in 31 CFR 1010.380(c)(2)(i) <input type="checkbox"/> A statutory trust - defined as any trust created or authorized under the Uniform Statutory Trust Entity Act or as enacted by a State <input type="checkbox"/> Estate planning trust where (1) the transfer is for no consideration and (2) the transferor/seller (and/or their spouse) is the also the settlor or grantor of the trust

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Part 3(a) –TRANSFEREE ENTITIES – Entity Information (Skip to Part 3(b) if the transferee is a trust)

1	Full Legal Name of Entity	
2	Trade name or "doing business as" name (if none, write N/A)	
3	Street Address for Principal Place of Business (do not list a P.O. Box)	
4	Unique ID: <i>For US entities: use Taxpayer ID Number</i> <i>For non-US entities: use foreign Taxpayer ID Number or foreign entity registration number and name of jurisdiction</i>	

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Part 3(a) –TRANSFEREE ENTITIES – Entity Information (Skip to Part 3(b) if the transferee is a trust)

1	Full Legal Name of Entity	
2	Trade name or "doing business as" name (if none, write N/A)	
3	Street Address for Principal Place of Business (do not list a P.O. Box)	
4	Unique ID: <i>For US entities: use Taxpayer ID Number</i> <i>For non-US entities: use foreign Taxpayer ID Number or foreign entity registration number and name of jurisdiction</i>	

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TRANSFeree ENTITY – Beneficial Owner Information

- List each individual who exercises substantial control over a reporting company, including executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer) as defined in 31 CFR 1010.380(d)(1).
- List each individual, if any, who on the date of closing, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above as defined in 31 CFR 1010.380(d).
- List each individual who expects to sign documents on behalf of the transferee entity AND the signer's capacity. *Must have at least one person listed as a signor.*

**If beneficial owner is a minor child and you are a parent/guardian please add "parent/guardian" in Full Legal Name*

Full Legal Name	Date of Birth	Residential Street Address	Country of Citizenship	For U.S. Persons: Taxpayer ID Number (commonly Social Security Number) For Non-U.S. Persons: Foreign Tax ID number or, Passport Number and Country of Issuance ^a	Reason for Reporting Individual Control, Own or Sign (if signer, include signer's capacity) – select all that apply
					<input type="checkbox"/> Control <input type="checkbox"/> Owns <input type="checkbox"/> Sign:
					<input type="checkbox"/> Control <input type="checkbox"/> Owns <input type="checkbox"/> Sign:
					<input type="checkbox"/> Control <input type="checkbox"/> Owns <input type="checkbox"/> Sign:
					<input type="checkbox"/> Control <input type="checkbox"/> Owns <input type="checkbox"/> Sign:
					<input type="checkbox"/> Control <input type="checkbox"/> Owns <input type="checkbox"/> Sign:
					<input type="checkbox"/> Control <input type="checkbox"/> Owns <input type="checkbox"/> Sign:
					<input type="checkbox"/> Control <input type="checkbox"/> Owns <input type="checkbox"/> Sign:

^a In lieu of a passport number, Non-U.S. Persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

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Part 3(b) – TRANSFEREE TRUST – Trust Information

1	Full Legal Name of Trust (as listed on trust instrument)	
2	Date Trust instrument was executed (this is commonly the date on the trust document)	
3	Unique ID: <i>For US trusts, IRS TIN</i> <i>For foreign trusts, a tax identification number issued by a foreign jurisdiction and the name of such jurisdiction</i>	
4	Is the Trust revocable?	<input type="checkbox"/> No <input type="checkbox"/> Yes

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Part 4 – FUNDS USED FOR ACQUISITION OF THE PROPERTY

Complete this section with information about each account that has or is expected to transmit funds on behalf of the buyer/transferee to the settlement agent to complete the acquisition of the Property. Please include any amounts not transmitted to the Settlement Agent's/Reporting Person's escrow/trust account (paid outside of closing).

If this is a gratuitous transfer that is not an exempt transfer, then indicate N/A in the first box below.

Originating financial institution name	Account number	Payor (name listed on account)	Method of payment (wire, check, other)	Dollar amount of payment	Funds transmitted to Settlement Agent escrow/trust account
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No

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Part 5 – CERTIFICATION

I acknowledge on behalf of the buyer/transferee that:

- No funds have been, or will be, transferred or paid outside of the control of the Settlement Agent/Reporting Person who is facilitating the acquisition of the Property.
- Any funds that have been or will be transferred between the parties outside of the control of the Settlement Agent/Reporting Person who is facilitating the acquisition of the Property have been reported in Part 4.

I hereby certify, to the best of my knowledge, that the information provided in this document is complete and correct. I acknowledge that the settlement agent or other reporting person will rely upon the information provided on this form to (a) determine whether the transaction is reportable and (b) submit the required report to the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN). I agree to indemnify, defend and hold harmless the settlement agent or other reporting person against any and all losses, liabilities, damages, claims, fines, causes of action related to the reporting of information contained in this form to FinCEN under this regulation.

Signature: _____

Type Name: _____

Date: _____

Legal Entity Identifier _____ (Optional)

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BACKGROUND

Federal law requires that certain residential real estate transactions purchased with all cash or without institutional lender financing, where at least one buyer/transferee is a legal entity, LLC, corporation, partnership, trust, trustee or other non-natural person, be reported to United States Treasury Department's Financial Crimes Enforcement Network (FinCEN). This form requests information necessary to meet the reporting requirements. *For more information about FinCEN's Real Estate Report and what transactions are covered go to alta.org/fincen.*

COMPLETING THIS COLLECTION FORM

This collection form has 4 parts:

- *Part 1* - information about the person completing this collection form.
- *Part 2* - information about potential exempt transactions
- *Part 3* – information about the seller in a covered real estate transaction – *Part 3 is broken into three sections, (a) for individual transferors (b) for transferor entities and (c) for transferor trusts.*
- *Part 4* - certification of the accuracy of the information provided on behalf of the seller/transferee. Note that the terms "seller" and "transferor" are interchangeably used in this collection form.

WHY DID I RECEIVE THIS FORM?

If a transaction is subject to the rule described above, then the settlement agent is required to report some limited information about the seller.

ARE THERE ANY EXEMPTIONS?

Transactions do not have to be reported if (a) the buyer is obtaining some mortgage financing from a licensed mortgage lender or (b) the buyers are natural persons. Additionally, there are some transactional exemptions for transfers incident to a divorce, dissolution of civil union, death of the seller or court order. If you think an exemption applies please reach out to us at [insert settlement company email].

FinCEN – Collected info. ALTA Collection Forms



Transaction Data	
Address of property being acquired by the Transferee Entity or Transferee Trust ("Property")	
Anticipated settlement date for the Property acquisition	
Sale Price	
Settlement Agent/Reporting Person File Number	

Part 1: INFORMATION ABOUT THE PERSON COMPLETING THIS FORM

1	Full Legal Name (First, M.I., Last)					
2	Physical Mailing Address - Street Address, City, State ZIP (do not list a P.O. Box)					
3	Phone Number					
4	Email					
5	Relationship to the Seller/Transferor	<input type="checkbox"/> Individual Seller <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____				
6	If Seller is a Trust or Entity-Relationship to the Transferor Entity or Trust	<table border="1"> <thead> <tr> <th>Transferor Entity</th> <th>Transferor Trust</th> </tr> </thead> <tbody> <tr> <td> <input type="checkbox"/> Owner/LLC Member <input type="checkbox"/> Corporate Officer/LLC Manager <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____ </td> <td> <input type="checkbox"/> Trustee <input type="checkbox"/> Beneficiary <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____ </td> </tr> </tbody> </table>	Transferor Entity	Transferor Trust	<input type="checkbox"/> Owner/LLC Member <input type="checkbox"/> Corporate Officer/LLC Manager <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____	<input type="checkbox"/> Trustee <input type="checkbox"/> Beneficiary <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____
Transferor Entity	Transferor Trust					
<input type="checkbox"/> Owner/LLC Member <input type="checkbox"/> Corporate Officer/LLC Manager <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____	<input type="checkbox"/> Trustee <input type="checkbox"/> Beneficiary <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Other _____					

FinCEN – Collected info. ALTA Collection Forms



Part 2: Reporting Exemptions

If an exemption applies, complete this page and sign the certification in part 4. If none, skip to part 3.

1	Does an EXEMPTION from FinCEN reporting apply?	<input type="checkbox"/> No <input type="checkbox"/> Yes a transactional exemption (must complete box 2 below)
2	Which of the following TRANSACTIONAL exemptions is the reason you are selling the property? (see 31 CFR 1031.320(b)(2))	<input type="checkbox"/> Death of an individual including transfer pursuant to the terms of a will or trust <input type="checkbox"/> Divorce or dissolution of a marriage or civil union <input type="checkbox"/> Transfer to a bankruptcy estate <input type="checkbox"/> Court order or supervised by a court

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Part 3(a) –TRANSFEROR - Individual Information

(Skip to Part 3(b) if the transferor is an entity or Part 3(c) if transferor is a trust)

1	Full Legal Name (First, MI, Last)	
2	Date of Birth	
3	Residential Street Address after settlement (do not list a P.O. Box)	
4	Unique ID: <i>For U.S. Persons:</i> Taxpayer ID Number (commonly Social Security Number) <i>For Non-U.S. Persons:</i> Unique ID, Passport Number and Country of Issuance ^a	

Part 3(b) –TRANSFEROR ENTITY INFORMATION

1	Full Legal Name of Entity	
2	Trade name or "doing business as" name (if none, write N/A)	
3	Street Address for Principal Place of Business (do not list a P.O. Box)	
4	Unique ID: <i>For U.S. entities:</i> Taxpayer ID Number <i>For Non-U.S. Entities:</i> Foreign Tax ID number or entity registration and name of the jurisdiction	

^a In lieu of a passport number, Non-U.S. Persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

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Part 3(c) –TRANSFEROR TRUST INFORMATION

1	Full Legal Name of Trust (as listed on trust instrument)	
2	Date Trust instrument was executed (this is commonly the date on the trust document)	
3	Unique ID: <i>For US trusts, IRS TIN</i> <i>For foreign trusts, a tax identification number issued by a foreign jurisdiction and the name of such jurisdiction</i>	

TRANSFEROR TRUST – Trustee Information

List each individual or entity who is a trustee of the transferor trust

Full Legal Name (for trustees who are legal entities, include Trade/Doing Business Name)	Address – residential street address for individuals; Principal place of business for legal entities (must be a US address)	<i>For U.S. Persons: IRS TIN (usually Social Security Number)</i> <i>For Non-U.S. Persons: Unique ID, Passport Number and Country of Issuance^b</i>

^b In lieu of a passport number, Non-U.S. Persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

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Part 3(c) –TRANSFEROR TRUST INFORMATION

1	Full Legal Name of Trust (as listed on trust instrument)	
2	Date Trust instrument was executed (this is commonly the date on the trust document)	
3	Unique ID: <i>For US trusts, IRS TIN</i> <i>For foreign trusts, a tax identification number issued by a foreign jurisdiction and the name of such jurisdiction</i>	

TRANSFEROR TRUST – Trustee Information

List each individual or entity who is a trustee of the transferor trust

Full Legal Name (for trustees who are legal entities, include Trade/Doing Business Name)	Address – residential street address for individuals; Principal place of business for legal entities (must be a US address)	<i>For U.S. Persons: IRS TIN (usually Social Security Number)</i> <i>For Non-U.S. Persons: Unique ID, Passport Number and Country of Issuance^b</i>

^b In lieu of a passport number, Non-U.S. Persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

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Part 4 – CERTIFICATION

I hereby certify, to the best of my knowledge, that the information provided in this document is complete and correct. I acknowledge that the settlement agent or other reporting person will rely upon the information provided on this form to (a) determine whether the transaction is reportable and (b) submit the required report to the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN). I agree to indemnify, defend and hold harmless the settlement agent or other reporting person against any and all losses, liabilities, damages, claims, fines, causes of action related to the reporting of information contained in this form to FinCEN under this regulation.

Signature: _____

Type Name: _____

Date: _____

Legal Entity Identifier _____ (Optional)

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Designation Agreement

This Designation Agreement ("Agreement") is entered into as of _____ (Date), by and between:

1. Name and Address of Designating Party:
2. Name and Address of Designated Party:
3. Name and address of All Other Parties to the Agreement, if any:

Recitals WHEREAS, the Financial Crimes Enforcement Network (FinCEN) has issued the FinCEN Residential Real Estate Reporting Rule (FinCEN RRE Rule) requiring the reporting of certain non-financed transfers of residential real estate to legal entities or trusts; WHEREAS, the Designating Party is involved in a transaction subject to these rules and wishes to designate the Designated Party to fulfill the reporting obligations; NOW, THEREFORE, the parties agree as follows:

1. Name and Address of Transferee Entity or Transferee Trust (Buyer):

Email Address for contact who will provide information:

2. Name and Address of Transferor (Seller):

Email Address for contact who will provide information:

3. Designation of Reporting Responsibility: The Designating Party hereby designates the Designated Party to act as the "Reporting Person" under the FinCEN RRE Rule for the transaction involving the property located at:

- (1) The street address, if any:
- (2) The legal description, such as the section, lot, and block:
- (3) The estimated date of closing:

The Designating party agrees:

- (1) That the Designated Party will have direct communication with the Buyer and Seller for the purpose of collecting information.
- (2) That the Designated Party will not close the transaction until all required information has been submitted.
- (3) That the Designated Party will provide full payment information as required by the FinCEN Rule prior to closing using the Designated Party's payment collection form.

4. Responsibilities of the Designated Party: The Designated Party agrees to:

- a. Collect required information, including beneficial ownership details, as specified by FinCEN.
- b. File the Residential Real Estate Report with FinCEN in accordance with the rules and deadlines.
- c. Maintain any records required by the FinCEN RRE Rule for the period required by law.

5. Indemnification: The Designating Party agrees to indemnify and hold harmless the Designated Party for any liabilities arising from the performance of its reporting obligations under this Agreement, except in cases of gross negligence or willful misconduct.

6. Term and Termination: This Agreement shall remain in effect until the reporting obligations for the specified transaction are fulfilled, unless terminated earlier by mutual written consent of the parties.

7. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of _____.

8. Entire Agreement: This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes all prior agreements, whether written or oral.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Designating Party Name By: _____ Title: _____

Designated Party Name By: _____ Title: _____

Designation Agreements

Instead of the cascade, parties can sign a written agreement to name a specific "Reporting Person".

- Requirements: Must be in writing, dated, and signed by all parties to the agreement.
- Retention: All parties must keep a copy of this agreement for 5 years.
- Practicality: A separate agreement is required for each reportable transfer.

Statutory Penalties for Non- Compliance:

Negligent violations = Civil fine of not more than \$1,394

Pattern of negligence = Civil fine of up to \$108,489

Willful violations = Imprisonment of not more than 5 years or criminal fine of not more than \$250,000, or both.

Could also include civil penalty of the amount of money involved in the transaction (up to \$278,937), or \$69,733 (whichever is greater)

FinCEN Vendor

- www.fincenrealestatereport.com

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Account access is live! Watch the [video guides](#) to learn the portal and manage FinCEN reports. Your login credentials will be emailed within 48 hours of signup. Questions can be sent to support@fincenrealestatereport.com.

[Onboarding Video Guide](#)

FinCEN Real Estate Report Collect & File Services

Built for title and escrow. Order reports in a minute through title software or a secure portal and leave everything to experts with 150,000+ FinCEN filings completed. We securely collect information, insure filings and file with FinCEN for you.

[How It Works](#)[Sign Up](#)[Book a Demo](#)

Real estate reporting required in 22 days 03 hours 03 mins 25 sec

[Recorded Training Webinar](#)[Free Forms & Tools](#)

- Discount Partner Programs -



WESTCOR[®]
LAND TITLE INSURANCE COMPANY



TITLE
RESOURCES
GROUP



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Next Steps Buyers & Sellers

Our escrow teams will need to add the transaction information to the reporting system

- Property Address
- Buyer/Seller emails
- Sales Price
- Backman's file number

The screenshot shows the homepage of the FinCEN Real Estate Report website. The header is dark blue with a navigation menu including 'Filing Solutions', 'Free Resources', 'Pricing', 'Help', 'About', and 'Contact'. There are buttons for 'Book Demo', 'Sign Up', and 'Login'. A dark blue banner below the header contains the text: 'Account access is live! Watch the video guides to learn the portal and manage FinCEN reports. Your login credentials will be emailed within 48 hours of signup. Questions can be sent to support@fincenrealestatereport.com.' and a button for 'Onboarding Video Guide'. The main content area has a dark blue background with the title 'FinCEN Real Estate Report Collect & File Services' in white. Below the title is a paragraph: 'Built for title and escrow. Order reports in a minute through title software or a secure portal and leave everything to experts with 150,000+ FinCEN filings completed. We securely collect information, insure filings and file with FinCEN for you.' There are three buttons: 'How It Works', 'Sign Up', and 'Book a Demo'. A yellow banner at the bottom of the main content area displays a timer: 'Real estate reporting required in 22 days 03 hours 03 mins 25 sec' and two buttons: 'Recorded Training Webinar' and 'Free Forms & Tools'. The footer is dark blue and features the Westcor Land Title Insurance Company logo on the left, the text '- Discount Partner Programs -' in the center, and the Title Resources Group logo on the right.

Account access is live! Watch the video guides to learn the portal and manage FinCEN reports. Your login credentials will be emailed within 48 hours of signup. Questions can be sent to support@fincenrealestatereport.com.

FinCEN Real Estate Report Collect & File Services

Built for title and escrow. Order reports in a minute through title software or a secure portal and leave everything to experts with 150,000+ FinCEN filings completed. We securely collect information, insure filings and file with FinCEN for you.

How It Works Sign Up Book a Demo

Real estate reporting required in 22 days 03 hours 03 mins 25 sec Recorded Training Webinar Free Forms & Tools

- Discount Partner Programs -

WESTCOR
LAND TITLE INSURANCE COMPANY

TITLE RESOURCES GROUP

Non-Public Data Storage Concerns

- Sensitive federal reporting data
- Encryption and secure portals
- Title companies often use third-party vendors
- Retention requirement (5 years)



Deadlines & Retention – Not waiting until closing

Filing Deadline:
The later of –
30 calendar days
after closing.

The last day of the
month following
the month of
closing.

Why Reporting Should be Complete Before Settlement



- Penalties
- Human Nature
- Contract implications

FinCEN & the Title Commitment

- **Not a Schedule B exception**
- **Not insurable risk**
- **Compliance requirement**
- **Process issue, not title defect**

Effective March 1, 2026, the U. S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") requires that a Real Estate Report ("FinCEN Report") be filed with FinCEN for certain residential real estate transfers, including purchases with all cash or without institutional lender financing, where at least one buyer or transferee is a legal entity, limited liability company, corporation, partnership, trust, trustee or other non-natural person. If the proposed transaction involves a reportable transfer, the buyer(s) and seller(s) must, prior to closing, provide all information and documentation necessary to complete and file the FinCEN Report. If the required information is not fully and timely provided, [Agent Name] expressly reserves the right to withdraw as the settlement agent for the transaction. Additional information regarding FinCEN's reporting requirements is available at <https://www.fincen.gov/rre/>

Client Communications

- Set expectations early
- Warn buyer and seller about secure email
- Explain federal requirement
- Discuss possible fees
- Avoid legal/tax advice
- Direct to title or attorney



From the Utah Association of Realtors® to their agents



Important information: Certain real estate transactions to be subject to new FinCen regulations March 1

Talk to your title company ASAP about your current under-contract transactions

Attention all UAR members,

The Financial Crimes Enforcement Network, or FinCen, has established anti-money laundering regulations applicable to specific real estate transfers. Although previously delayed, implementation is currently set for **March 1, 2026**.

Affected real estate sales transactions will require the title company to submit a real estate report to FinCen. The most common scenario includes the following three components:

From the Utah Association of Realtors® to their agents

1. Residential property (existing 1-4 family property or land that is intended to become a 1-4 family property)
2. Non-financed transaction (non-traditional lending including hard money lending, cash or seller-financed transaction)
3. Buyer is an entity or trust

Buyer Requirements

For applicable transactions, the buyer will need to give the title company the following information:

- The entity name and its beneficial owners (those with 25% or more of the ownership interest)
- If a trust, the trustee and the grantors
- The name of anyone signing for the buyer
- Names, addresses, Social Security numbers (SSN), employer identification number (EIN), and taxpayer identification number (TIN) for each beneficial owner owning 25% or more of the entity

Seller Requirements

The seller will need to provide the title company with their name, address and SSN, EIN or TIN.

From the Utah Association of Realtors® to their agents

Split Closing

In a split closing, the buyer's title company will be the reporting entity, and sellers will need to provide their information to both title companies.

Additional Information to Provide to Title Company

The title company will also need:

- The total compensation amounts for the transaction
- Any private loan details, if applicable
- All details about the transfer/transaction

******IMPORTANT: REALTORS® must communicate early in the transaction with the title company. If the title company doesn't get all the required information from both the buyer and the seller, the transaction closing date may be delayed.**

REPC Implications

Section 3.1 of the REPC describes that the buyer and seller "have delivered to each other or to the escrow/closing office all documents required by the REPC, by the lender, by the title insurance and escrow closing offices".

For these non-financed transfers/transactions in which the buyer is an entity or trust, this information is required by the title insurance and escrow closing offices.

From the Utah Association of Realtors® to their agents

FinCen Fees

Buyers in FinCen-reportable transactions should expect to see fees of \$300-\$400 for the additional reporting and retention requirements imposed on the reporting person.

Next Steps

If you have a property under contract today, please check with your title company to see if your transaction will require that the title company submit a real estate report to FinCen.

For additional information, visit [FinCen's website](#).

Utah Association of REALTORS®
(801) 676-5200
UtahRealtors.com

Utah Association of REALTORS | 230 W. Towne Ridge Parkway Suite 500 | Sandy, UT
84070 US

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Helping Real Estate Brokers & Agents



Helping Real Estate Brokers & Agents

- This FinCEN CE Class (1-hour CORE)
- Guide for Agents: <https://fincenrealestatereport.com/real-estate-agent-guide/>
- Marketing Handouts & Flowcharts



Contract Language

FinCEN Fees/Costs/Payment Obligations

If the proposed insured purchase is a transaction determined, by the time of closing, to require the filing of a report under the FinCEN Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule dated August 29, 2024, the estimated, minimum, filing fee of \$120.00 shall be paid for by:

Seller Buyer Split Equally Between Seller and Buyer

ADDENDUM NO. TO REAL ESTATE PURCHASE CONTRACT

THIS IS AN ADDENDUM COUNTEROFFER to that REAL ESTATE PURCHASE CONTRACT (the "REPC") with an Offer Reference Date of February 6, 2026, including all prior addenda and counteroffers, between Schiffman Enterprises, LLC as Buyer, and Tucker Hodgson as Seller, regarding the Property located at 7070 Union Park, Suite 100, Midvale, UT 84047. The following terms are hereby incorporated as part of the REPC:

If the proposed insured purchase is a transaction determined, by the time of closing, to require the filing of a report under the FinCEN Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule dated August 29, 2024, the estimated, minimum, filing fee of \$120.00 shall be paid for by:
shall be paid for by: Seller Buyer Split Equally Between Seller and Buyer

To the extent the terms of this ADDENDUM modify or conflict with any provisions of the REPC, including all prior addenda and counteroffers, these terms shall control. All other terms of the REPC, including all prior addenda and counteroffers, not modified by this ADDENDUM shall remain the same. Seller Buyer shall have until _____ AM PM Mountain Time on _____ (Date), to accept the terms of this ADDENDUM in accordance with the provisions of Section 23 of the REPC. Unless so accepted, the offer as set forth in this ADDENDUM shall lapse.

Buyer Seller Signature (Date) (Time) Buyer Seller Signature (Date) (Time)

ACCEPTANCE/COUNTEROFFER/REJECTION

CHECK ONE:

ACCEPTANCE: Seller Buyer hereby accepts the terms of this ADDENDUM.

COUNTEROFFER: Seller Buyer presents as a counteroffer the terms of attached ADDENDUM NO. _____.

(Signature) (Date) (Time) (Signature) (Date) (Time)

REJECTION: Seller Buyer rejects the foregoing ADDENDUM.

(Signature) (Date) (Time) (Signature) (Date) (Time)

Cash buyers

- Guide for Buyers:
<https://fincenrealestatereport.com/fincen-for-buyers/>
- Marketing Handouts & Flowcharts
- Introductory communications/email



Buyer FinCEN Introductory Email:

Hello [Buyer Name],

We want to give you a NOTICE and brief introduction about a new federal reporting requirement that applies to certain real estate transactions and may affect your upcoming closing.

Why you're receiving this notice

Pursuant to the Federal Bank Secrecy Act, as amended by the Corporate Transparency Act, the FinCEN Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule dated August 29, 2024 now requires a **FinCEN Report** for certain residential purchases. This applies when:

- the residential property (1-4 family) is purchased **without a bank loan (all-cash/non-financed/seller carry-back or hard-money)**, and
- the buyer is a **legal entity or a trust**.

This requirement applies to closings beginning **March 1, 2026**, and Backman Title Services, as the settlement/closing agent is responsible for ensuring the required report is filed when a transaction qualifies.

Buyer FinCEN Introductory Email:

How the reporting/data collection works

Backman Title Services has partnered with a secure, underwriter, approved third-party FinCEN reporting service (ADVALIS INC, dba fincenrealestatereport.com) to collect and submit the required information to the U.S. Department of the Treasury. If your transaction triggers this requirement, **you will receive a secure email link** directly from our reporting partner.

Using that link, you will:

- Enter information about the purchasing entity or trust
- Provide details about owners, controllers, or trustees, as required by federal rules

The process is **online, secure, and typically takes about five minutes** to complete. Once submitted, along with a good faith certification (the information about the entity or trust is correct to the best of your knowledge), the report is prepared and filed on your behalf. No additional steps are required.

Will data collection affect my closing timeline?

The data collection step IS REQUIRED and cannot be skipped. As long as the secure form is completed promptly after you receive the link, it should not delay your closing. However, federal rules prohibit settlement agents from closing a transaction until the required information has been submitted.

Buyer FinCEN Introductory Emails

What information/data is required

Depending on how title is being taken, you may be asked to provide:

- Entity details and individuals who own or control **25% or more**, or who have significant decision-making authority; or
- Trustee and control information for a trust, including the trust creation date.

Please note: Some sensitive information is required by FinCEN, including **Social Security numbers** for certain individuals and **bank account information** related to the funds used for the purchase. This information is submitted securely and goes directly to the U.S. Department of the Treasury. Federal penalties may apply if false or incomplete information is provided, so accuracy is important. The information/data and certification must be retained by Backman Title Services and our partner for a period of five years.

Need help?

The secure portal includes guided instructions and support. If you have general questions about the process, you're always welcome to contact your escrow officer at Backman Title Services.

We're sharing this information in advance so there are no surprises. Thank you for helping us comply with federal requirements and keep your closing on track.

Thank you,

Buyer FinCEN Notice – Short Version

For certain all-cash or non-financed residential purchases where the buyer is an entity or trust, federal law requires a FinCEN Report before closing. Backman Title Services handles this reporting using a secure third-party service. If your transaction qualifies, you'll receive a secure email link to provide required information about the purchasing entity or trust and its owners or controllers. The online form usually takes about five minutes to complete. This step is required and cannot be skipped, and closing cannot occur until the information is submitted. However, completing it promptly should keep your closing on schedule. Some sensitive information (such as Social Security numbers or bank details) is required by the U.S. Department of the Treasury, so accuracy is important.

Buyer FinCEN Notice – Text Version

Heads up: If you're buying all-cash (or non-financed, seller carry-back or hard money loan) through an entity or trust, federal law requires a FinCEN report before closing. You'll get a secure email link to enter required info (about 5 minutes). This step is required, closing can't happen until it's completed, so please do it promptly

Sellers

- Guide for Sellers:
<https://fincenrealestatereport.com/fincen-for-sellers/>
- Marketing Handouts & Flowcharts
- Introductory communications/email



Seller FinCEN Introductory Email

We want to give you a **NOTICE** and brief introduction regarding a new federal reporting requirement that applies to certain real estate transactions and may affect your upcoming sale.

Why you're receiving this notice

Pursuant to the Federal Bank Secrecy Act, as amended by the Corporate Transparency Act, the **FinCEN Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule dated August 29, 2024** now requires a FinCEN Report for certain residential real estate transactions. This requirement applies when the residential property (1–4 family) is transferred without a bank loan (all-cash, non-financed, seller carry-back, or hard-money) and the buyer is a legal entity or a trust.

This requirement applies to closings beginning **March 1, 2026**, and Backman Title Services, as the settlement/closing agent, is responsible for ensuring the required report is filed when a transaction qualifies.

Seller FinCEN Introductory Email

How the reporting/data collection works

Backman Title Services has partnered with a secure, underwriter-approved third-party FinCEN reporting service (**ADVALIS INC, dba fincenrealestatereport.com**) to collect and submit the required information to the U.S. Department of the Treasury. If your transaction triggers this requirement, you will receive a secure email link directly from our reporting partner.

Using that link, you will be asked to enter **basic information about yourself as the current owner of the property**. The process is online, secure, and typically takes less than five minutes to complete. Once submitted, along with a good-faith certification that the information provided is accurate to the best of your knowledge, the required report is prepared and filed on your behalf. No additional steps are required from you.

Seller FinCEN Introductory Email

Will data collection affect my closing timeline?

The data collection step **IS REQUIRED** and cannot be skipped. As long as the secure form is completed promptly after you receive the link, it should not delay your closing. However, federal rules prohibit settlement agents from closing a transaction until the required information has been submitted.

What information/data is required

Sellers are generally only required to provide information about themselves as the current owner of the property. If the property is owned by an entity or a trust, limited information regarding that entity or trust may also be required. Please note that FinCEN requires certain sensitive information, which may include Social Security numbers or EINs. This information is submitted securely and goes directly to the U.S. Department of the Treasury. Federal penalties may apply if false or incomplete information is provided, so accuracy is important. The information/data and certification must be retained by Backman Title Services and our reporting partner for a period of **five years**.

Seller FinCEN Introductory Email

Need help?

The secure portal includes guided instructions and support. If you have general questions about the process, you are always welcome to contact your escrow officer at Backman Title Services.

We're sharing this information in advance so there are no surprises, and your closing can proceed smoothly.

Thank you,

Backman Title Services

Seller FinCEN Notice – Short Version

For certain residential sales where the buyer is an entity or trust and the purchase is all-cash or non-financed, federal law requires a FinCEN Report before closing. Backman Title Services handles this reporting using a secure third-party service. As the seller, only limited information is required from you. If your transaction qualifies, you will receive a secure email link to provide the required information. The online form usually takes about five minutes to complete. This step is required and cannot be skipped, and closing cannot occur until the information is submitted. However, completing it promptly should keep your closing on schedule. Some sensitive information (such as Social Security numbers or EINs) is required by the U.S. Department of the Treasury, so accuracy is important.

Seller FinCEN Notice – Text Version

Heads up: For certain residential sales where the buyer is an entity or trust and the purchase is all-cash or non-financed (including seller carry-back or hard-money), federal law requires a FinCEN report before closing. You'll receive a secure email link to provide limited seller information (about 5 minutes). This step is required, closing can't occur until it's completed, so please respond promptly.

REPC & FinCEN

SETTLEMENT AND CLOSING.

3.1 Settlement. Settlement shall take place no later than the Settlement Deadline referenced in Section 24(d), or as otherwise mutually agreed by Buyer and Seller in writing. **“Settlement” shall occur only when all of the following have been completed: (a) Buyer and Seller have signed and delivered to each other or to the escrow/closing office all documents required by the REPC, by the Lender, by the title insurance and escrow/closing offices, by written escrow instructions (including any split closing instructions, if applicable), or by applicable law;** (b) any monies required to be paid by Buyer or Seller under these documents (except for the proceeds of any Loan) have been delivered by Buyer or Seller to the other party, or to the escrow/closing office, in the form of cash, wire transfer, cashier’s check, or other form acceptable to the escrow/closing office.

ULTA Recommended Solution

Use a third-party reporting service (or underwriter as described below) that collects information directly from buyers and sellers, then files the report. Neither title company handles the other party's sensitive data.

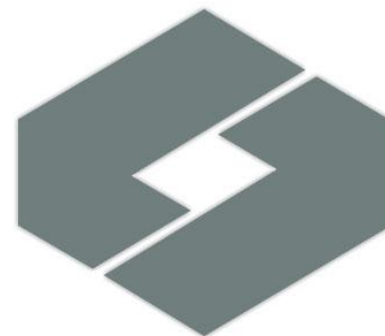
Standard Process

1. **Buyer's title company** engages the third-party service and pays the fee (currently anticipated to be \$125-\$200)
2. Service sends secure links directly to buyer and seller to collect required information prior to closing
3. Clear to close must be given by third party provider prior to closing
4. Service files the report with FinCEN by the deadline
5. Fee is charged to buyer (since their entity structure and lending preference triggered the requirement)

Contract & Risk Issues Agents Should Consider

Applicability – Who Decides If
Reporting Is Required?

- **Issue:**
FinCEN reporting is determined by
the settlement/title company, not
the agent.
- **Risk:**
Agents guessing about exemptions
or reportability.



Backman
Title Services

Contract & Risk Issues Agents Should Consider

Reporting Responsibility – Who Handles It?

- **Issue:**
The buyer-side title company is typically responsible for filing.
- **Risk:**
Seller's agent assuming "buyer's problem."
Buyer's agent assuming "title will handle it later."

Buyer side
or
Seller side

Contract & Risk Issues Agents Should Consider

Reporting must be completed before closing.

Risk:

Waiting until settlement week to collect entity ownership info.

Ask Yourself:

- When will beneficial ownership information be requested?
- Is there a contract deadline tied to compliance?
- What happens if a party refuses?

REAL ESTATE PURCHASE CONTRACT
This is a legally binding Real Estate Purchase Contract ("REPC"). Utah law requires real estate licensees to use this form. Buyer and Seller, however, may agree to alter or delete its provisions or to use a different form. If you desire legal or tax advice, consult your attorney or tax advisor.

EARNEST MONEY DEPOSIT

On this ____ day of _____, 20____ ("Offer Reference Date") _____ ("Buyer") offers to purchase from _____ ("Seller") the Property described below and agrees to deliver no later than four (4) calendar days after Acceptance (as defined in Section 2.3), an Earnest Money Deposit in the amount of \$_____ in the form of _____. After Acceptance of the REPC by Buyer and Seller, and receipt of the Earnest Money by the Brokerage, the Brokerage shall have four (4) calendar days in which to deposit the Earnest Money into the Brokerage Real Estate Trust Account.

OFFER TO PURCHASE

1. PROPERTY: _____
City of _____ County of _____ State of Utah, Zip _____ Tax ID No. _____
(the "Property"). Any reference below to the term "Property" shall include the Property described above, together with the Included Items and water rights/water shares, if any, referenced in Sections 1.1, 1.2 and 1.4.

1.1 Included Items. Unless excluded herein, this sale includes the following items if presently owned and in place on the Property: plumbing, heating, air conditioning fixtures and equipment; solar panels; ovens, ranges and hoods; cook tops; dishwashers; ceiling fans; water heaters; water softeners; light fixtures and bulbs; bathroom fixtures and bathroom mirrors; all window coverings including curtains, draperies, rods, window blinds and shutters; window and door screens; storm doors and windows; awnings; satellite dishes; all installed TV mounting brackets; all wall and ceiling mounted speakers; affixed carpets; automatic garage door openers and accompanying transmitters; security system; fencing and any landscaping.

1.2 Other Included Items. The following items that are presently owned and in place on the Property have been left for the convenience of the parties and are also included in this sale (check applicable box) washers dryers refrigerators microwave ovens other (specify) _____

The above checked items shall be conveyed to Buyer under separate bill of sale with warranties as to title. In addition to any boxes checked in this Section 1.2 above, there ARE ARE NOT additional items of personal property Buyer intends to acquire from Seller at Closing by separate written agreement.

1.3 Excluded Items. The following items are excluded from this sale: _____

1.4 Water Service. The Purchase Price for the Property shall include all water rights/water shares, if any, that are the legal source for Seller's current culinary water service and irrigation water service, if any, to the Property. The water rights/water shares will be conveyed or otherwise transferred to Buyer at Closing by applicable deed or legal instruments. The following water rights/water shares, if applicable, are specifically excluded from this sale: _____

2. PURCHASE PRICE

2.1 Payment of Purchase Price. The Purchase Price for the Property is \$_____. Except as provided in this Section, the Purchase Price shall be paid as provided in Sections 2.1(a) through 2.1(e) below. Any amounts shown in Sections 2.1(c) and 2.1(e) may be adjusted as deemed necessary by Buyer and the Lender (the "Lender").

\$_____ (a) **Earnest Money Deposit.** Under certain conditions described in the REPC, this deposit may become totally non-refundable.

\$_____ (b) **Additional Earnest Money Deposit** (see Section 8.4 if applicable)

\$_____ (c) **New Loan.** Buyer may apply for mortgage loan financing (the "Loan") on terms acceptable to Buyer. If an FHAVA loan applies, see attached FHAVA Loan Addendum.

\$_____ (d) **Seller Financing** (see attached Seller Financing Addendum)

\$_____ (e) **Balance of Purchase Price in Cash at Settlement**

\$_____ **PURCHASE PRICE. Total of lines (a) through (e)**

2.2 Sale of Buyer's Property. Buyer's ability to purchase the Property, to obtain the Loan referenced in Section 2.1(c) above, and/or any portion of the cash referenced in Section 2.1(e) above IS IS NOT conditioned upon the sale of real estate owned by Buyer. If checked in the affirmative, the terms of the attached subject to sale of Buyer's property addendum apply.

3. SETTLEMENT AND CLOSING.

3.1 Settlement. Settlement shall take place no later than the Settlement Deadline referenced in Section 24(d), or as otherwise mutually agreed by Buyer and Seller in writing. "Settlement" shall occur only when all of the following have been completed: (a) Buyer and Seller have signed

Page 1 of 6 pages Buyer's Initials _____ Date _____ Seller's Initials _____ Date _____

Contract & Risk Issues Agents Should Consider

Earnest Money Risk?

- **Risk:**
Earnest money disputes.
- **Ask Yourself:**
- If a party refuses to provide FinCEN information, is that a default?
- At what point does non-cooperation affect earnest money?
- Has your broker addressed this issue?

Contract & Risk Issues Agents Should Consider

Who pays the fees?

Issue:

FinCEN reporting involves a compliance cost.

Risk:

Closing-table disputes over unexpected fees.

Contract Language

FinCEN Fees/Costs/Payment Obligations

If the proposed insured purchase is a transaction determined, by the time of closing, to require the filing of a report under the FinCEN Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule dated August 29, 2024, the estimated, minimum, filing fee of \$120.00 shall be paid for by:

Seller Buyer Split Equally Between Seller and Buyer

ADDENDUM NO. TO REAL ESTATE PURCHASE CONTRACT

THIS IS AN ADDENDUM COUNTEROFFER to that REAL ESTATE PURCHASE CONTRACT (the "REPC") with an Offer Reference Date of February 6, 2026, including all prior addenda and counteroffers, between Schiffman Enterprises, LLC as Buyer, and Tucker Hodgson as Seller, regarding the Property located at 7070 Union Park, Suite 100, Midvale, UT 84047. The following terms are hereby incorporated as part of the REPC:

If the proposed insured purchase is a transaction determined, by the time of closing, to require the filing of a report under the FinCEN Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule dated August 29, 2024, the estimated, minimum, filing fee of \$120.00 shall be paid for by:
shall be paid for by: Seller Buyer Split Equally Between Seller and Buyer

To the extent the terms of this ADDENDUM modify or conflict with any provisions of the REPC, including all prior addenda and counteroffers, these terms shall control. All other terms of the REPC, including all prior addenda and counteroffers, not modified by this ADDENDUM shall remain the same. Seller Buyer shall have until _____ AM PM Mountain Time on _____ (Date), to accept the terms of this ADDENDUM in accordance with the provisions of Section 23 of the REPC. Unless so accepted, the offer as set forth in this ADDENDUM shall lapse.

Buyer Seller Signature (Date) (Time) Buyer Seller Signature (Date) (Time)

ACCEPTANCE/COUNTEROFFER/REJECTION

CHECK ONE:

ACCEPTANCE: Seller Buyer hereby accepts the terms of this ADDENDUM.

COUNTEROFFER: Seller Buyer presents as a counteroffer the terms of attached ADDENDUM NO. _____.

(Signature) (Date) (Time) (Signature) (Date) (Time)

REJECTION: Seller Buyer rejects the foregoing ADDENDUM.

(Signature) (Date) (Time) (Signature) (Date) (Time)

Contract & Risk Issues Agents Should Consider

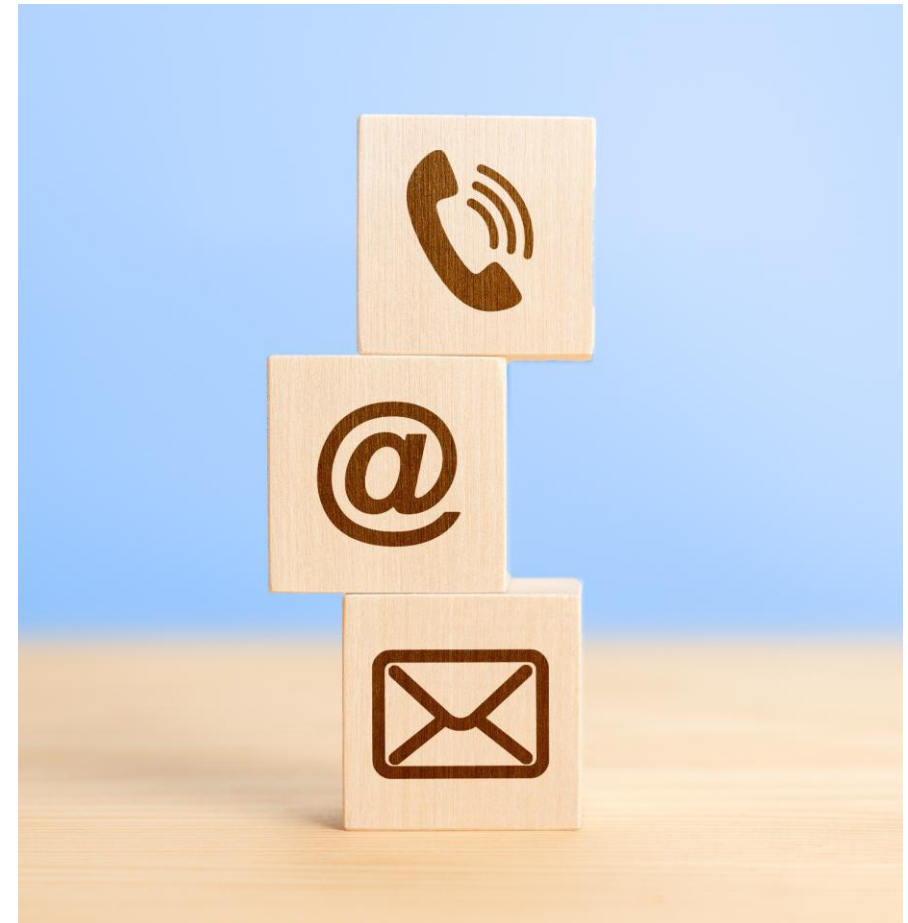
Contact Information – Why It Matters

Issue:

Reporting vendors require accurate email and phone.

Risk:

Escrow chasing contact information at the last minute.



Contract & Risk Issues Agents Should Consider

Unexpected emails from unknown parties

Issue:

Clients will receive secure emails from reporting vendors.

Risk:

Buyer thinks it's phishing.
Seller ignores it.



Contract & Risk Issues Agents Should Consider

Legal Advice
Boundaries

Issue:

Agents are not
determining federal
compliance.

Risk:

Giving legal or tax
advice.





FinCEN is not on the REPC, Seller Disclosures, or Diligence form

- Who is reporting?
- How much does it cost?
- Who is paying for it?
- Contact information required for buyer & sellers
- FinCEN filing is required before closing, when should that happen?
- What happens if one of the parties fails to file?
- Should FinCEN reporting tie to earnest money?

Common Goals – Real Estate & Title

- Protecting the transaction
- Preventing delays
- Clarify and align expectations



FinCEN and our Common Goals

Realtor Goals

- Avoid closing delays
- Avoid client confusion
- Avoid last-minute fee disputes
- Protect client relationships

Title and Escrow Goals

- Identify reportable transactions early
- Order reporting immediately
- Obtain accurate contact information
- Disclose fees upfront
- Avoid last-minute compliance scramble

The Big Picture

FinCEN reporting is:

- Federal
- Mandatory
- Pre-closing
- Non-negotiable

Your job as an agent:

- Flag it early
- Set expectations
- Open escrow quickly
- Avoid last-minute surprises



Questions to Discuss With Your Broker

Does your brokerage have
additional FinCEN
contract guidance?

How does your brokerage
handle compliance
timing?

What happens if a party
refuses to cooperate?

Who pays FinCEN fees?

