



**TO:** Approved NC Attorneys of Chicago Title

**FROM:** Chicago Title North Carolina State Counsel

**DATE:** July 30, 2025

**RE:** FinCEN's Anti-Money Laundering Regulations for Residential Real Estate Transfers

The Financial Crimes Enforcement Network (FinCEN) is a bureau within the United States Department of the Treasury that collects and analyzes information about financial transactions to combat domestic and international money laundering, terrorist financing and other financial crimes.

In August 2024, FinCEN issued its final Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule (the "Rule"). The Rule is not to be confused with Geographic Targeting Orders or GTOs previously issued by FinCEN, which have so far not targeted North Carolina. This is a new Rule that will likely replace GTO reporting and will be effective nationwide, including North Carolina.

**When is the Rule's Effective Date?** The Rule takes effect December 1, 2025, and covers the following types of transactions:

1. Transfer of residential real property;
2. The buyer is a trust or business entity;
3. The transfer is "non-financed"; and
4. The property is located anywhere in the US or US territories.

Non-financed transactions include all-cash sales. If the purchase does involve financing, the transaction may still be reported if the lender or financial institution does not have an anti-money laundering program or obligation to report suspicious activity. Examples include seller carry-back loans, private financing, and loans secured by other collateral.

Residential real estate includes existing residential 1-4 family properties, co-ops, condominiums, and mixed use and apartment buildings. It also includes vacant land on which the buyer intends to build a residential structure primarily for occupancy by 1-4 families.

Note that there are exemptions covering certain types of transfers which are not considered cash purchases, such as reverse 1031 exchanges, along with grants, revocations and transfer of easements.

**What is Required by the Rule?** The Rule requires a closing/settlement agent in a covered transaction to complete and submit to FinCEN a Real Estate Report with specific information about the transaction.

The Real Estate Report is due no later than 30 days after the closing date or the last day of the month following the closing date. For example, if the closing occurs on March 15th, the Report is due on or before April 30th.

**Who must Submit a Real Estate Report?** According to the Rule, the primary “reporting person” is the person conducting the settlement/closing or the person who prepares the settlement statement. In a split closing, the Rule designates the primary “reporting person” as the person who prepares the settlement statement for the buyer.

**What Information must be Included in a Real Estate Report?** FinCEN has not yet released a final version of the Real Estate Reporting form, but it is expected that data fields will include the following:

- Reporting person information
- Closing date
- Property address and full legal description
- Transferee/Buyer information
- Person(s) associated with the transferee (authorized signers and beneficial owners)
- Transferor/Seller information
- If the Transferor is a trust, provide the trustee’s information
- Purchase price
- Payment Information, including bank account details for sourcing funds
- Detailed payment information for payments made on behalf of the Transferee/Buyer

We suggest checking with your production system vendor to ask if they plan to automate the Real Estate Reporting form completion process within the production system.