

FinCEN Real Estate Reporting Requirement

Anti-Money Laundering Real Estate Reporting Requirement Delayed until March 1, 2026.

In 2024, the Financial Crimes Enforcement Network (FinCEN) published the Residential Real Estate Rule which required, effective December 1, 2025, real estate closing and settlement servicers, like title and escrow companies, (Reporting Persons) to collect data on certain “all-cash” transactions and report that information to FinCEN. On September 30, 2025, the Department of the Treasury announced that it was delaying the reporting requirement until March 1, 2026.

C.A.R. forms response. In mid-September, C.A.R. released a new form titled, Federal Reporting Requirement Purchase Addendum (C.A.R. form FRR-PA). The FRR-PA was bundled with the Residential Purchase Agreement (C.A.R. form RPA) and other applicable agreements so that escrow and title companies would have contractual authority to gather and report information for escrows that were scheduled to, or might, close on or after the December 1, 2025, date. C.A.R. had intended to update the RPA to include the necessary contractual instructions with the December 2025 forms release and then discontinue the FRR-PA at that time. Those plans have changed. The FRR-PA has been updated to reflect the new implementation date, and a revised FRR-PA, with a revision date of 10/25, will be available on zipForm. A change to the RPA addressing the FinCEN rule will not be made in December but instead will be changed closer to the actual implementation date, to minimize back and forth changes within the RPA. The FRR-PA will continue in place until the next C.A.R. forms release in June.

What does the real estate reporting rule require? Reporting persons are required to collect information from buyers and sellers on a “all-cash” purchase of residential real estate, regardless of location or price, and report the collected information to FinCEN **if the buyer is an entity or trust**. Failure to do so can result in significant civil and criminal penalties. All-cash includes financing through parties not normally subject to reporting requirements, like many hard-money lenders. Reporting information includes name, address, taxpayer ID – including foreign jurisdiction if applicable, and applies to trustees, beneficial owners and signing individuals, as well as price, property address and account from which the purchase price was paid.

Is it necessary to sign the FRR-PA if the transaction is financed, or expected to close before March 1, 2026, or the buyer is purchasing in an individual capacity?

The FRR-PA is bundled with the RPA and other applicable purchase agreements. The form’s contractual requirements only apply if the conditions of the federal reporting requirement are met (see paragraph 2 of FRR-PA). Signing the form will not affect a transaction in which the collection and reporting obligations do not apply or are not likely to apply to a closing. The Reporting Person will make the determination of the applicability. It is important to remember that if there is a delay in closing or an assignment of a buyer’s interest that will trigger the law’s requirements, and the form has not been signed, escrow will not close until the data has been collected. If the form has not been signed at time of contract, getting it signed later may impose an impediment to closing.

Does the delay announced for the new FinCEN rule impact the already existing obligation of title companies to collect and report similar information pursuant to Geographic Targeting Orders?

No.