

FinCEN’s Residential Real Estate Reporting Rule Goes Into Effect March 1, 2026 — What You Need to Know



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Effective March 1, 2026, the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) will implement its nationwide Residential Real Estate Reporting Rule (“RRE Rule”), a new anti-money-laundering reporting obligation that applies to certain residential real estate transactions across the United States. The reporting requirement under the RRE Rule is expected to assist the U.S. Department of the Treasury, law enforcement, and national security agencies in addressing illicit finance vulnerabilities in the U.S. residential real estate sector, and to curtail the ability of illicit actors to anonymously launder illicit proceeds through transfers of residential real property, which threatens U.S. economic and national security.

What is a reportable transfer?

Under the RRE Rule, a “reportable transfer” is generally defined as a non-financed transfer of an ownership interest in residential real property to a legal entity or trust. These “reportable transfers” must be reported to FinCEN using a Real Estate Report submitted electronically through FinCEN’s BSA E-Filing System. A “non-financed transfer” of

residential real property is a transfer in which the buyers do not receive credit that is both (1) secured by the property and (2) extended by a financial institution that is subject to anti-money-laundering (“AML”) program requirements and Suspicious Activity Report (“SAR”) filing obligations. Put more simply, if an LLC or trust buys a house and there’s no bank loan from a regulated lender involved, that deal probably needs to be reported. If a traditional bank is making the loan and doing its usual AML checks and SAR filings, then the reporting burden generally doesn’t fall on the real estate side, because the bank is already in that gatekeeper role. If a lender provides financing but is not required to maintain an AML program or file SARs, the transaction is still treated as a “non-financed transfer” and may be subject to reporting if other reporting criteria are met.

The rule does *not* apply to transfers where the buyer is a natural person acquiring property with traditional bank financing that triggers AML obligations; it focuses instead on purchases where AML oversight would otherwise be lacking. Covered property includes one-to-four family homes, condominiums, cooperatives, and certain vacant land intended for residential construction, regardless of value or location. In other words, if a regular person is buying a house with a mortgage from a bank, this rule generally stays out of the way. It’s really aimed at the deals that don’t have a bank involved, situations where there’s no one automatically asking questions about who’s behind the money.

A partially financed transfer is not reportable when there is a single transferee who obtains qualifying mortgage financing for a part of the purchase price. By contrast, in a transaction with multiple transferees, the transfer is reportable for any transferee whose ownership interest is not supported by qualifying secured financing, even if other transferees in the transaction did not obtain such financing. If one buyer is on the deed and has a bank loan covering part of the deal, you’re generally out of reporting territory; however, if there are multiple buyers and even one of them is coming in with unfinanced cash or non-qualifying funds, that slice of the transaction can trigger reporting, even if the others have traditional mortgages in place.

Who must file?

The requirement falls to a “reporting person.” Typically, the “reporting person” is the real estate professional most directly involved in the closing or settlement process. FinCEN uses a cascade hierarchy to determine this person, starting with the closing or settlement agent, then others such as the person preparing the closing statement, filing the deed, underwriting title insurance, disbursing funds, and so on. If earlier parties are not involved, basically, FinCEN works down a checklist until it finds someone in the transaction who fits the bill. If everyone involved wants clarity upfront, they can agree in writing with a written designation agreement, determining who’s going to handle the filing so there’s no finger-pointing later.

What information must be reported?

The Real Estate Report requires the reporting person to submit identifying information about the transaction and the parties involved. This includes the following information:

- i. Identification of the reporting person;
- ii. Description of the residential real property;
- iii. Identification of the transferor (seller);
- iv. Identification of the transferee entity or transferee trust;
- v. Identification of individuals representing the transferee in the transaction;

- i. Beneficial ownership information for the transferee entity or trust; and
- l. Financial details of the transfer.

Beneficial owners of a transferee entity include individuals who, as of the closing date, either (a) exercise substantial control over the entity or own the entity or (b) control at least 25 percent of its ownership interests. Beneficial owners of a trust may include trustees, certain beneficiaries, grantors or settlors with revocation rights, and other individuals with authority to dispose of trust assets. The new rule seeks to get to the real people behind the paperwork, the individuals holding a meaningful stake. With trusts and entities, that can mean looking past the name on the document and identifying the individuals who truly have the power to control or benefit from the assets.

The report must be filed by the later of 30 calendar days after closing or the last day of the month following the closing month. Additionally, reporting persons must retain supporting documentation — such as designation agreements and beneficial ownership certifications — for five years.

The RRE Rule marks a major compliance change for real estate professionals—such as closing agents, title insurers, escrow agents, and attorneys—who were not previously subject to federal AML reporting requirements. Given the risk of civil and potential criminal penalties for noncompliance, affected parties should review and update their closing procedures, information-collection practices, and internal controls. In short, this isn't just a technical tweak, it's a real shift in responsibility! If you're involved in closing deals, now's the time to tighten up processes and make sure everyone is aware of the data collection and reporting requirements.

If you would like assistance evaluating how this new reporting requirement may apply to your transactions, please reach out to an attorney in our [Tax Controversy](#) or [Real Estate Teams](#).

Relevant FinCEN Resources

- **FinCEN Residential Real Estate Rule Overview** : <https://www.fincen.gov/rre>
- **RRE Rule FAQs**: <https://www.fincen.gov/rre-faqs>
- **FinCEN News & Updates on the RRE Rule** : <https://www.fincen.gov/rre-newsroom>
- **Real Estate Report Form**: <https://www.fincen.gov/system/files/2025-09/RER-Form-508C.pdf>
- **BAA-E Filing System**: <https://bsaefiling-sandbox.fincen.gov/>