



What Realtors Need to Know About FinCEN's New Real Estate Reporting Rule

By: Land Title Association of Colorado

As part of our ongoing commitment to consumer protection and regulatory transparency, the Land Title Association of Colorado ("LTAC") would like to share important information regarding a new federal reporting requirement issued by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). This new rule went into effect December 1, 2025 but reporting will not be enforced until March 1, 2026, and will impact certain residential real estate transactions nationwide, including those in Colorado.

Our goal in sharing this information is to help real estate professionals understand what the rule is, why it exists, how it may affect buyers and sellers, and how you can help facilitate a smooth transaction experience while remaining compliant with the law.

What Is the New FinCEN Rule and how does it differ from the current GTO (geographic targeting orders)?

The new FinCEN rule requires reporting of certain non-financed residential real estate transfers to be reported to the federal government. These reports are intended to identify the beneficial owners behind real estate purchases made through entities such as LLCs, corporations, partnerships, or trusts. In short, the rule focuses on who ultimately owns or controls the purchasing entity.

Unlike our current GTOs, which apply only in designated geographic areas and are triggered by specific purchase-price thresholds, this new rule establishes a permanent, nationwide reporting requirement. It is not limited by location or dollar amount and applies based on the structure of the transaction rather than where the property is located or financial consideration.

How Does This Affect your Buyer and Seller clients?

For many traditional, lender-financed transactions, the impact may be minimal. However, buyers and sellers should be aware of the following key points:

- Certain transactions will require additional information to be reported, including details about the individuals who ultimately own or control the purchasing entity.
 - Very broadly, this new rule applies to 1. residential property that 2. does not include a lender with an anti-money laundering program and has a 3. transferor/buyer that is an entity or a trust.
 - There are exemptions and nuances to the rule that must be strictly followed. For more guidance and specifics, be sure to reach out to your local title company.
- Information may include names, addresses, dates of birth, bank account information and identification details for beneficial owners.
- Reporting is federal, mandatory, and time sensitive.
- Title companies may choose to delay a closing until the required information is received from the parties to the transaction.
- Title companies may also charge an additional fee if the rule applies to the transaction being insured.
- The information is submitted to FinCEN and is not public, nor recorded in county land records.

What can you do?

While Realtors are not responsible for filing FinCEN reports, you play a critical role in helping clients understand what to expect.

Realtors can help by:

- Setting expectations early with buyers and sellers, particularly when an entity is involved.
- Encouraging clients to be prepared to provide required information promptly.
- Reinforcing that these requirements are federal law, not discretionary or optional.
- Coordinating closely with title companies, attorneys, and settlement professionals who will be assisting with compliance.

In Summary

This new FinCEN reporting rule represents a meaningful shift in federal oversight of certain residential real estate transactions. Early awareness and clear communication will be essential to helping buyers and sellers understand what to expect, minimizing delays, and supporting a smooth closing process.

By staying informed and setting expectations early, Colorado real estate professionals can continue to serve as trusted advisors while helping clients navigate these regulatory changes with confidence and clarity. LTAC appreciates your professionalism and partnership as we work together to support transparency, consumer protection, and a strong real estate marketplace in Colorado.

Some helpful resources for additional information:

FinCEN: Final Rule & FAQs

<https://www.fincen.gov/rre>

NAR: Washington Report on AML rules

<https://www.nar.realtor/washington-report/fincen-issues-new-anti-money-laundering-rule-for-real-estate>