

# New REGULATIONS

## COMING IN DECEMBER, 2025!



## CHICAGO TITLE

Currently, title insurance companies in specific geographic areas are required to report certain transactions to the Financial Crimes Enforcement Network (FinCEN) pursuant to a Geographic Target Order (GTO). A GTO is a tool FinCEN can use to temporarily identify trends. They may only be in effect for six months, after which they can be renewed, and limited to specific targeted areas. However, **starting December 1<sup>st</sup>, 2025**, a permanent reporting requirement, the Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule, takes effect. This new Rule will cover **ALL** U.S. states and territories – significantly increasing the number of reportable transactions and the information requested for each transaction.

**Here are the differences between GTO and the new Rule:**

	CURRENT GTO	ANTI-MONEY LAUNDERING REGULATIONS FOR RESIDENTIAL REAL ESTATE TRANSFERS RULE
VIP DATES	Expiring April 14 <sup>th</sup> , 2025 (Potential Renewal until Nov 30, 2025)	Effective December 1 <sup>st</sup> , 2025
What areas are covered?	Specific metropolitan areas and counties within 13 states, including New York, California, Florida and others.	All 50 states and U.S. territories
What type of buyer is covered?	Buyer must be a legal business entity (LLC, corporation, partnership) EXCEPT for (1) a Reverse Exchange or (2) a business publicly traded; or (3) a self-regulatory organization registered with the SEC.	Buyer must be an entity excluding publicly traded companies, governmental authorities, exchange companies (Full list available at 31 CFR 1031.320(n)(10)) OR buyer is a trust as defined by 31 CFR 1031.320(n)(11).
What type of real estate is covered?	Sale of residential property (1 to 4 family) including condominiums and co-ops and easements (not including vacant land); and Sale price is at least \$300,000 or more (other than Baltimore County).	Any sale within all 50 states and U.S. territories No minimum purchase price Sale of residential 1-4 family properties, vacant land on which the buyer intends to build a structure primarily for occupancy by 1-4 families, co-ops, condominiums, mixed use and apartment buildings. Excludes easements.
What type of monetary payment is covered?	Purchase is made without a bank loan or by a financial institution that has both an obligation to maintain an anti-money laundering program and an obligation to report suspicious transactions under FinCEN regulations appearing in Chapter X of Title 31 of the Code of Federal Regulations; and Any portion of the transaction is paid with cash, cashier's check, certified check, traveler's check, personal check, business check, money order, funds transfer or virtual currency.	Any non-financed purchase and instances of private or seller financing where the loan or funds are provided by a bank, mortgage broker or mortgage banker or other source that does not have an anti-money laundering program. The new rule does state the funding of the loan must be secured by the subject property, so lines of credit secured by other collateral used to purchase would be considered reportable.
What information is collected?	Transaction details (address, sales price); purchasing entity information including beneficial owners, authorized signer type and number of payments (no account information).	Transaction details (address, sales price, legal description); transferee entity/trust information including beneficial owners and authorized signers; transferor entity/trust information including beneficial owners and authorized signers; payment information including method, account numbers, and names of payors.
Who is responsible for reporting?	The GTO required title insurance companies to identify and report transactions meeting the GTO requirements.	The new Rule primarily requires the person listed as the settlement agent on the closing statement to file a report.
How do you report?	FinCEN required title insurance companies to file a Currency Transaction Report (CTR) not specific to the GTO for each transaction.	Under the Rule a new form is being created specifically for reporting. Currently, the proposed form has up to 111 data points to be completed but the final form has not been issued.

Understanding the shift from the GTO to the Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule will help to avoid confusion. While similar on a basic level, the new Rule adds additional data which must be collected. Our valued customers who are used to completing our Information Collection Form may not realize a change is coming. Buyers and sellers may question why the additional information will be required. Chicago Title is sharing this information to highlight the change and keep our valued customers informed before December 1<sup>st</sup>, 2025.