

FinCEN Renews Global Targeting Order

The [Financial Crimes Enforcement Network \(FinCEN\)](#), one of the U.S. Treasury's leading agencies in the fight against money laundering and financing of terrorism, has again renewed the Global Targeting Order (GTO) that imposes data collection and reporting requirements on title companies involved in certain high-end real estate transactions.

FinCEN issued an updated GTO effective November 17, 2018, through May 15, 2019, requiring title companies to continue to collect and report information involving persons engaged in residential real estate transactions of \$300,000 or more, made without a bank loan or other similar financing. The updated GTO significantly lowered the threshold amount that triggers reporting and expands the geographical areas that must comply with these requirements.

Residential real estate transactions for the purchase of real property for \$300,000 or more and that are purchased without a mortgage or any similar form of financing must be reported in the following areas:

- Texas: Bexar, Tarrant, or Dallas Counties
- Florida: Miami-Dade, Broward, or Palm Beach Counties
- New York: Boroughs—Brooklyn, Queens, Bronx, Staten Island or Manhattan
- California: San Diego, Los Angeles, San Francisco, San Mateo, or Santa Clara Counties
- Hawaii: City and County of Honolulu
- Nevada: Clark County
- Washington: King County
- Massachusetts: Suffolk or Middlesex Counties
- Illinois: Cook County

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Title companies, and their agents, must file a report with FinCEN regarding covered purchases of residential real property meeting the requirements above when such purchases are made:

- without a bank loan or similar external financing and
- is paid at least in part by using:
 - Currency or a cashier's check,
 - Certified check,
 - Traveler's check,
 - Personal check,
 - Business check,
 - Money order in any form,
 - Funds transfer (i.e. wire), or
 - Virtual currency.

The GTOs do not impose any new obligations on real estate professionals. However, it is important for members to be aware of these and the potential impact on real estate sales transactions. In the event a transaction is covered by a GTO, the title company may consult with the real estate professional to obtain information necessary to report in compliance with the order. *Such communications should not affect the real estate sales transaction or timeline for closing as title companies are required to report GTO covered transactions to FinCEN within 30 days of the closing.*

Additional Resources:

For more information on GTO's and frequently asked questions (FAQs) regarding certain real estate transactions, see [here](#).

For information about FinCEN's efforts to combat money laundering and terrorist financing, see [here](#).

For information on the GTOs and FinCEN's new *Advisory to Financial Institutions and Real Estate Firms and Professionals* that provides information on money laundering risks for real estate transactions and how to detect and report these transactions, see [here](#).

For background on real estate professionals' responsibilities under the law, check out NAR's voluntary [guidelines](#) developed in collaboration with FinCEN.

To learn more about anti-money laundering and FinCEN's efforts, see [NAR's Window to the Law: New Effort to Combat Money Laundering](#).

For help recognizing suspicious money laundering activities, see this [video](#) created by NAR in partnership with U.S. Treasury Department.