

NAR Issue Brief

New FinCEN 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 [issued a new Global Targeting Order \(GTO\)](#) that imposes data collection and reporting requirements on title companies involved in certain high-end real estate transactions.

In March 2016, FinCEN released two GTOs requiring certain title companies to identify natural persons with a 25 percent or greater ownership interest in a legal entity purchasing residential real property, without a bank loan or similar form of external financing, in excess of \$3 million dollars in the Borough of Manhattan in New York or in excess of \$1 million in Miami-Dade County, Florida.

On July 27, 2016, FinCEN issued a new GTO expanding the geographic territories where title companies comply with the GTO's data collection and reporting requirements, and thereby extended the reporting requirements for the Borough of Manhattan and Miami-Dade County, which were set to expire on August 27, 2016.

The [new GTO](#) will go into effect on August 28, 2016, and last until February 23, 2017. The covered geographic areas and transaction thresholds now include:

- **\$500k and above – Bexar County, Texas**
- **\$1m and above – Miami-Dade, Broward, and Palm Beach Counties, Florida**
- **\$1.5m and above – New York City Boroughs of Brooklyn, Queens, Bronx and Staten Island**
- **\$2m and above – San Diego, Los Angeles, San Francisco, San Mateo and Santa Clara Counties, California**
- **\$3m and above – New York City Borough of Manhattan**

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, a certified check, a traveler's check, a personal check, a business check, or a money order. The requirement to report payments with any portion made by a personal or business check is new and was not included in the original GTOs.

The GTO does not impose any new obligations on real estate professionals. However, it is important for members to be aware of this order and the potential impact on real estate sales transactions. In the event a transaction is covered by the 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.

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

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