

# National Association of REALTORS® Issue Brief

## FinCEN Renews Geographic Targeting Order

May 13, 2020

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 renewed the [Geographic Targeting Order](#) (GTO) that imposes data collection and reporting requirements on title companies involved in certain high-end real estate transactions.

FinCEN renewed the GTO effective beginning on November 12, 2019 through May 9, 2020, requiring title companies or its agents or subsidiaries subject to the GTO 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 latest GTO reflects the continued lower threshold amount that triggers reporting and maintains the existing geographical areas are under review.

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

In accordance with the GTOs, title companies 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, money order, or virtual currency. Pursuant to legislation that directed Treasury to allow investigators to obtain additional records to better target illicit Russian activity, the GTOs also include wire funds transfers.

**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



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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:**

[Frequently Asked Questions \(FAQs\) on the GTOs](#)

[FinCEN's Efforts to Combat Money Laundering and Terrorist Financing](#)

[FinCEN's Advisory to Financial Institutions and Real Estate Firms and Professionals: Information on Money Laundering Risks for Real Estate Transactions and How to Detect and Report These Transactions](#)

[Developed in Collaboration with FinCEN](#)

[NAR's Window to the Law: FinCEN's GTOs Extended and Expanded](#)

