

May 05, 2021

The Honorable Michael Mosier
Acting Director
Financial Crimes Enforcement Network (FinCEN)
Attn: Policy Division
P.O. Box 39
Vienna, Virginia 22183

Charlie Oppler
2021 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

Shannon McGahn
Chief Advocacy Officer

Re: Docket Number FINCEN-2021-0005; RIN 1506-AB49: Beneficial Ownership Information Reporting Requirements

Dear Acting Director Mosier:

On behalf the National Association of REALTORS® (NAR) 1.4 million members, I submit the following comments in response to Financial Crimes Enforcement Network's (FinCEN's) Advance Notice of Proposed rulemaking to implement the beneficial ownership information reporting provisions of the *Corporate Transparency Act (CTA)*. NAR supported the *Anti-money Laundering Act of 2020*, including the CTA and has long supported risk-based, pragmatic solutions to combating money laundering and terrorist financing, including the collection of beneficial ownership information.

The National Association of REALTORS® is America's largest trade association, including NAR's five commercial real estate institutes and various societies and councils. REALTORS® are involved in all aspects of the commercial real estate industries and belong to one or more of some 1,200 local associations on board, and 54 state and territory associations of REALTORS®. NAR represents a wide variety of industry professionals, including approximately 25,000 licensed and certified appraisers, committed to the development and preservation of the nation's housing stock while ensuring its availability to the widest range of potential homebuyers. REALTORS® are supportive of Congress' and FinCEN's efforts in developing a thoughtful and efficient approach to improve our nation's current anti-money laundering framework.

Money laundering and terrorist financing in real estate is a major threat to our industry. Collection of beneficial ownership information for submission to FinCEN at the time of legal entity formation under state law will help to promote greater transparency of anonymous shell companies and assisting law enforcement in stopping criminal activity. NAR remains committed to working collaboratively with lawmakers, title companies, regulators, law enforcement, and other industry groups to combat money laundering in real estate. Many REALTORS® are current business owners themselves and will be subject to the beneficial ownership disclosure reporting requirements developed by FinCEN under the CTA. They understand that the benefits of beneficial ownership information collection outweigh the compliance burdens in stopping bad actors before they permeate the real estate market.



However, to ease the compliance burdens on small businesses, NAR supports the implementation of beneficial ownership regulations that are practical and predictable. Regulations should be developed and implemented in a manner that provides existing business owners with sufficient notice and time to understand and comply, without penalty, for a safe harbor period. FinCEN should work collaboratively with relevant state agencies to ensure that businesses are supported and fully understand reporting requirements. A robust educational campaign on FinCEN's collection of beneficial ownership information could inform business owners of the purpose, scope, and limited use of the data collected to improve compliance. NAR is willing to partner with FinCEN on such efforts to promote awareness and ensure business owners recognize the importance of these new measures.

It is imperative that business owners have a simple and easy way to provide FinCEN with their information in a timely and efficient manner after the new regulations are developed and before implementation begins. Many business owners are very busy, especially given the operational challenges posed by the public health pandemic. Any new regulations therefore must be concise, and not overly complicated or burdensome for businesses. Many businesses struggle with the cost of compliance and lack teams of experts to ensure everything is correct, so helping these owners understand the importance of this information while also minimizing the costs is critical to sustaining their operations. Business owners should be able to update their information securely online with FinCEN or through their state platform in one simplified format and at a reasonable time, such as within 90 days of a change or at a time when business owners would annually update their information with the state.

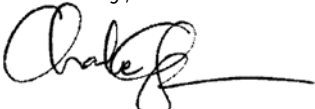
Providing a safe harbor for business owners seeking to amend previously submitted beneficial ownership information would also be significant and go a long way in ensuring compliance. Business owners should be provided with the opportunity to correct any inaccuracies to FinCEN without being penalized, especially at the beginning of the regulatory implementation period. If business owners are provided with reasonable time to update and change inaccurate information, they will be more willing to do so on a regular basis. Regulations that provide a safe harbor will help to ensure that FinCEN has the most factual and detailed beneficial ownership information at all times.

A robust FinCEN database with unique identifiers assigned to individuals or entities will be advantageous to regulators, law enforcement, and financial institutions, to effectively and efficiently combat money laundering, terrorist financing, and other financial crimes. Once the database is developed, NAR supports information sharing among law enforcement, and financial institutions to the extent necessary to effectively combat illicit financial crimes and stop bad actors before they can execute these crimes. Regulations that call for proper maintenance of the FinCEN database plus added security protections will ensure proper use of the database by only authorized users. Communication of all database safety measures to regulated entities should also increase trust in knowing that the information provided is only being used for its intended purposes.

NAR applauds the data protection provisions included within the CTA, including the requirement that FinCEN store all beneficial ownership data in a private database, and that information not be publicly accessible. It is critical that this beneficial ownership information only be available to law enforcement, federal agencies upon request, and authorized financial institutions. In an ever-evolving technological age, FinCEN should develop cybersecurity protocols and digital protections to ensure that all beneficial ownership information reported to FinCEN is protected. Business owners want to comply, and want to be assured that their information remains confidential, secure, and will not be subject to misuse or improper disclosure. Data security and management of this beneficial ownership information is also imperative for national security purposes.

REALTORS® greatly appreciate FinCEN's efforts to combat money laundering and terrorist financing, especially when bad actors attempt to criminalize activities involving real estate. NAR continues to remain actively engaged on this issue, and educate members on your efforts. We welcome the opportunity to work with you now and in the future as you develop and implement the beneficial ownership regulations. If you have any questions, please contact me, or Nia Duggins, Senior Business Issues Policy Representative at 202-383-1085 or NDuggins@NAR.REALTOR.

Sincerely,



Charlie Oppler
2021 President, National Association of REALTORS®