



FinCEN's New AML Rule – What Real Estate Agents Need to Know

Major regulatory changes are coming to our industry, including the new FinCEN Anti-Money Laundering (AML) rule set to take effect on March 1, 2026. At Black Hills Title, we're committed to staying proactive – and that means keeping our clients, partners, and communities informed and prepared every step of the way.

Background -

For years, the **U.S. real estate market** – especially residential all-cash purchases – has been a target for money laundering. Criminals often use shell companies, trusts, or LLCs to hide their identity and move illicit funds through property purchases.

To combat this, the **Financial Crimes Enforcement Network (FinCEN)** has been working to **increase transparency** in real estate transactions and strengthen **anti-money laundering (AML) safeguards**.

Who does this rule impact?

✓ Residential Real Estate Agents & Brokers

- Agents will need to work closely with the title company to ensure compliance with the rule.
- Additional information will need to be collected especially for cash buyers or entities (LLCs, trusts, etc)
- There may be FinCEN language added to Purchase Agreements

✓ Title Companies

- Title companies will have new reporting obligations under the rule
- There may be additional requirements shown on the title commitment if a transaction is deemed reportable
- There may be additional fees associated if a transaction is deemed reportable

✓ Buyers & Sellers

- May need to provide more information for certain transactions that are deemed reportable under the new rule

As this new rule takes shape, staying informed will help you better serve your clients. While you won't be responsible for reporting directly to FinCEN, you will be asked to assist in gathering information if a transaction falls under the reporting requirements. Clear communication and early coordination with our offices will be key to avoiding delays and ensuring a smooth closing experience.

Questions?

Reach out to Lauren Beyersdorf at 605-642-7304 or lauren@bhtitle.com with questions.

FAQs for Real Estate Agents

Is this something I, as an agent, need to worry about?

Yes – while the primary responsibility may fall on title companies or attorneys, you may be asked to collect or verify information from clients, especially in cash or entity purchases.

What kind of transactions are affected?

The rule focuses on residential real estate, particularly all-cash deals or purchases through LLCs, trusts, or shell companies – where buyer identity might be hidden.

What information might I be asked to collect from my clients?

Depending on the final rule, you could be asked to help gather:

- Government-issued ID copies
- Entity documents (LLC, trust info)
- Source of funds or ownership details

Will this delay closings?

It could add steps to certain transactions, especially if clients are slow to respond or provide documents. The key will be early communication and partnering with your title company to get ahead of it.

What happens if my client refuses to provide the information?

If they decline, the transaction may not be able to close – FinCEN compliance is a federal requirement, and title companies may be legally prohibited from completing the deal without the required info.

Is this rule in effect right now?

Not yet. FinCEN is still finalizing the rule. It becomes effective March 1, 2026.

Do I need to report anything to FinCEN myself?

No. Agents likely won't report directly – that responsibility falls on the "reporting person" (usually the title company or attorney). However, you may help facilitate the process by working with your client and your title partner.

How can I prepare now?

- Learn the basics of the rule
- Educate clients about possible new documentation needs
- Coordinate early with your title or escrow partner to avoid surprises