Understanding "GTO"

And How GTO's Affect Specific Real Estate Transactions

What is a GTO?

A GTO is an order imposing reporting requirements on a business in a specific geographic area for transactions involving certain amounts of U.S. currency or other monetary instruments.

Who is Affected?

In January of 2016, FinCEN issued a GTO requiring all title agents to collect and report information about real estate transactions meeting all of the following criteria:

1. Sale of residential property located in the target area; and
1. Sale completed between March 1, 2016 through February 23, 2017; and
2. Sale price meets or exceeds the minimum price set forth by geographic location; and
3. Buyer is a legal entity (LLC, corporation, partnership);
4. Purchase is made without a bank loan by a financial institution; and
5. Any portion of the transaction is paid with cash, cashier's check, certified check, traveler's check, personal check, business check or money order.

TARGET PROPERTY LOCATIONS	MINIMUM SALES PRICE
Miami-Dade County, FL	$1 million
Borough of Manhattan, NY	$3 million
*Bexar County, TX	$500,000
*Broward County or Palm Beach County, FL	$1 million
*Borough of Brooklyn, Queens, Bronx or Staten Island in New York City, NY	$1.5 million
*San Diego, Los Angeles, San Francisco, San Mateo or Santa Clara County, CA	$2 million

Effective August 28, 2016, the Financial Crimes Enforcement network (FinCEN) has extended the order and expanded it to include these areas and the minimum sale price for each area.

How Will Requirements be Satisfied?

In order to meet the GTO requirement, for all affected transactions, a GTO Information Collection Form must be completed and signed by the purchaser and returned to the settlement agent on or before the date of closing. The form states either (i) the transaction in not a Covered Transaction, or (ii) the transaction is a Covered Transaction and supplying (and certifying to the accuracy of) the required information, including the identification of the individuals signing on behalf of the purchasing entity.

For more information and details about the GTO and how it may affect your transactions, please visit www.FinCEN.gov/news_room/nr/pdf/20160727.pdf.

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