

New GTO Update

May 15, 2018

**NOW
EXTEND TO
November 16th, 2018**

The Financial Crimes Enforcement Network's (FinCEN) mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities. In early 2016 they issued Geographic Targeting Orders (GTO) requiring all of the Company-owned title agents to collect and report information about certain residential real estate transactions. Since then they have expanded and extended the order a few more times. In April, FinCEN issued a new Order which superseded the previous ones, effective May 21, 2018, expiring on November 16, 2018. This memorandum will describe the types of transactions which qualify and how to report.

What is a GTO?

A GTO is an Order imposing reporting requirements on a business in a specific geographic area for transactions described in the Order.

Covered Transactions

All settlement agents are required to report purchases which meet ALL of the following parameters:

1. Sale of residential property (1 to 4 family) including condominiums and co-ops located in the target area; and
2. Sale completed between **March 1, 2016 through November 16, 2018**; and
3. Sale price is at least **\$300,000 or more**; and
4. Buyer is a legal entity (LLC, corporation, partnership) or trust;
5. Purchase is made without a bank loan by a financial institution; and
6. Any portion of the transaction is paid with cash, cashier's check, certified check, traveler's check, personal check, business check, money order or funds transfer or virtual currency.

A financial institution is any entity subject to federal banking regulations. If the transaction is financed by a loan from the seller or some other entity not subject to federal reporting regulations, the transaction will qualify as a Covered Transaction if the other 6 items listed above apply.

Information Collection Form

In order to comply with the GTO, a GTO Information Collection Form must be completed and signed by the buyer, signed and returned to the settlement agent on or before the date of closing for any transactions which appears to be Covered Transaction as described above.

TARGET STATE	COVERED BOROUGH, CITY OR COUNTY
Texas	Bexar, Tarrant or Dallas
Florida	Miami-Dade, Broward or Palm Beach
New York	Brooklyn, Queens, Bronx Staten Island or Manhattan in New York City
California	San Diego, Los Angeles, San Francisco, San Mateo or Santa Clara
Nevada	Clark
Hawaii	Honolulu
Illinois	Cook
Washington	King
Massachusetts	Suffolk or Middlesex

When in doubt, settlement agents should have the Form completed by the authorized signer of the buying entity. The authorized signer of the buying entity must complete the Form in its entirety and provide a copy of the authorized signer and beneficial owner's identification. The identification should be in the form of a driver's license, passport or other similar identifying information.

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