

Geographic Targeting Orders (GTO) Update

November, 2018

**NOW
EXTENDED TO
May 15, 2019**

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 title insurance companies to collect and report information about certain residential real estate transactions. Since then they have expanded and extended the order a few more times. The most recent GTO is effective November 17, 2018 and continues until May 15, 2019.

What is a GTO?

Under the Bank Secrecy Act (BSA), the director of FinCEN can issue orders which require additional record-keeping and reporting requirements on domestic financial institutions in a specific geographic areas ("Covered Transactions") that involve transactions using certain amounts of United States currency or monetary instruments. Orders such as these can be in effect for up to 180 days. See 31 USC § 5326(a); § CFR 1010.370.r.

Covered Transactions:

Transactions 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 May 15, 2019**; and
3. Sale price is **\$300,000**; and
4. Buyer is a legal entity (LLC, corporation, partnership);
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.

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, New York
California	San Diego, Los Angeles, San Francisco, San Mateo or Santa Clara
Nevada	Clark
Hawaii	Honolulu
Illinois	Cook
Washington	King
Massachusetts	Suffolk or Middlesex

*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, an Information Collection Form must be completed and signed by the buyer 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. For more information and details about the GTO and how it may affect your transactions, please visit www.FinCEN.gov.

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