

FinCEN COMPLIANCE WORKFLOW

For Title Companies & Closing Agents

Effective: March 1, 2026

PHASE 1: INTAKE & SCREENING

When file is opened

DAY 1 - File Opened:

Action Items:

1. Run FinCEN Compliance Checklist (Part 1)
2. Determine if transaction triggers reporting requirement
3. Document screening results in file

If EXEMPT:

- Note exemption reason in file
- Proceed with normal closing procedures
- No further FinCEN action required

If REPORT REQUIRED:

- Proceed to Phase 2
 - Flag file as "FinCEN Required"
 - Add to FinCEN tracking log
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PHASE 2: DETERMINE REPORTING PARTY

Within 24 hours of identifying triggered transaction

Action Items:

1. **Identify all parties in transaction:**
 - Is there a closing agent/title company? (You?)
 - Who's preparing closing statement?
 - Are there attorneys involved?
 - Who's preparing the deed?
 - Who's recording the deed?
2. **Determine responsibility based on cascade:**
 - If YOU'RE the closing agent → YOU file (proceed to Phase 3)
 - If ANOTHER party should file → Send confirmation request (see template below)
3. **If requesting another party to file: Email Template:**

Subject: FinCEN Reporting Responsibility - [Property Address]

[Recipient],

Per the FinCEN Real Estate Reporting Rule effective March 1, 2026, this transaction requires federal reporting.

Property: [Address]

Buyer: [Entity Name]

Closing Date: [Date]

Based on the reporting cascade, [Your Company/Their Company] appears to be the responsible reporting party.

Please confirm in writing by [Date - give them 48 hours]:

1. Whether you will be filing the FinCEN report
2. What information you need from us
3. Expected filing timeline

If we do not receive confirmation, we will proceed as the reporting party to ensure compliance.

Thank you,
[Your Name]

[Your Company]

4. Document everything:

- Save all correspondence
- Note in file who's responsible
- Set reminder to follow up if no response

CRITICAL: Do not proceed to closing without clear documentation of who is filing the report.

PHASE 3: INFORMATION COLLECTION

If YOUR company is the reporting party

IMMEDIATELY upon determining you're filing:

Action Items:

1. **Send Beneficial Owner Information Request to buyer: Email Template:**

Subject: REQUIRED: Beneficial Owner Information for Closing

[Buyer Name/Entity],

Federal law requires us to collect beneficial owner information for this transaction.

Please complete the attached form and return by [Date - give them 5-7 days before closing].

We need this information for EACH person who:

- Owns 25% or more of [Entity Name], OR
- Has substantial control (CEO, President, Manager, etc.)

Required for each beneficial owner:

- Full legal name
- Date of birth
- Current residential address
- Copy of government-issued photo ID
- Ownership percentage or role

IMPORTANT: We cannot proceed to closing without this information. This is a federal requirement, not optional.

Questions? Call me at [Your Number]

Attached: Beneficial Owner Information Form

[Your Name]

[Your Company]

2. Follow up if not received within 3 days:

- o Phone call to buyer
- o Second email reminder
- o Note all attempts in file

3. Review information when received:

- o Check for completeness
- o Verify ID copies are legible
- o Confirm addresses are residential (not P.O. boxes)
- o Clarify any discrepancies

4. Add to closing checklist:

- o "Beneficial owner info received: YES / NO"
- o "ID copies obtained: YES / NO"
- o "Information verified: YES / NO"

DO NOT SCHEDULE CLOSING until all information is collected and verified.

PHASE 4: PRE-CLOSING VERIFICATION

5 days before closing

Action Items:

- 1. Review FinCEN file completeness:** Screening checklist completed Reporting responsibility documented
 - All beneficial owner information collected

- ID copies in file
 - Property information complete
 - Transaction details finalized
2. **Prepare for closing:**
 - Print beneficial owner verification form for signing at closing
 - Ensure all parties aware of FinCEN requirement
 - Have ID copies ready if needed for additional verification
 3. **Brief closing team:**
 - Notary/closer aware this is FinCEN transaction
 - Know what needs to be signed/verified
 - Understand importance of accuracy
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PHASE 5: AT CLOSING

Day of closing

Action Items:

1. **Verify beneficial owner information:**
 - Confirm identities match IDs provided
 - Have beneficial owners sign statement certifying information is accurate
 - Update any changed information
 2. **Complete transaction:**
 - Proceed with normal closing procedures
 - Ensure deed is properly executed
 - Collect all signatures
 3. **Prepare for filing:**
 - Organize all FinCEN documentation
 - Ensure everything is complete
 - Set filing deadline (closing date + 30 days)
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PHASE 6: POST-CLOSING FILING

Within 30 days of closing

Action Items:

Day 1-3 After Closing:

1. **Organize filing documents:**
 - Completed checklist
 - Beneficial owner information
 - ID copies
 - Property details
 - Recorded deed information
 - Transaction details
2. **Log into FinCEN portal:**
 - Access [FinCEN Real Estate Reporting Portal]
 - Have all information ready to enter

3. Complete online filing:

- Enter reporting person information (you/your company)
- Enter transferee entity information
- Enter each beneficial owner
- Enter transferor information
- Enter property details
- Enter transaction information
- Upload required documents
- Review for accuracy
- Submit

4. Save confirmation:

- Print confirmation page
- Save confirmation number
- Note filing date
- Add to file

5. Notify client: Email Template:

Subject: FinCEN Report Filed - [Property Address]

[Buyer Name],

This confirms that the required FinCEN real estate report for your purchase of [Property Address] has been filed.

Filing Date: [Date]

Confirmation Number: [Number]

This documentation is for your records. No further action is required from you.

If you have any questions, please don't hesitate to contact us.

[Your Name]

[Your Company]

Set Calendar Reminder: Day 25 after closing (5 days before deadline) if not yet filed

PHASE 7: RECORD RETENTION

Ongoing

Action Items:

- 1. Create dedicated FinCEN file section** containing:
 - Completed compliance checklist
 - All beneficial owner information and IDs
 - Correspondence about reporting responsibility
 - Filing confirmation
 - Client notification
- 2. Retain for minimum 5 years** from date of filing

3. **Add to closing file index:**

- "FinCEN Report Filed: [Date]"
 - "Confirmation #: [Number]"
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ONGOING QUALITY CONTROL

Monthly Review:

- Review all FinCEN filings for the month
- Confirm all were filed within 30 days
- Check for any patterns in information collection issues
- Update procedures as needed

Quarterly Training:

- Review FinCEN requirements with all staff
- Discuss any challenges or questions
- Update templates/forms as needed

Annual Audit:

- Review all FinCEN files from past year
 - Ensure record retention compliance
 - Identify areas for improvement
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TROUBLESHOOTING COMMON ISSUES

Issue: Buyer won't provide beneficial owner information

Solution:

1. Explain it's federal requirement (not optional)
 2. Provide copy of FinCEN rule
 3. If still refuses: Cannot proceed to closing
 4. Document refusal in file
 5. Notify all parties transaction cannot close without compliance
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Issue: Information provided is incomplete/inaccurate

Solution:

1. Contact buyer immediately
 2. Request missing/corrected information
 3. Set hard deadline (24-48 hours)
 4. Do not file incomplete/inaccurate report
 5. Delay closing if necessary
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Issue: Multiple beneficial owners, complex ownership structure

Solution:

1. Request organizational chart from entity
 2. Request operating agreement or corporate bylaws
 3. Identify EACH person meeting beneficial owner criteria
 4. Collect information for all
 5. When in doubt, err on side of over-reporting rather than under-reporting
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Issue: Uncertainty about who should file

Solution:

1. Review cascade carefully
 2. Document analysis in file
 3. If still uncertain, consult legal counsel
 4. Never assume someone else is filing without written confirmation
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Issue: Missed 30-day filing deadline

Solution:

1. File IMMEDIATELY
 2. Document reason for delay
 3. Prepare explanation if requested by FinCEN
 4. Review procedures to prevent future delays
 5. Consider implementing earlier internal deadlines (e.g., 20 days)
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CRITICAL REMINDERS

- ⚠ **Screen EVERY residential transaction** - Make it a habit
 - ⚠ **Get written confirmation** if someone else is filing - Verbal doesn't count
 - ⚠ **Collect info BEFORE closing** - Not after
 - ⚠ **Do not guess** on beneficial owners - When in doubt, ask
 - ⚠ **File within 30 days** - Set reminders, track deadlines
 - ⚠ **Keep records for 5+ years** - You may need them
 - ⚠ **When in doubt, consult counsel** - Better safe than sorry
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