



FACTCOALITION

Financial Accountability & Corporate Transparency

July 7, 2025

Andrea Gacki
Director
Financial Crimes Enforcement Network
U.S. Department of the Treasury
P.O. Box 39
Vienna, VA 22183

Submitted electronically via www.reginfo.gov

Re: Agency Information Collection Activities; Submission for OMB Review; Comment Request; Real Estate Reports

Dear Director Gacki,

The Financial Accountability and Corporate Transparency (FACT) Coalition is a U.S.-based, non-partisan alliance of more than 100 state, national, and international organizations promoting policies to build a fair and transparent global financial system that limits abusive tax avoidance and curbs the harmful impacts of corrupt financial practices.¹

On behalf of the FACT Coalition, this letter responds to the request by the Financial Crimes Enforcement Network (FinCEN) of the United States (U.S.) Department of the Treasury (Treasury) for comment on notice of the Residential Real Estate Report (Residential RER), pursuant to the Anti-Money Laundering Regulations for Residential Real Estate Transfers final rule issued in August 2024 (final Residential Real Estate Rule, or final rule).

We welcome FinCEN advancing the implementation of the final rule, set to go into effect in December of this year. As mentioned in prior FACT comments, and as detailed in U.S. government's own money laundering risk assessments, money laundering through the opaque U.S. real estate sector has enabled U.S. adversaries to dodge sanctions, lined the pockets of corrupt foreign oligarchs, facilitated drug cartels and human trafficking rings by allowing

¹ A full list of FACT members is available at: Financial Accountability and Corporate Transparency (FACT) Coalition (March 2024), "Coalition Members," <https://thefactcoalition.org/about-us/coalition-members-and-supporters/>. The views presented in this comment are not necessarily endorsed by every member of the Coalition.

perpetrators to launder criminal proceeds, among other ills.² The opacity of the sector, combined with its appeal to foreign investors, has made it challenging for U.S. law enforcement to “follow the money” and pursue investigations relating to real estate money laundering and underlying predicate crimes. Treasury’s national money laundering risk assessments have identified entity and trust purchases of residential real estate as a continued vulnerability.³ These transactions pose a significantly higher risk, and therefore warrant additional scrutiny. The final rule closes a long-standing gap in the U.S. anti-money laundering framework, and helps law enforcement conduct less costly, more effective investigations.

We support the final form of the Residential RER as noticed,⁴ as it remains largely consistent with the recommendations that FACT has made in prior submissions.⁵ We continue to believe that the fields included in the form appropriately mitigate and deter significant and longstanding money laundering risks and will help law enforcement prevent, investigate, and prosecute instances of money laundering and related crime, while minimizing compliance burdens. The final form is overall simple and easy to understand, given the complexity of certain real estate transactions. FinCEN has laid out a straightforward form that allows for relatively simple compliance in most cases.

We applaud minor changes that FinCEN has outlined in the Residential RER’s format that will simplify filing and improve the usability of the information for law enforcement. Likewise, we commend FinCEN for prioritizing clarity in filing, as well as ensuring usable information for law enforcement. As written, these fields will have practical utility for local, state, and federal law enforcement pursuing “follow the money” investigations involving U.S. residential real estate.

The form faithfully executes the requirements of the final Residential Real Estate Rule. However, FACT still has reservations about the clarity of the preamble language in Part IV, Transferor Information (e.g., Seller’s Information), which we believe can be improved to better align with the requirements of the final rule.

² FACT Coalition Comment in Response to Residential Real Estate Rule NPRM, April 16, 2024, pp. 7-11, <https://www.regulations.gov/comment/FINCEN-2024-0005-0603>.

³ Department of the Treasury, “National Money Laundering Risk Assessment,” February 2024 (2024 NMLRA), p. 75. <https://home.treasury.gov/system/files/136/2024-National-Money-Laundering-Risk-Assessment.pdf>.

⁴ “Agency Information Collection Activities; Submission for OMB Review; Comment Request; Real Estate Reports,” (Notice Issued June 5, 2025), 90 F.R. 23991-24001, <https://www.govinfo.gov/content/pkg/FR-2025-06-05/pdf/2025-10263.pdf>.

⁵ See FACT Comment on FinCEN Notice on Proposed Form for Residential Real Estate Reports (Docket Number FINCEN-2024-0019, OMB Control Number 1506-0080), <https://www.regulations.gov/comment/FINCEN-2024-0019-0016>; See also, FACT Comment on FinCEN NPRM Establishing Anti-Money Laundering Regulations for Residential Real Estate Transfers (Docket Number FINCEN-2024-0005; RIN 1506-AB54), <https://www.regulations.gov/comment/FINCEN-2024-0005-0603>.

Use of Technology Minimizes Burden, Improves Accuracy of Filing

It appears that FinCEN has incorporated certain data best practices into its development of the Residential RER. We support FinCEN moving forward with an RER process that is consistent with the following:

- ***E-Filing***: Consistent with other Bank Secrecy Act disclosure requirements, FinCEN has declared that it will only allow digital filings of Residential RERs. We support this decision. Digitizing records comports with modern data standards and facilitates law enforcement investigations.
- ***Batch Filing***: Batch filing will facilitate compliance and reduce costs for industry in complying with the Residential RER.
- ***Leveraging Form Logic to Display Relevant Fields***: FinCEN’s decision to structure the online form – such that only fields relevant to the filer are populated as the form is filled out – is an important step toward simplifying filing and reducing costs to industry. As FinCEN notes in the RER, simple transfers will only require as few as “approximately 40 fields to be completed.”⁶ Developing a form that responds to that reality and that reduces filer overwhelm or confusion will facilitate compliance.
- ***Reduced High-Volume Duplication, Where Applicable***: FinCEN identified steps it plans to take to reduce duplication in filing: for instance, FinCEN is providing a mechanism through which a reporting person can indicate that a person associated with a transferee is both a beneficial owner and a signing individual, without having to manually enter the same information twice. As in this case, we support condensing fields, where practical, to simplify filing. That said, we also agree with FinCEN’s analysis that certain fields – such as Fields 26 and 95 – are not entirely duplicative and may provide discrete information to law enforcement, depending on the transaction. In these cases, it would not be appropriate to consolidate these fields.
- ***No Autocomplete Functionality***: We support FinCEN’s decision against autocomplete in the form. Filers are held to a reasonable reliance standard for information provided by their clients, and should be responsible for inputting that information correctly into the form. Autocomplete may increase the risks of error, particularly in complex transactions. Filers are better placed to understand their transactions than a digital filing system. Requiring manual completion of the form may better ensure the accuracy of the filing.

⁶ Agency Information Collection Activities; Submission for OMB Review; Comment Request; Real Estate Reports,” (Notice Issued June 5, 2025), 90 F.R. 23993, <https://www.govinfo.gov/content/pkg/FR-2025-06-05/pdf/2025-10263.pdf>.

Easy to Understand, Comprehensive Fields Mitigate Significant Money Laundering Risk

As we noted in our earlier comment, we believe that the form, as written, strikes an adequate balance between its comprehensiveness to assist law enforcement in addressing money laundering risks in residential real estate, while mitigating compliance costs for industry where possible. As such, we appreciate FinCEN’s thoughtful yet firm decision to maintain the full set of fields in the form to maximize the “quality, utility, and clarity of the information to be collected.” These fields, which faithfully implement the final rule, provide information crucial to law enforcement in money laundering and predicate crime investigations involving real estate.

We support changes FinCEN has adopted to further clarify certain fields in the form, for instance:

- *Definitions of Vague Terms*: Defining terms like “hard money” and “private money” within the text of the form enables easy reference during the form’s completion.
- *Guidance When the Reporting Person Plays Several Roles*: We agree with FinCEN’s decision to provide guidance to reporting persons on how to self-identify in the cascade. Instructing filers to select one role that is the most accurate will simplify filing.

Improvements Needed to Maximize Clarity in Part IV

FinCEN did not address our recommendation in our previous comment⁷ to improve the clarity of the preamble language in Part IV of the form, Transferor Information (e.g., Seller’s Information).

The final Residential Real Estate Rule stipulates that, “For **each transferor** involved in a reportable transfer, the reporting person **shall report**” the requisite information in the form (emphasis added).⁸ However, the form’s preamble to Part IV still says that information “must include information about the transferor” and that “multiple transferors **may** be recorded” (emphasis added).⁹

The form’s language diverges from that used in the final rule, potentially giving filers the impression that it is not required – just suggested – to detail information for each transferor involved in the transaction, as the final rule stipulates. While practically, this distinction may not matter as filers will undergo training as to what the rule requires, we still think it is important for

⁷ FACT Comment on FinCEN Notice on Proposed Form for Residential Real Estate Reports (Docket Number FINCEN-2024-0019, OMB Control Number 1506-0080), <https://www.regulations.gov/comment/FINCEN-2024-0019-0016>.

⁸ Anti-Money Laundering Regulations for Residential Real Estate Transfers,” Financial Crimes Enforcement Network, 89 F.R. 70292 (Finalized August 29, 2024), <https://www.govinfo.gov/content/pkg/FR-2024-08-29/pdf/2024-19198.pdf>.

⁹“Agency Information Collection Activities; Submission for OMB Review; Comment Request; Real Estate Reports,” (Notice Issued June 5, 2025), 90 F.R. 23999, <https://www.govinfo.gov/content/pkg/FR-2025-06-05/pdf/2025-10263.pdf>.

the form to mirror the language in the final rule. This shift in language would aid in clarity and mitigate opportunities for abuse.

- *Change*: “The report must include information about the transferor individual(s), entity/entities, and/or trust(s) involved in the reportable transfer. Each transferor must be recorded. In the case of multiple transferors, Part IV of the report will repeat for each transferor.”

Conclusion

FACT is grateful for the opportunity to comment, and remains available for further discussion and input. Please contact Erica Hanichak (ehanichak@thefactcoalition.org) with any questions or comments.

Respectfully submitted,

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