

The New FinCEN Residential Real Estate Reporting Rule: What Estate Planning Clients Should Know

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On March 1, 2026, the Financial Crimes Enforcement Network (FinCEN) began requiring reporting of certain residential real estate transfers under its new Residential Real Estate Reporting Rule.

This federal anti-money laundering rule applies primarily to **non-financed transfers of residential real estate** where the buyer is a **legal entity or trust**. In those situations, one designated “reporting person” involved in the closing (often a closing attorney or title company) must file a report with FinCEN within strict deadlines.

Why This Matters for Estate Planning

Many estate plans involve transferring property into:

- Revocable living trusts
- Irrevocable trusts
- LLCs or other entities

In most cases, simple transfers to a revocable trust without consideration will not trigger reporting. However, transfers

that resemble a sale, involve consideration, or place property into an LLC without traditional bank financing may require a filing.

Also, transfers into irrevocable trusts for long-term care planning purposes very likely will trigger reporting. These transfers typically involve moving the home from an individual to an irrevocable trust (often without institutional financing), and because the transferee is a trust and no bank loan is involved, the transaction may fall squarely within the rule.

For clients who value privacy, use LLCs for liability protection, or are implementing advanced estate tax strategies, this rule adds an additional compliance layer that must be reviewed before any deed is recorded.

What Clients Should Do

- Review entity or trust transfers before signing deeds.
- Coordinate with your estate planning attorney and closing professionals early.
- Ensure any required reporting is handled timely and accurately.

Failure to comply can carry significant penalties under federal law.

As estate planning increasingly intersects with federal reporting rules, careful planning and proper implementation matter more than ever. If you are transferring residential real estate as part of your estate or long-term care plan, we can help ensure the transaction is structured properly and remains compliant.

The information contained in this article is not intended to make you an expert on estate planning nor is this article intended to replace the need for the advice of a professional.

Rather, this article is simply intended to provide a basic understanding of why estate planning is important for everybody and a basic understanding of some of the more common estate planning tools. This article does not constitute legal advice.