

Does the New FinCEN Residential Real Estate Rule Involve **Commercial Property**?

Starting December 1, 2025, settlement agents will be reporting residential real estate transaction information to FinCEN when the Buyer is an entity (corporation, LLC, etc.) or trust when the transaction is non-financed or there is no lender involved with an anti-money laundering program.

But does it apply to Commercial Property? Potentially, Yes!

FinCEN's Residential Real Estate Rule considers "residential real property" to mean:

FinCEN's Residential Real Estate Rule may not match state and local definitions of residential property.

Examples:

Real property located in the United States containing a structure designed principally for occupancy by one to four families;

- Farms or ranches with a house
- Apartment building up to 4 units
- Multi-use property containing residential unit

Land located in the United States on which the buyer intends to build a structure designed principally for occupancy by one to four families;

- Undeveloped or vacant land purchased by a developer
- Hunting ground where the buyer will build a cabin

NOTE: This information is for your reference only and is not intended to represent the only approach to any particular issue. These guidelines should not be construed as legal, financial or business advice. We recommend you consult your legal counsel and subject-matter experts to determine appropriate policies, procedures and strategies applicable to your office or organization.