

FinCEN RENEWS GTOS



On November 15, 2018 the Financial Crimes Enforcement Network (FinCEN) updated the Geographic Targeting Order (GTO) which requires title companies to collect and report information about those involved in certain real estate transactions. Purchases of residential property by entities for \$300,000 or more are subject to the reporting.

WHEN ARE THE EFFECTIVE DATES?

The extended GTOs run from **November 17, 2018 to May 15, 2019.**

WHAT IS A GEOGRAPHIC TARGETING ORDER?

Under the Bank Secrecy Act (BSA), the director of FinCEN can issue orders which require additional recordkeeping 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.

THE REPORT MUST INCLUDE:

Information about the buyer and the identity of the individual primarily responsible for representing the buyer. In addition it must include information about the identity of any beneficial owners with a 25% or more interest in the purchasing entity. The title company must obtain a record of the individual’s driver’s license, passport or other similar identification.

- Date of closing of the covered transaction
- Total purchase price of the covered transaction
- Address of real property involved

COVERED JURISDICTIONS

CALIFORNIA		NEW YORK	
Los Angeles		Brooklyn	
San Diego		Queens	
San Francisco		Bronx	
San Mateo		Staten Island	
Santa Clara		Manhattan	
FLORIDA		HAWAII	
Broward		City & County of Honolulu	
Miami-Dade			
Palm Beach			
NEVADA			
Clark County			
TEXAS		WASHINGTON	
Bexar		King County	
Tarrant			
Dallas			
ILLINOIS		MASSACHUSETTS	
Cook County		Suffolk	
		Middlesex	

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WHAT ARE THE PENALTIES OF VIOLATING THE GTO?

Violation of the GTO may subject a Covered Business to the following criminal and civil penalties:

CRIMINAL

TYPE OF VIOLATION	PENALTY
Willful Violation	Up to \$250,000 fine and 5 years in prison
Willful Violation while violating another law of the US	Up to \$500,000 fine and 10 years in prison
Structuring or assisting in structuring a transaction to avoid the currency transaction reporting	Fine and up to five years in prison

CIVIL PENALTIES

TYPE OF VIOLATION	PENALTY
Willful violation (a separate violation occurs for each day the violation continues and each location a violation occurs)	Greater of the amount involved (up to \$100,000) or \$25,000
Failure to file a report, material misstatement or omission	Not to exceed the amount involved in the transaction
Structuring or assisting in structuring a transaction to avoid the currency transaction reporting	Not to exceed the amount involved in the transaction
Negligence	Not to exceed \$500 or \$50,000 if a pattern of negligence is found

- Contact your Ticor Title Representative for more information •