



KOTNER TITLE

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Title Tidbits Newsletter



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FinCEN's New Reporting Rule for All-Cash Real Estate Transactions: What You Need to Know Before December 1, 2025

by Gloria Tison, General Counsel - Kotner Title

The real estate market has long been a cornerstone of the American dream — a path to stability, investment, and generational wealth. But it has also provided an opening for criminals to exploit all-cash transactions to launder illicit funds into legitimate assets. To combat this, the Financial Crimes Enforcement Network (FinCEN) has issued a sweeping new regulation, the Residential Real Estate Rule (RRE Rule), which takes effect December 1, 2025.

The RRE Rule is designed to bring transparency to all-cash residential real estate deals by requiring certain professionals to report detailed information about the parties behind these transactions. The RRE rule applies to non-financed transfers of residential real property to legal entities or trusts, subject to certain exceptions.

KEY REPORTING REQUIREMENTS INCLUDE:

- Identities & details of both transferor and transferee
- Beneficial ownership information for the transferee
- Information on individuals signing on behalf of the transferee
- Property details

- Transaction specifics such as purchase price, payment method, and account information.

FinCEN estimates first-year compliance costs for the real estate sector will range between \$428.2 million and \$690.4 million, with ongoing annual costs between \$401.2 million and \$663.2 million. FinCEN also anticipates that the number of real estate transactions subject to reporting requirements will increase by about 4,000%. The American Land Title Association (ALTA) believes the FinCEN's estimates vastly underestimate the cost. The heightened due diligence and reporting requirements will impact all parties to the real estate transaction as they will increase transaction timelines and raise operational costs for title companies.

On May 21, 2025, Fidelity National Financial and Fidelity National Title Insurance Co. (FNF) filed a lawsuit seeking to block the RRE Rule. FNF argues the rule exceeds FinCEN's authority under the Bank Secrecy Act (BSA), which limits reporting obligations to suspicious transactions. FNF asserts that the rule's blanket requirement for reporting all non-financed transfers to legal entities and trusts, without specific indicia of illegality or a

nexus with any potential violation of law or regulation, violates this statutory limitation. FNF also raises constitutional issues including the Fourth Amendment ban on warrantless searches, the First Amendment prohibition on compelled speech and the Dormant Commerce Clause.

Despite the lawsuit, industry professionals cannot afford to wait for the court's decision — preparations must begin now. Failure to comply carries serious consequences including fines and prison time.

At Kotner Title we are proactively training our team, reviewing workflows, and identifying best practices to stay ahead of the December deadline. Real estate professionals should begin learning the rules' requirements and educating clients on potential changes in transaction timelines.

The RRE Rule represents one of the biggest compliance shifts in recent real estate history. Whether the lawsuit succeeds or not, the industry must brace for new obligations, added scrutiny, and significant operational changes.

THE TEAM BEHIND THE DEEDS



We're proud to introduce the Kotner Title team—the friendly faces working hard every day to make your title experience smooth, secure, and stress-free! Whether you're buying, selling, or refinancing, we're here for every step of the journey. Come see the difference a hometown title company can make!



We Protect You!



Consumers are targeted by fraudsters at every stage of a real estate transaction, from before the contract is signed to the final closing. First-time homebuyers are three times more likely to fall victim to wire fraud than experienced buyers.

At Kotner Title, we believe education is key. We guide our customers through each step of the transaction, explaining the role of every party involved and setting clear expectations. To protect against wire fraud, we use CertifID to verify identities and bank details, providing up to \$1 million in insurance coverage for every verified transfer.

Buying or selling a home is one of the most significant and emotional transactions in a person's life. Our goal is to make the process as smooth, secure, and stress-free as possible.

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BUYERS

Buying a home? You need to be certain that the seller is the true owner of the property and that no outstanding issues damaging title carry over to you. Why? Because if there are problems with the title it can restrict the use of the property and ultimately result in financial loss. That's where Kotner Title can help you.



SELLERS

Selling your house? Kotner Title will work with you to coordinate any satisfactions of liens and prepare all the necessary closing documentation to make the experience for you and the buyer as smooth as possible. We promise competitive rates, great communication and amazing service.



REALTORS

You need a trustworthy partner who understands your needs.

Realtor's Benefits with Kotner Title:

- Full service on every transaction
- Timely and accurate title commitments
- Superior communication
- Knowledgeable and professional staff
- Contract upload capability or drop off



LENDERS

Kotner Title is proud to say that we have the necessary experience to meet or exceed the compliance guidelines that are required of lenders. We are fully TRID compliant and protect a lender's interest against any title defects by carefully reviewing your instructions and ensuring that all documents are executed in a timely fashion.