

Agency Bulletin: AGNAT-2023-002

Date: May 12, 2023
To: ALL FNTI AGENTS
From: AGENCY DEPARTMENT
RE: **FinCEN Extends Order Requiring Reporting for Certain Transactions in Specific Areas of the USA**

Dear Agents:

On April 24, 2023, the Financial Crimes Enforcement Network (FinCEN) has once again issued a Geographic Targeting Order (“GTO”). The most recent GTO received by First National Title Insurance is attached hereto. Please refer to prior bulletins and to the actual GTO for the full reporting details.

GTO PERIOD:

FOR COUNTIES AND BOROUGHES PREVIOUSLY INCLUDED IN THE GTO, THE GTO HAS BEEN EXTENDED EFFECTIVE APRIL 25, 2023, AND CONTINUING THROUGH OCTOBER 21, 2023. FOR THE NEWLY ADDED COUNTY OF LITCHFIELD, CONNECTICUT AND THE NEWLY ADDED COLORADO COUNTIES OF ADAMS, ARAPAHOE, CLEAR CREEK, DENVER, DOUGLAS, EAGLE, EL PASO, FREMONT, JEFFERSON, MESA, PITKIN, PUEBLO, AND SUMMIT, THE GTO IS EFFECTIVE MAY 24, 2023, AND CONTINUES THROUGH OCTOBER 21, 2023.

COVERED COUNTIES:

For the purchase of residential real property by a “Legal Entity” (as this term is defined in Section III. A. of the GTO) where the purchase price of the property is in the amount of \$300,000.00 or more, the following counties are affected by the GTO:

Texas Counties of Bexar, Tarrant, Dallas, Harris, Montgomery, and Webb

Florida Counties of Miami-Dade, Broward, and Palm Beach

The Boroughs of Brooklyn, Queens, Bronx, Staten Island, and Manhattan in New York City, NY

California Counties of San Diego, Los Angeles, San Francisco, San Mateo, and Santa Clara

Hawaii Counties of Hawaii, Maui, Kauai, Honolulu and the City of Honolulu

Nevada County of Clark

Washington County of King

Massachusetts Counties of Suffolk and Middlesex

Illinois County of Cook

Maryland Counties of Montgomery, Anne Arundel, Prince George's, and Howard

Virginia Counties of Arlington and Fairfax, and the Cities of Alexandria, Falls Church, and Fairfax

Connecticut Counties of Fairfield and Litchfield

Colorado Counties of Adams, Arapahoe, Clear Creek, Denver, Douglas, Eagle, Elbert, El Paso, Fremont, Jefferson, Mesa, Pitkin, Pueblo, and Summit

The District of Columbia

Additionally, purchases of residential real property by a "Legal Entity" (as this term is defined Section III. A. of the GTO) in the amount of **\$50,000.00** or more in the City or County of Baltimore, Maryland is subject to the GTO.

Purchases by individuals, purchases using a bank or mortgage company loan, or purchases made by entities that are publicly traded in the US are not required to be reported.

Helpful Links:

Forms and additional information can be obtained through the FinCEN Resource Center at FRC@FinCEN.gov. The FinCEN Resource Center may be contacted by phone at 800-767-2825, Monday through Friday, 8am to 6pm ET.

As always, your FNTI team is available to help with questions and guidance.

Previously issued Bulletins on the FinCEN GTO can be located on the FNTI website at <https://fnti.com/agents/bulletins/agency-bulletins/>:

[Agency Bulletin AGTX/FL-2016-005](#) dated 8/18/2016
[Agency Bulletin AGTX/FL-2017-002](#) dated 2/22/2017
[Agency Bulletin AGTX/FL-2017-005](#) dated 8/24/2017
[Agency Bulletin AGTX/FL-2018-001](#) dated 3/27/2018
[Agency Bulletin AGTX/FL-2018-005](#) dated 11/26/2018
[Underwriting Bulletin UNTX.FL-2019-001](#) dated 5/22/2019
[Agency Bulletin AGTX/FL-2019-008](#) dated 11/11/2019
[Agency Bulletin AGTX/FL/NV-2020-004](#) dated 5/13/2020
[Agency Bulletin AGTX/FL/NV-2020-007](#) dated 11/6/2020
[Agency Bulletin AGTX/FL/NV-2021-001](#) dated 4/30/2021
[Agency Bulletin AGTX/FL/NV-2021-006](#) dated 10/29/2021
[Agency Bulletin AGNAT-2022-009](#) dated 5/2/2022
[Agency Bulletin AGNAT-2022-015](#) dated 10/28/2022

Thank you for being part of the FNTI Agency family.

This Underwriting Bulletin becomes a part of the principles and practices with which you are to comply under the terms of your Underwriting Agreement with First National Title Insurance Company. Should the content of this bulletin address the closing and escrow function, this information should be considered a directive and part of the principles and practices if non-compliance would result in liability to FNTI under either the insured closing service letter or policy of title insurance notwithstanding that the Underwriting Agreement does not include the closing and escrow functions of your agency.



Financial Crimes Enforcement Network
U.S. Department of the Treasury

Washington, D.C. 20220

GEOGRAPHIC TARGETING ORDER

The Acting Director of the Financial Crimes Enforcement Network (“FinCEN”) hereby issues a Geographic Targeting Order (“Order”) requiring First National Title Insurance Company to collect and report information about the persons involved in certain residential real estate transactions, as further described in this Order.

I. AUTHORITY

If the Director of FinCEN finds that reasonable grounds exist for concluding that additional recordkeeping and reporting requirements are necessary to carry out the purposes of the Bank Secrecy Act (“BSA”) or to prevent evasions thereof, the Director may issue an order that imposes such requirements on any domestic financial institution or nonfinancial trade or business or group of domestic financial institutions or nonfinancial trades or businesses in a geographic area. *See* 31 U.S.C. § 5326(a); 31 C.F.R. § 1010.370; Treasury Order 180-01. Pursuant to this authority, the Acting Director of FinCEN hereby finds that reasonable grounds exist for concluding that the additional recordkeeping and reporting requirements described below are necessary to carry out the purposes of the BSA or prevent evasions thereof.¹

II. ADDITIONAL RECORDKEEPING AND REPORTING REQUIREMENTS

A. Business and Transactions Covered by This Order

1. For purposes of this Order, the “Covered Business” means First National Title Insurance Company and any of its subsidiaries and agents.
2. For purposes of this Order, a “Covered Transaction” means a transaction in which:
 - i. Residential real property is purchased by a Legal Entity (as this term is defined in Section III.A of this Order);
 - ii. The purchase price of the residential real property is in the amount of \$50,000 or more in the City or County of Baltimore in Maryland, or in the amount of \$300,000 or more in any of the following areas:
 1. The Texas counties of Bexar, Tarrant, Dallas, Harris, Montgomery, or Webb;

¹ The Bank Secrecy Act, as amended, is codified at 12 U.S.C. §§ 1829b, 1951-1960 and 31 U.S.C. §§ 5311-5314, 5316-5336. Regulations implementing the Bank Secrecy Act appear at 31 C.F.R. Chapter X.

Geographic Targeting Order Covering First National Title Insurance Company
April 21, 2023

2. The Florida counties of Miami-Dade, Broward, or Palm Beach;
 3. The Boroughs of Brooklyn, Queens, Bronx, Staten Island, or Manhattan in New York City, New York;
 4. The California counties of San Diego, Los Angeles, San Francisco, San Mateo, or Santa Clara;
 5. The Hawaii counties of Hawaii, Maui, Kauai, or Honolulu, or the City of Honolulu;
 6. The Nevada county of Clark;
 7. The Washington county of King;
 8. The Massachusetts counties of Suffolk or Middlesex;
 9. The Illinois county of Cook;
 10. The Maryland counties of Montgomery, Anne Arundel, Prince George's, or Howard;
 11. The Virginia counties of Arlington or Fairfax, or the cities of Alexandria, Falls Church, or Fairfax;
 12. The Connecticut counties of Fairfield or Litchfield;
 13. The Colorado counties of Adams, Arapahoe, Clear Creek, Denver, Douglas, Eagle, Elbert, El Paso, Fremont, Jefferson, Mesa, Pitkin, Pueblo, or Summit; or
 14. The District of Columbia.
- iii. Such purchase is made without a bank loan or other similar form of external financing by a financial institution that has both an obligation to maintain an anti-money laundering program and an obligation to report suspicious transactions under FinCEN regulations appearing in Chapter X of Title 31 of the Code of Federal Regulations.
 - iv. Such purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.

B. Reports Required to be Filed by the Covered Business

Geographic Targeting Order Covering First National Title Insurance Company
April 21, 2023

1. If the Covered Business is involved in a Covered Transaction, then the Covered Business shall report the Covered Transaction to FinCEN by filing a FinCEN Currency Transaction Report, within 30 days of the closing of the Covered Transaction. Each Currency Transaction Report filed pursuant to this Order must be: (i) completed in accordance with the terms of this Order and the Currency Transaction Report instructions (when such terms conflict, the terms of this Order apply), and (ii) e-filed through the BSA E-Filing system.²
2. A Currency Transaction Report filed pursuant to this Order shall contain the information specified in this section II.B about the Covered Transaction (when completing Part I, a Covered Business should select the + field as necessary to allow for the reporting of multiple parties).

Part I

3. A Covered Business must include in Part I information about the identity of the individual primarily responsible for representing the Legal Entity by selecting Field 2, box b (“Person conducting transaction for another”). The Covered Business also must obtain and record a copy of this individual’s driver’s license, passport, or other similar identifying documentation. A description of such documentation must be provided in Field 20.
4. A Covered Business also must include in Part I information about the identity of the Legal Entity by selecting Field 2, box c (“Person on whose behalf transaction was conducted”), and also selecting the “If entity” check box.
5. A Covered Business also must include in Part I information about the identity of the Beneficial Owner(s) (as defined in Section III.A of this Order) of the Legal Entity by selecting Field 2, box c. The Covered Business must obtain and record a copy of the Beneficial Owner’s driver’s license, passport, or other similar identifying documentation. A description of such documentation must be provided in Field 20 of the form.

Part II

6. Part II shall contain information about the Covered Transaction as follows:
 - i. Field 23: Date of closing of the Covered Transaction.
 - ii. Field 25.z: Total purchase price of the Covered Transaction and the method of payment (leave Fields 25 a – i blank).

² In order to electronically file a Currency Transaction Report, a Covered Business will need a BSA E-Filing User account. To create a BSA E-Filing User account, please visit https://bsae filing.fincen.treas.gov/Enroll_Now.html. For more information on E-Filing, please visit <https://bsae filing.fincen.treas.gov/> and review “About the BSA E-Filing System”.

Part III

7. Part III shall contain information about the Covered Transaction as follows (when completing Part III, if the Covered Transaction involves the purchase of multiple properties, a Covered Business should select the + field as necessary to allow for the reporting of multiple property addresses):
 - i. Fields 33-37: Address of real property involved in the Covered Transaction.
 - ii. Field 41: Total purchase price of the real property listed in Fields 33-37. This should reflect the same purchase price as Field 25.z, except where multiple properties are purchased in the same Covered Transaction. When reporting a purchase of multiple properties in the same Covered Transaction, report total purchase price in Part II, Field 25.z, and price per property in Field 41 for each property.

Part IV

8. Part IV shall contain information about the Covered Business. The Covered Business shall ensure the term “REGTO0423” remains in Field 45 of Part IV.

III. GENERAL PROVISIONS

A. Additional Definitions

1. For purposes of this Order:
 - i. “Beneficial Owner” means each individual who, directly or indirectly, owns 25% or more of the equity interests of the Legal Entity purchasing real property in the Covered Transaction.
 - ii. “Legal Entity” means a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state, or of the United States, or a foreign jurisdiction, other than a business whose common stock or analogous equity interests are listed on a securities exchange regulated by the Securities Exchange Commission (“SEC”) or a self-regulatory organization registered with the SEC, or an entity solely owned by such a business.
2. All terms used but not otherwise defined herein have the meaning set forth in 31 C.F.R. Chapter X.

B. Order Period

The terms of this Order for purchases of properties within the Connecticut county of Litchfield and the Colorado counties of Adams, Arapahoe, Clear Creek, Denver, Douglas, Eagle, Elbert, El Paso, Fremont, Jefferson, Mesa, Pitkin, Pueblo, or Summit are effective beginning May 24,

Geographic Targeting Order Covering First National Title Insurance Company
April 21, 2023

2023, and ending on October 21, 2023 (except as otherwise provided in Section III.C). The terms of this Order for purchases in all other counties covered by this Order are effective beginning April 25, 2023, and ending on October 21, 2023.

C. Retention of Records

The Covered Business must: (1) retain all records relating to compliance with this Order for a period of five years from the last day that this Order is effective (including any renewals of this Order); (2) store such records in a manner accessible within a reasonable period of time; and (3) make such records available to FinCEN, or any other appropriate law enforcement or regulatory agency, upon request.

D. No Effect on Other Provisions of the Bank Secrecy Act

Nothing in this Order otherwise modifies or affects any provision of the regulations implementing the BSA to the extent not expressly stated herein.

E. Confidentiality

This Order and its terms are not confidential.

F. Compliance

The Covered Business must supervise, and is responsible for, compliance by each of its officers, directors, employees, and agents with the terms of this Order. The Covered Business must transmit this Order to each of its agents. The Covered Business must also transmit this Order to its Chief Executive Officer or other similarly acting manager.

G. Penalties for Noncompliance

The Covered Business, and any of its officers, directors, employees, and agents, may be liable, without limitation, for civil or criminal penalties for violating any of the terms of this Order.

H. Validity of Order

Any judicial determination that any provision of this Order is invalid shall not affect the validity of any other provision of this Order, and each other provision shall thereafter remain in full force and effect. A copy of this Order carries the full force and effect of an original signed Order.

I. Paperwork Reduction Act

The collection of information subject to the Paperwork Reduction Act contained in this Order has been approved by the Office of Management and Budget (“OMB”) and assigned OMB Control Number 1506-0056. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

Geographic Targeting Order Covering First National Title Insurance Company
April 21, 2023

J. Questions

All questions about the Order should be directed to the FinCEN Resource Center at FRC@FinCEN.gov.

Dated: April 21, 2023

Himamauli Das
Acting Director
Financial Crimes Enforcement Network