

## Underwriting Bulletin: UNCO-2023-004

Date: May 11, 2023  
To: Colorado Agents  
From: David Dickard, VP, Western Region Underwriting Counsel  
RE: **Financial Crimes Enforcement Network (FinCEN) Geographic Targeting Order (GTO) expands to Colorado**

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Over the past several years, the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (FinCEN) has issued, extended, and amended what is known as a Geographic Targeting Order (GTO) to First National Title Insurance Company (and by extension all agents of FNTI) as well as the other title insurance underwriters. The purpose of the GTO is to assist FinCEN in identifying natural persons operating behind shell companies engaged in the cash purchase of residential real estate in certain geographic areas of the US. The GTO requires FNTI and its agents to provide information to FinCEN regarding the persons having ownership interests in these entities. According to FinCEN, the GTO has been very helpful in providing information related to these transactions. Therefore, the GTO has been renewed and expanded numerous times since its inception. Now the FinCEN GTO is expanding into Colorado.

Effective May 24, 2023, the coverage of the GTO includes the cash purchase of residential real estate with a purchase price of \$300,000.00 or more by entities (corporations, LLCs, partnerships or other similar business entities) in the Colorado counties of Adams, Arapaho, Clear Creek, Denver, Douglas, Eagle, Elbert, El Paso, Fremont, Jefferson, Mesa, Pitkin, Pueblo, and Summit. The GTO does not apply to purchases of property by individuals, does not apply to purchases in which a bank or mortgage company loan is being obtained, does not apply to commercial property, and does not apply to purchases by US entities which are publicly traded. The GTO does apply to the purchase of multiple residential properties by a covered entity.

If you are handling a transaction in which you believe the FinCEN GTO is going to apply, you will be expected to provide information to FinCEN about both the source of funds for consummating the transaction and verification of the identity of persons having an ownership interest in the entity, including persons representing the entity. For further information and forms you may contact the FinCEN Resource Center at [FRC@FinCEN.gov](mailto:FRC@FinCEN.gov). The FinCEN Resource Center may be contacted by phone at 800-767-2825, Monday through Friday, 8 am to 6 pm ET.

As always, your FNTI underwriting team is available to assist with questions and clarifications.

The current GTO remains in effect through October 21, 2023. Based upon previous practices it is expected to be extended indefinitely.

*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.*