

## WFG Underwriting Bulletin



To: All WFG Policy Issuing Agents; All WFG Title Examiners and Officers

From: WFG Underwriting Department

Date: May 11, 2020

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Subject: FinCEN Extends Geographic Targeting Order

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On May 8, 2020, the Financial Crimes Enforcement Network "FinCEN" extended and amended its previous Geographic Targeting Order (GTO) through November 5, 2020. We expect it will be routinely renewed after that. [A copy of the latest order is attached.](#)

**There is one significant and favorable change in the renewed order. We are no longer required to report properties acquired by U.S. publicly traded corporations or entities and their wholly owned subsidiaries.**

**The definition of "Legal Entity" now specifically excludes "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."**

The latest GTO made no other material changes to the reporting obligations or procedures set forth in the prior GTO.

As a high-level recap, you have a duty to report a transaction to FinCEN if a legal entity is the purchaser of **residential property**, made **without a bank loan** or similar external financing, with a purchase price of **\$300,000 or more** for in any of the following areas:

- Texas – Bexar, Tarrant & Dallas Counties
- Florida – Miami-Dade, Broward & Palm Beach Counties
- New York – the Boroughs of Brooklyn, Queens, Bronx, Staten Island & Manhattan
- California – San Diego, Los Angeles, San Francisco, San Mateo & Santa Clara Counties
- Hawaii – Honolulu City and County
- Nevada – Clark County
- Washington – King County

- Massachusetts – Suffolk & Middlesex Counties
- Illinois – Cook County

As was previously reported, there is no requirement to report on the beneficial owners of trusts which take title to a property, and in a 1031 exchange, when an Exchange Accommodation Titleholder (“EAT”) is only “parking” the property for 1031 purposes, reporting of the EAT is NOT required. However, if the EAT subsequently transfers the property to a legal entity (“the final buyer”), then reporting is required for the final buyer.

The guidance and processes of the [May 16, 2019 process bulletin](#) remain unchanged. After gathering the required information, you may either upload it yourself (and advise WFG you have done so); or forward the information to WFG by encrypted email at [FINCENreports@wfgnationaltitle.com](mailto:FINCENreports@wfgnationaltitle.com) and we’ll handle the filing for you.

NOTE: This Bulletin should not be interpreted as reflecting negatively upon the character of an individual or entity mentioned herein and is for the sole purpose of establishing underwriting positions and policies reflecting WFG National Title Insurance Company’s best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company’s Underwriting Department.

**The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.**