



NATIONAL UNDERWRITING BULLETIN

FROM: WFG Underwriting Department

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TO: All Policy Issuing Agents of WFG National Title Insurance Company

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SUBJECT: Foreign Sanctions Evaders List

Since 2003, settlement agents have been required to search the Specially Designated Nationals (SDN) List for all parties to real estate transactions who provide or receive funds as a part of those transactions. These requirements are summarized in [WFG National Bulletin 2014-02](#).

There is now another list that must be checked – the Foreign Sanctions Evaders (FSE) List. The list was first announced in 2012, but only contained a single entity. Now the FSE list has been expanded to sanction individuals and entities determined by the U.S. government to have violated, attempted to violate, conspired to violate or caused to violate U.S. sanctions against Syria or Iran. (an “FSE Listed Person”).

While the assets of those appearing on the FSE List are not blocked, as are assets for those on the SDN List, a U.S. person may not provide or procure goods or services, including financial or closing services to an FSE Listed Person without authorization from U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC), unless the transaction is otherwise exempt from regulation under the International Emergency Economic Powers Act (e.g., certain travel-related transactions).

A buyer or seller must have authorization from OFAC to provide property to or procure property from a FSE Listed Person. Accounts of FSE Listed Persons may not be operated, wire transfers involving a listed person must be rejected.

If a transaction with an FSE Listed Person is already underway, U.S. person must cease dealing with the listed person unless the transaction is exempt under the International Emergency Economic Powers Act, or until such time that OFAC authorizes the transactions.

If your company is checking the SDN List manually, you will need to add an additional step of checking the FSE List, which can be accessed at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fse_list.aspx . ALTA members have access to a combined SDN and FSE search engine on the ALTA website.

If your company is relying on third-party vendor screening services, you should check with the providers to confirm that the FSE list is incorporated into automated screening procedures.

The procedure for evaluating “Hits” against the FSE List is substantially the same as outlined for the SDN List in [WFG National Bulletin 2014-02](#).

Additional resources:

http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fse_list.aspx

<http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answer.aspx#191>

http://www.treasury.gov/resource-center/sanctions/Programs/Documents/fse_eo.pdf

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