

WFG Underwriting Bulletin



To: All WFG Policy Issuing Agents; All WFG Title Examiners and Officers
From: WFG Underwriting Department
Date: October 29, 2018
Bulletin No.: TX 2018-08, FL 2018-16, NY 2018-16, HI 2018-03, NV 2018-03, WA 2018-03, MA 2018-03, IL 2018-09
Subject: FINCEN Reporting for 1031 Exchange Transactions

FINCEN's Geographic Targeting Orders (GTOs) address many scenarios, but leave some questions unanswered. The staff at the American Land Title Association has been working closely with FINCEN to clarify some of the lingering uncertainties.

In response to our question, they confirmed with FINCEN representatives that as long as the 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 Trust or a legal entity ("the final buyer"), then reporting is required for the final buyer. Translation – if the Grantee on your Deed is a Trust or a legal entity other than the 1031 Exchange Company, **you must report**.

Our continuing thanks to the ALTA and FINCEN teams for helping all of us address these matters.

NOTE: 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.