



May 12, 2025
Office of Management of Budget
Request for Information: Deregulation

Dear Director Vought,

The American Land Title Association¹ writes to recommend the Office of Management and Budget and Department of the Treasury review and consider rescinding the Financial Crimes Enforcement Network's (FinCEN) "Anti-Money Laundering Regulations for Residential Real Estate Transfers" final rule², absent significant changes articulated below.

In August of 2024, FinCEN published a final rule requiring the reporting of certain information for non-financed residential real estate transfers where the purchaser is a corporate entity or trust. This reporting obligation falls primarily on real estate settlement agents and title companies which are predominately small businesses across the country³. It also requires these companies to collect and store significant and sensitive nonpublic personal information from purchasers, such as bank account information and social security numbers. Much of this information is either not readily available during a real estate transaction or is already available to the federal government through existing channels.

As outlined in our comment letters during the rulemaking process, this rule imposes a significant burden on those small business title companies. FinCEN's own estimates of the annual cost of compliance are between \$401.2 and \$663.2 million (with a midpoint of \$532.2 million). That estimate of costs exceeds FinCEN's estimated benefits. FinCEN estimates that the Rule will require approximately 800,000 to 850,000 reports annually.

In our comment letters⁴, we suggested a number of changes that would bring these burdensome costs down. These include adding a nominal dollar threshold, removing the

¹ ALTA represents title insurers, title agents, and attorneys that provide peace of mind to Americans by insuring their property rights and closing their real estate transactions. The mission of ALTA is to improve the skills and knowledge of providers in real property transactions, effectively advocate member concerns, and standardize products for industry use.

² 89 FR 70258

³ According to the Small Business Administration, more than 90% of title companies are considered small businesses. Depending on the state, real estate settlement will usually be conducted by title professionals, escrow agents, or attorneys.

⁴ See, ALTA Comment to Advanced Notice of Proposed Rulemaking

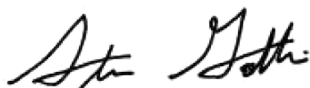
reporting of private banking information (since it's already available through other means), and exempting estate planning transactions.

In addition, as further context, earlier this year, FinCEN altered a related rule regarding the filing of beneficial ownership data for corporate entities (including limited liability corporations) to only apply to foreign entities. At the very least a similar change to limit this real estate rule to reporting cash-only real estate purchases by foreign entities, where the purchaser is a corporate entity or trust, would ensure that the relief of that earlier action is not blunted.

The title industry has historically been a productive partner in the fight against money laundering. However, without the changes outlined in our letters and aligning this regulation with the changes to the larger beneficial ownership rules, we believe the significant costs will continue to exceed the benefit of this rule. Additionally, the lack of a final reporting form makes it likely that FinCEN will need to delay the implementation of rule for at least one year.

The Trump Administration has been clear in its commitment to reducing undue regulations and helping small businesses thrive. Reconsidering some of the burdens this rule will place on small title companies across the country fits squarely within that commitment. This rule is ripe for reconsideration under this request for information and under President Trump's Executive Order 14219.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Gottheim".

Steven Gottheim
General Counsel