

What is a Geographic Targeting Order (GTO)?



The Financial Crimes Enforcement Network's (FinCEN) mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

On November 13, 2018 the Financial Crimes Enforcement Network (FinCEN) issued a Geographic Targeting Order which requires title companies to collect and report information about those involved in certain real estate transactions.

A GTO is an Order issued by FinCEN imposing reporting requirements on a business in a specific geographic area for transactions involving certain amounts of U.S. currency or other monetary instruments.

WHO IS AFFECTED?

Purchases which meet ALL of the following parameters:

1. Sale of residential property (1 to 4 family) including condominiums and co-ops located in a covered area;
2. Sale completed between November 17, 2018 through May 5, 2019;
3. Sale price is at least \$300,000 or more;
4. Buyer is a legal business entity (LLC, corporation, partnership) EXCEPT for a Reverse Exchange where the exchange company is taking title under IPX1031 or a special purpose entity of IPX1031;
5. Purchase is made without a bank loan by a financial institution; and
6. Any portion of the transaction is paid with cash, cashier's check, certified check, traveler's check, personal check, business check or money order.

TARGET AREAS IN CALIFORNIA:

San Diego, Los Angeles, San Francisco, San Mateo, and Santa Clara Counties