



Exemptive Relief Order to Delay the Effective Date of the Residential Real Estate Rule

Issue Date: September 30, 2025

By order, pursuant to the authority set forth in 31 U.S.C. § 5318(a)(7) and 31 CFR § 1010.970(a), the Secretary of the Treasury (Secretary), through the Financial Crimes Enforcement Network (FinCEN), grants temporary exemptive relief from the requirements of the regulation titled *Anti-Money Laundering Regulations for Residential Real Estate Transfers* (the “Residential Real Estate Rule”).¹ The Residential Real Estate Rule is set to become effective December 1, 2025. This order exempts persons covered by the Residential Real Estate Rule (“reporting persons”) from all requirements of that Rule until March 1, 2026.

Background

On August 29, 2024, FinCEN published the Residential Real Estate Rule, which requires reporting persons² to report non-financed transfers of residential real property to legal entities and trusts.³ Most transfers of residential real estate are associated with a mortgage loan or other financing provided by financial institutions subject to AML/ CFT program requirements. As non-financed transfers do not involve such financial institutions, such transfers can be and have been exploited by illicit actors of all varieties, including those that pose domestic threats, such as

¹ FinCEN, [Anti-Money Laundering Regulations for Residential Real Estate Transfers](#), 89 FR 70258 (Aug. 29, 2024).

² Reporting persons are certain persons engaged within the United States as a business in the provision of real estate closing and settlement services. FinCEN, [Anti-Money Laundering Regulations for Residential Real Estate Transfers](#), 89 FR 70258, 70271 (Aug. 29, 2024) (to be codified at 31 CFR § 1031.320).

³ 89 FR 72274. The legislative framework generally referred to as the Bank Secrecy Act (BSA) consists of the Currency and Foreign Transactions Reporting Act of 1970, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and other legislation. The BSA is codified at 12 U.S.C. §§ 1829b, 1951-1960; and 31 U.S.C. §§ 5311-5314, and 5316-5336, including notes thereto and implementing regulations codified at 31 CFR chapter X.

persons engaged in fraud or organized crime, and foreign threats, such as international drug cartels, human traffickers, and corrupt political or business figures. Non-financed transfers to legal entities and trusts heighten the risk that such transfers will be used for illicit purposes.

Consistent with the Administration’s policies focused on reducing any unnecessary regulatory burden on Americans, the Secretary, through FinCEN, has determined that exemptive relief from the requirements of the Residential Real Estate Rule is appropriate until March 1, 2026, to allow industry sufficient time to institute the policies, procedures and processes necessary to comply with that Residential Real Estate Rule.⁴ While the illicit finance risks associated with non-financed transfer of residential real property to legal entities and trusts remain, this delay will allow industry sufficient time to comply with the Residential Real Estate Rule, serving the ultimate objective of appropriately protecting the U.S. financial system and guarding against money laundering, terrorist financing, and other illicit finance risks.

FinCEN, through this order, exempts all reporting persons from the requirements of the Residential Real Estate Rule until March 1, 2026. Thus, reporting persons are not required to report transactions that meet the definition of a “reportable transfer” and that close prior to March 1, 2026.

Exemptive Relief

Pursuant to 31 U.S.C. § 5318(a)(7) and 31 C.F.R. § 1010.970(a), the Secretary may “prescribe an appropriate exemption” from the requirements of the BSA and its implementing

⁴ See Executive Order (E.O.) 14192, [Unleashing Prosperity Through Deregulation](#), 90 FR 9065 (Feb. 6, 2025); Office of Management and Budget (O.M.B.), [Guidance Implementing Section 3 of Executive Order 14192](#), M-25-20 (Mar. 26, 2025); E.O. 14219, [Ensuring Lawful Governance and Implementing the President’s ‘Department of Government Efficiency’ Deregulatory Initiative](#), 90 FR 10583 (Feb. 25, 2025).

regulations. This authority has been delegated to the Director of FinCEN.⁵ Such exemptions may be made by written order or authorization, may be either conditional or unconditional, and may apply to particular persons or classes of persons.⁶ FinCEN may revoke exemptions at its discretion. Consistent with this authority and for the reasons set forth above, FinCEN is issuing this temporary grant of exemptive relief to reporting persons from all requirements under the Residential Real Estate Rule. This exemptive relief is effective from September 30, 2025, until March 1, 2026.

⁵ See U.S. Department of the Treasury Order 180-01 (Jan. 14, 2020); *see also* 31 U.S.C. § 310(b). Under 31 U.S.C. § 5318(a)(7), the Secretary can “prescribe an appropriate exemption from a requirement under this subchapter and regulations prescribed under this subchapter.” Under 31 C.F.R. § 1010.970(a), the “Secretary, in his sole discretion, may by written order or authorization make exceptions to or grant exemptions from the requirements of this chapter. Such exceptions or exemptions may be conditional or unconditional, may apply to particular persons or to classes of persons, and may apply to particular transactions or classes of transactions. They shall, however, be applicable only as expressly Stated in the order of authorization, and they shall be revocable in the sole discretion of the Secretary.”

⁶ 31 CFR § 1010.970(a).