

FINCEN REPORTING ADDENDUM

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1 **DATE:** _____

2 This Addendum is a part of and an attachment to the PURCHASE AGREEMENT dated _____ between:

3 **SELLER(s):** _____ and

4 **BUYER(s):** _____

5 Street Address: _____

6 City: _____ State: _____ Zip Code: _____ County: _____

7 **FEDERAL REPORTING OBLIGATION:** Pursuant to regulations issued by the Financial Crimes Enforcement Network
8 (FinCEN) of the U.S. Department of the Treasury, a designated Reporting Person (typically the closing agent
9 or settlement company) is required to collect and report certain information related to Buyer(s) and Seller(s) in covered
10 real estate transactions for purposes of anti-money laundering compliance.

11 **TRANSACTIONS SUBJECT TO REPORTING:** The federal reporting requirements apply when **ALL** of the following
12 conditions exist:

- 13 1. The Property, defined as residential per FinCEN, is being transferred;
14 2. Buyer(s) includes a legal entity or trust; and
15 3. The transaction is an all-cash purchase or is financed through a Lender that does not independently satisfy federal
16 anti-money laundering reporting obligations.

17 **DEFINITION OF RESIDENTIAL:** FinCEN defines "residential" property as at least one of the following:

- 18 a) Existing or new construction one to four unit residential properties;
19 b) Residential income properties with one to four residential units;
20 c) Mixed use income properties that include one to four residential units;
21 d) Vacant land that has the potential for residential use or is intended for residential development (including land
22 zoned for agriculture); or
23 e) Shares in a cooperative housing corporation.

24 **REQUIRED REPORTING INFORMATION:** The Reporting Person is required to collect information from one or more
25 of the following parties, as applicable:

- 26 a) **Buyer(s):** Entity Buyer(s), Beneficial Owners of Entity Buyer(s), Signing Parties of Entity Buyer(s), Trust
27 Buyer(s), Entity Trustee of Trust Buyer(s), Individual Trustees and Beneficial Owners of Trust Buyer(s);
28 b) **Seller(s):** Individual Seller(s), Entity Seller(s), Trust Seller(s), Individual and Entity Trustees of Trust Seller(s);
29 and
30 c) **Required Information:** legal names, dates of birth (individuals), dates of execution of trusts, addresses, DBAs,
31 citizenship information (for trustees or beneficial owners of trust buyers), taxpayer identification numbers
32 (including social security numbers), and, if applicable, account number(s) and financial institution name(s) from
33 which payment is made.

34 **DELIVERY OF REQUIRED INFORMATION:**

- 35 a) Reporting Person shall be the following closing agent or settlement company: _____
36 _____
37 b) Earnest money related to this transaction shall be deposited directly from Buyer(s) to the closing agent or
38 settlement company listed above within the timeline and in the manner Buyer(s) and Seller(s) agree to in the
39 PURCHASE AGREEMENT.
40 c) FinCEN reporting fees, if applicable, shall be paid by Seller(s) Buyer(s) Split Equally
41 d) Buyer(s) and Seller(s) agree to provide all required information to Reporting Person by 11:59 P.M. on
42 _____ ("Reporting Deadline").
43 e) Buyer(s) and Seller(s) agree to work directly with Reporting Person to complete and deliver the required
44 information in the format requested by Reporting Person.
45 f) Buyer(s) and Seller(s) agree to make a good-faith effort to obtain required information from any entity, beneficial
46 owner, trustee, or authorized signer that is not Buyer(s) or Seller(s)

Buyer(s) Initials _____

Seller(s) Initials _____

