

FINCEN REPORTING ADDENDUM

This form approved by the North Dakota Association of REALTORS®, which disclaims any liability out of use or misuse of this form. Only REALTORS® licensed in North Dakota are authorized to use this form in compliance with NDAR's Statewide Forms Policy.

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 _____

47 **FAILURE TO PROVIDE REQUIRED INFORMATION:**
48 Reporting Person will refuse to close the transaction if required information is not provided in full, regardless of whether
49 the information is due from Buyer(s), Seller(s), or another person.

50 If required information is not provided by Buyer(s) or a third party required to report under Buyer's obligation by the
51 Reporting Deadline, the parties may agree to extend the deadline in writing or Seller(s) has the option of declaring this
52 PURCHASE AGREEMENT terminated by written notice to Buyer(s). If such written notice is given, Buyer(s) agrees,
53 within two (2) calendar days of receipt of notice of termination, to sign and deliver to Seller(s) a CANCELLATION OF
54 PURCHASE AGREEMENT with earnest money, if any, being released to ☐ Buyer(s) ☐ Seller(s); provided a refusal
55 by Buyer(s) to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of Seller's
56 decision to terminate the PURCHASE AGREEMENT.

57 If required information is not provided by Seller(s) or a third party required to report under Seller's obligation by the
58 Reporting Deadline, the parties may agree to extend the deadline in writing or Buyer(s) has the option of declaring this
59 PURCHASE AGREEMENT terminated by written notice to Seller(s). If such written notice is given, Seller(s) agrees,
60 within two (2) calendar days of receipt of notice of termination, to sign and deliver to Buyer(s) a CANCELLATION OF
61 PURCHASE AGREEMENT with return of earnest money, if any, to Buyer(s); provided a refusal of Seller(s) to sign and
62 deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of Buyer's decision to terminate
63 the PURCHASE AGREEMENT.

64 **NO BROKER REPRESENTATION:** Buyer(s) and Seller(s) acknowledge that Broker(s) and Agent(s) are not responsible
65 for determining whether the transaction is subject to federal reporting requirements, nor for completing, collecting, or
66 submitting FinCEN reports. Broker(s) and Agent(s) involved in this transaction do not provide legal, tax, or regulatory
67 advice related to FinCEN reporting. Buyer(s) and Seller(s) are advised to consult with qualified legal and tax professionals
68 to determine whether these requirements apply and to ensure compliance. Compliance obligations rest solely with the
69 Reporting Person and Buyer(s) and Seller(s) as required by law.

70 **ACKNOWLEDGMENT:**
71 By signing below, Buyer(s) and Seller(s) acknowledge they have read, understand, received a copy of, and agree to the
72 terms of this FinCEN Reporting Addendum.

73				
74	_____ Buyer Signature	_____ Date	_____ Seller Signature	_____ Date
75				
76	_____ Buyer Signature	_____ Date	_____ Seller Signature	_____ Date