

GEOGRAPHIC TARGETING ORDER

Required by Financial Crimes Enforcement (FinCEN)

Colorado



The Financial Crimes Enforcement Network (FinCEN) has issued Geographic Targeting Orders (GTOs) that require U.S. title insurance companies to identify the natural persons behind companies used in specific “covered” transactions for purchases of residential real estate (see definition of “covered” transactions below).

The GTO imposes recordkeeping and reporting requirements on title insurance underwriters to collect information. This GTO has been in place for several years, but now certain Colorado counties are included in the requirement to collect and report information on these transactions. Counties include Adams, Arapahoe, Clear Creek, Denver, Douglas, Eagle, Elbert, El Paso, Fremont, Jefferson, Mesa, Pitkin, Pueblo, Summit.

For more details please reference the Financial Crimes Enforcement Network website for further communication. <https://www.fincen.gov/news/news-releases/fincen-renews-and-expands-real-estate-geographic-targeting-orders>

Frequently Asked Questions

When Will This Take Effect?

This will take effect on or after May 24th, 2023.

What Can I Expect From My Escrow Team?

- Title commitments will show a requirement for compliance with the GTO.
- First Integrity will work with you to request the required information prior to closing. We will ask for this information as early as possible.
- Your Escrow team will utilize the [Information Collection Form](#) to request the necessary information.
 - » The collection form requires the disclosure of all persons who are a “Beneficial Owner”, which means each individual who, directly or indirectly, owns 25% or more of the equity interests of the legal entity purchasing real property.

What Is Considered A Covered Transaction?

- The property is residential
- The buyer is any legal entity*
- Such purchase is made without a bank loan or other similar form of external financing by a financial institution that has both an obligation to maintain an anti-money laundering program and an obligation to report suspicious transactions under FinCEN regulations appearing in Chapter X of Title 31 of the Code of Federal Regulations.
- Such purchase is made, at least in part, using currency or a cashier’s check, a certified check, a traveler’s check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.
- Purchase price of the residential real property is in the amount of \$300,000 or above

What Is In The Collection Form?

- Who is completing this form
- Transactional information about the property, to include address, sales price, type of property and purchaser, etc.
- Information about how the purchase was paid for and amounts paid
- Information about the individuals primarily representing the Purchaser, which includes nonpublic information and proof of identification.
- Information for each Beneficial Owner who, directly or indirectly, owns 25% or more of the equity interests of the Purchaser, which includes nonpublic information and proof of identification

* Legal Entity means a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state, or of the United States, or a foreign jurisdiction, other than a business whose common stock or analogous equity interests are listed on a securities exchange regulated by the Securities Exchange Commission (“SEC”) or a self-regulatory organization registered with the SEC, or an entity solely owned by such a business.