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STATE OF NEW YORK

DEPARTMENT OF LAW

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REAL ESTATE FINANCE BUREAU

MEMORANDUM

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**Re: Disclosure Requirements Regarding  
FinCEN's Geographic Targeting Order**

**August 25, 2016<sup>1</sup>**

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The Department of Law publishes this memorandum as a guidance document pursuant to State Administrative Procedure Act ("S.A.P.A.") § 102(14).

**Introduction**

This guidance document clarifies how the July 22, 2016 Geographic Target Order ("Order") issued by the Assistant Director of the Financial Crimes Enforcement Network ("FinCEN") affects disclosure requirements for sponsors and prospective purchasers of residential real property located in all boroughs of New York City. The Order requires certain title insurance companies that have received notification from FinCEN to collect and report information about persons involved in residential real estate transactions as described below. The reporting requirement will be in effect as of August 28, 2016. A copy of the Order is available here:

[https://www.fincen.gov/news\\_room/nr/files/Title\\_Ins\\_GTO\\_Sample\\_072716.pdf](https://www.fincen.gov/news_room/nr/files/Title_Ins_GTO_Sample_072716.pdf)

**Real Estate Finance Bureau Requirements**

To provide contract-vendees and prospective purchasers with adequate disclosure and notice of the new reporting requirements all prospectuses offering and selling residential condominiums and cooperatives must be amended to disclose that certain title insurance companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a legal entity as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan, and Staten Island; (3) the total purchase price is in excess of \$3,000,000 in the Borough of Manhattan or the total purchase price is excess of \$1,500,000 for the Boroughs of Brooklyn, Queens, Bronx or Staten Island; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal

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<sup>1</sup> This guidance document shall supersede and replace the previous version dated February 8, 2016. The February 8, 2016 guidance document is hereby repealed.

check, a business check, or a money order in any form. The amendment must make clear that this affects all residential real property closings occurring on or after August 28, 2016 and until the expiration of the effective period of such Order (i.e., February 23, 2017, as of the date hereof, which date is subject to change by FinCEN).

**Applicability and Disclosure Requirements**

Any offering plan accepted for submission that meets the above criteria must add such disclosures prior to acceptance for filing. For filed plans, the sponsor must amend the plan to include the required disclosures above at the time of the next update amendment.