



First American Title

**First American Title Insurance Company
CURRENT DEVELOPMENTS
SPECIAL EDITION**

As reported in Current Developments dated January 15, 2016, the United States Treasury Department's Financial Crimes Enforcement Network ("FinCEN") on January 13, 2016 issued Geographic Targeting Orders ("GTOs") requiring "certain U.S. title insurance companies to identify the natural persons behind companies used to pay 'all cash' for high-end residential real estate in the Borough of Manhattan in New York City, New York, and Miami-Dade County, Florida." The GTOs are effective March 1, 2016 and, unless extended, expire on August 27, 2016.

First American, other title insurance companies, and their agents, when conducting a settlement or performing a service in connection with a "Covered Transaction" involving a property subject to the GTOs are required to report certain information on IRS Form 8300/FinCEN Form 8300. The information must include the identity of the Purchaser, of the Beneficial Owners of the Purchaser, and of the individual primarily responsible for representing the Purchaser. A "Beneficial Owner" is an individual who owns, directly or indirectly, 25% or more of the equity interests in the Purchaser. If the Purchaser is a limited liability company the name, address and tax identification numbers of all of its members, even members who do not own 25% or more of the equity in the Purchaser, must be provided.

A Covered Transaction is a transaction in which a legal entity, wherever formed, purchases residential real property, including an individual condominium or cooperative unit designed principally for the occupancy of one-to-four families, located in the Borough of Manhattan, when the purchase price exceeds \$3,000,000 (exceeds \$1,000,000 when the property is in Miami-Dade County, Florida), the purchase is made without a bank loan, and the purchase is made, at least in part, using currency, a cashier's check, a certified check, a traveler's check, or a money order in any form.

When insuring a Covered Transaction, the title insurance company or its agent must receive (a) a written statement from purchaser's counsel or the settlement agent stating that no part of the purchase price was funded by use of currency, a

cashier's check, a certified check, a traveler's check, or a money order, or (b) information sufficient to enable the title insurance company to complete IRS Form 8300/FinCEN Form 8300. For (b), FinCEN requires that the title insurance company obtain as to each Beneficial Owner and as to the individual primarily responsible for representing the Purchaser, a copy of his or her driver's license or passport, or other similar identifying documentation. These requirements also apply when an accommodation recording is being handled by the title insurance company.

Please contact your First American Underwriter or Sales Representative for further information.

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Current Developments since 1997
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