



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

2601 North Lamar Blvd., Austin, Texas 78705

512-475-1300 / 877-276-5554

www.dob.texas.gov

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FinCEN Issues Geographic Targeting Orders U.S. Title Insurance Companies Must Comply

FinCEN issued a "[Geographic Targeting Order](#)" that requires U.S. title insurance companies to identify the natural person behind shell companies that use "all cash" to pay for high-end residential real estate in six major metropolitan areas. This targeting order includes San Antonio, Bexar County, Texas. To better understand this vulnerability, FinCEN issued similar GTOs earlier this year covering transactions in Manhattan and Miami-Dade County, Florida.

The order requires that the title company identify the natural person (beneficial owner) of any shell company that uses "all cash" to purchase real estate in the amount of \$500,000 or more. "All cash" means the property is purchased without obtaining financing. FinCEN remains concerned that all-cash purchases (i.e., those without bank financing) may be conducted by individuals attempting to hide their assets and identity by purchasing residential properties through limited liability companies or other opaque structures.

If a bank is working with a title company customer in San Antonio, they should ensure that the BSA Officer is aware of the recent order as they may want to obtain additional documentation relating to wires of \$500,000 or greater from their customer.