



Texas Department of Savings and Mortgage Lending



From: Caroline C. Jones, Commissioner

To: State Savings Bank Presidents and Chief Executive Officers

August 22, 2017

FOR YOUR INFORMATION

FinCEN Advisory on Money Laundering Risks in the Real Estate Sector

The Financial Crimes Enforcement Network has posted an advisory bulletin related to money laundering risks associated with certain real estate transactions. This advisory is posted on their public website at www.fincen.gov.

FinCEN states they are issuing this advisory to provide financial institutions and the real estate industry with information on money laundering risks associated with certain real estate transactions. For example, as highlighted by recent Geographic Targeting Orders (GTOs) issued by FinCEN, real estate transactions involving luxury property purchased through shell companies—particularly when conducted with cash and no financing—can be an attractive avenue for criminals to launder illegal proceeds while masking their identities.

This advisory also encourages real estate professionals to report voluntarily any suspicious activity and reminds covered financial institutions of their obligations to report suspicious activity. FinCEN expects that the advisory will produce valuable additional reporting of suspicious transactions in the real estate sector that will advance efforts to combat money laundering.

Caroline C. Jones
Commissioner
