



New Federal Regulation Impacts Cash Property Buyers: What it means for the industry and homebuyers

Q&A with Matt Neuman | Attorney & Owner, Absolute Title

Q. What is this new real estate regulation?

The Residential Real Estate Rule is a new piece of federal regulation mandated by the Financial Crimes Enforcement Network (FinCEN). This regulation applies to transfers of residential real estate properties with up to four units or vacant land intended for construction that will not be financed by a bank or other lending institution. This federal rule came into effect on March 1, 2026, and applies in every U.S. state.

Q. What does the legislation do?

It requires real estate professionals to gather personal information from both the buyers and the sellers engaged in a cash transaction for property. Previously, this was not a requirement. The rule requires that more than 100 points of data must be reported to the federal government, including identities of involved parties and financial details. The regulation was created to combat money laundering.

Q. How does the legislation affect buyers and real estate professionals?

In New Hampshire, we've seen a 20 to 25% increase in cash buyers since the COVID pandemic. Cash transactions have historically been considered to be easier, quicker and more private. This new legislation has the potential to reduce the ease and convenience of cash purchases. Ultimately, cash buyers may choose to make alternative plans for purchasing their properties. For industry professionals, this rule affects all parties involved in closings, from title companies like ours, to escrow agents and attorneys.

Q. How can real estate professionals prepare?

Every professional involved in residential property closings needs to be educated about the regulation. It's important to educate buyers and sellers as early on as possible to ensure they understand what this could mean for their transactions.

Q. What should homebuyers do?

Buyers should work closely with their real estate agent as they consider their purchasing options. If they plan to finance their property with a bank or lending institution, this will not be a concern. However, if they are considering a cash transaction, buyers should know what type of information will be needed for closing and understand the required steps.

If you would like to dig deeper into this new rule, detailed information is available on the [Financial Crimes Enforcement Network website](#).

For us, the bottom line is that closings should be convenient for all parties involved. Learn more about how we make the closing process as easy as possible, at [AbsoluteTitle.com](#).