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# Client Alert: FinCEN Real Estate Rule Thrown Into Uncertainty After Split Federal Court Decisions


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Two Federal District Courts have reached conflicting decisions regarding The Financial Crimes Enforcement Network's (FinCEN) Residential Real Estate Rule (the Rule). On February 19, 2026, the U.S. District Court for the Middle District of Florida, in *Fidelity National Financial, Inc. v. Bessent*, upheld the Rule. However, on March 19, 2026, the U.S. District Court for the Eastern District of Texas, in *Flowers Title Companies, LLC v. Bessent*, ruled against FinCEN and vacated the Rule.

Given these conflicting rulings, appellate courts are expected to become involved. Considering the uncertainty and the approaching filing deadline, further developments are likely before April 30, 2026, when residential real estate reports (Reports) would otherwise be due for March closings.

In the interim, reporting persons may want to continue collecting the information required to prepare Reports but hold off on filing until there is additional clarity. For example, the order in *Flowers Title Companies, LLC v. Bessent* could be stayed pending appeal, which would reinstate the reporting obligation. If the required information is not collected in advance, completing the reports post-closing may be more difficult.

On March 21, 2026, FinCEN issued its official statement following the *Flowers Title Companies, LLC v. Bessent* decision:

> *"In light of a federal court decision, reporting persons are not currently required to file real estate reports with FinCEN and are not subject to liability if they fail to do so while the order remains in force."*

If you would like more information on the evolving status of FinCEN's Residential Real Estate Reporting Rule, including how the conflicting federal court decisions may impact your reporting obligations, whether you should continue collecting reportable information ahead of the April 30, 2026 deadline, and how a potential stay or appellate ruling could affect compliance requirements, please contact attorney Anna Nelson or another member of Shumaker's Real Estate, Construction & Development Service Line.

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