

Feds renew ID requirement for South Florida Homebuyers



Cash buyers of high-end condos and other properties in South Florida will have to continue disclosing their names as part of a Treasury Department order. (Susan Stocker / Sun Sentinel)

The Treasury Department said Thursday it would extend by six months a requirement that title insurance companies disclose the identities of luxury homebuyers in Broward and Palm Beach counties.

In January 2016, the federal agency announced the temporary order for cash sales priced at \$1 million or more in Miami-Dade County. It was extended to Palm Beach and Broward counties last July and was set to expire this week.

Similar orders also have been

renewed for all the boroughs of New York City, parts of California and San Antonio, Texas.

Roughly 30 percent of the covered transactions involve a buyer who was the subject of previously reported suspicious activity, the Treasury said. That justifies the agency's concerns about shell companies used to buy luxury properties, officials said.

"These [disclosures] are producing valuable data that is assisting law enforcement and is serving to inform our future efforts to address money laundering in the real estate sector," Jamal El-Hindi, acting director of the Treasury's Financial Crimes Enforcement Network, said in a statement.

"The subject of money laundering and illicit financial flows involving the real estate sector is something that we have been taking on in steps to ensure that we continue to build an efficient and effective regulatory approach," El-Hindi said.

The names of buyers are entered into a law enforcement database and not revealed to the public, officials have said. The agency said it tasked title insurance companies because title insurance is common in the vast majority of real estate deals.

William G. Hardin, director of the Hollo School of Real Estate at Florida International University, said he understands the government's concern about money laundering. But he said buyers can get around the requirement by using a wire transfer, which isn't covered in the order.

"There might be some people upset about it, but I don't think this is a big deal," Hardin said. "Overall, it's just a signal that this is an issue that [the Feds] are concerned about, and they're trying to get a handle on it."

Joe Hernandez, chair of the real estate group at the Weiss Serota Helfman Cole & Bierman law firm in Coral Gables, said he doesn't believe the disclosures have had any negative effect on luxury home sales.

"Am I surprised it got extended? Not really," Hernandez said. "It's a deterrent."