

# PREMIER TITLE COMPANY, LTD.

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May 23, 2003

FinCen  
Attention: Section 352 - Real Estate Settlements  
P. O. Box 39  
Vienna, VA 22183-0039

Re: USA Patriot Act

Ladies and Gentlemen:

In response to your request for comments concerning proposed rules implementing Section 352 of the USA Patriot Act, I submit the following:

1. What are the money-laundering risks in real estate closings and settlements?

Answer: While there is some risk of money-laundering activities in the real estate settlement services industry, I would think that real estate settlement services would provide a relatively unattractive avenue for such activities. I say that for the following reasons:

- (1) Real estate transactions are generally extensively documented with extensive paper trails. Documents are typically notarized, with the requirement (at least in Florida) that the person signing either be known to the notary or produce identification. Funds are generally received by check or wire transfer and disbursed in the same manner, with the concomitant paper trails. Cash is rarely used, and if it were to be used the same reporting requirements are imposed upon people in the real estate industry as are imposed upon banks that deal in large amounts of cash.
- (2) Once the perpetrator has acquired the real estate, it is not particularly liquid. Some time is typically required to dispose of the real estate and, in the meantime, it is a highly visible asset. Again, at the time of disposition, a substantial paper trail would exist.

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2. How should persons involved with real estate closings and settlements be defined?

Answer: Lenders, title agents and attorneys are the persons who typically are involved with the actual flow of funds used to purchase property.

3. Should any persons involved in real estate closings or settlements be exempted from coverage under Section 352?

Answer: Title abstractors, inspectors, surveyors, and other persons not involved in handling funds.

4. How should the anti-money laundering program requirement for persons involved in real estate closings and settlements be structured?

Answer: It would be a relatively simple matter to require identification from all parties. Title agents are already required to check the OFAC list of SDNs. Information concerning the source of incoming funds and records of outgoing funds are already maintained by responsible title agents.

Whatever is done, I beg you to recognize that the majority of the persons involved in the title industry are small companies. Title agents are already subject to a great deal of regulation. When you are considering the regulations, please consider the impact of those regulations on these very small companies that do not have large numbers of employees and for whom additional requirements, including record keeping requirements, are extremely burdensome. Please consider carefully examining the current processes and procedures in the industry and either utilizing those to achieve the objectives of the Act or taking those into account and building upon them to achieve the objectives of the Act. This is to be contrasted with imposing entirely new requirements that may be duplicative in some fashion of procedures that are already followed or requiring effort far in excess of the benefit to be gained.

Thank you for considering my comments.

Very truly yours,



Bernard R. Baker, III  
President