

2026 California Investor Compliance Checklist

The Essential Guide to Navigating New Federal Reporting & State Disclosures

Section 1: Federal "Transparency" Compliance (FinCEN)

The Corporate Transparency Act (CTA) is in full effect. Failure to report can result in fines of up to \$500/day.

- **[] BOI Reporting:** Ensure every LLC or LP used for purchasing has filed its **Beneficial Ownership Information (BOI)** report with FinCEN.
- **[] The "All-Cash" Trigger:** Confirm if your purchase is "All-Cash." As of 2026, FinCEN requires title companies to report the identity of any individual behind a legal entity for non-financed residential transactions over \$300k.
- **[] Update Frequency:** Check if any "Beneficial Owner" has changed their home address or ID (Driver's License/Passport) in the last 30 days. Changes must be reported within 30 days.

Section 2: California Marketing & AI Disclosures (AB 723)

New for 2026: Transparency in property representation.

- **[] AI Disclosure Stamp:** If you are using AI to enhance property photos or virtual staging, ensure the disclosure: *"Image digitally altered for illustrative purposes"* is clearly visible on the bottom right of the image.
- **[] Wholesaler Marketing:** If marketing a contract (wholesaling), ensure the advertisement explicitly states: *"Assigning contractual interest only; not the owner of record."*
- **[] DRE License Disclosure:** For any public-facing solicitation, ensure your (or your partner's) **DRE License #** is included in the footer.

Section 3: Zoning & Development Opportunity (SB 79 & SB 423)

Maximize your LTV by verifying the "Highest and Best Use" under new transit laws.

- **[] Transit Proximity Check:** Is the parcel within **0.5 miles** of a "Major Transit Stop"? (Unlocks SB 79 height and density bonuses).
- **[] Objective Design Standards:** Verify if the local municipality has adopted "Objective Design Standards" to bypass discretionary hearings via SB 423.
- **[] ADU Capacity:** Check if the property qualifies for the "ADU Grant" or state-funded seismic retrofit subsidies (California 2026 budget updates).

Section 4: Transactional & Escrow Readiness

What our fund needs to see to close your loan in <72 hours.

- **[] Entity Documents:** Filed Articles of Organization, signed Operating Agreement, and an **EIN Confirmation Letter (SS-4)**.
- **[] Insurance Binders:** Ensure your policy includes **Builder's Risk** if the property is vacant or undergoing a major "fix & flip."
- **[] The "Wholesale Chain":** If purchasing via assignment, provide the original A-B contract and the B-C assignment agreement for legal review.
- **[] Proof of Funds (Updated):** Ensure your POF letter from us is dated within the last 15 days to satisfy sellers and agents.

Section 5: Environmental & Safety (2026 Updates)

- **[] Wildfire Mitigation:** For properties in "High Fire Hazard Severity Zones," verify the presence of a **Defensible Space Inspection (AB 38)** compliance report.
- **[] Heat-Pump Ready:** New 2026 building codes require specific wiring for electric heat pumps on all substantial renovations.