

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.
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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.
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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).
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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.
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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.