

# Important Real Estate IRA Information That Investors Need to Know

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Hello,

I'm Richard Geller, CEO and operating manager of [FinancialSuccessInstitute.org](#). If you are not already a regular reader and subscriber of the vital information and resources provided by the Institute, I encourage you to visit the website and sign up now at: [FinancialInvestmentInstitute.org](#). The Institute is constantly researching and pointing out new high paying alternative investments that you can hold securely in a self directed or real estate IRA or 401K.

In this issue of our newsletter, we focus on trouble investors might encounter if they are not fully informed about a few perils that exist if you mismanage your real estate IRA. It's not difficult to avoid these problems but you need to first know about them. An important goal of the Institute is keeping you fully informed of what you can and should do to protect your retirement account. Please read the important information in this issue and contact a competent retirement professional if you think you have encountered any of these pitfalls. You can also visit us at [FinancialInvestmentInstitute.org](#) to leave general questions. However, we cannot give direct advice because we don't know the details of your situation or all the laws in your state regarding securities and investments.

Thanks and Happy Investing  
Richard Geller

## IRA vs. 401K: Which Is Better?

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### IRA vs. 401K, which is better?

I'm often asked which is better, the self directed ira or the self directed 401K.

Like everything else in the tax and financial world, the short answer is "it depends" but there is a much deeper answer and this is one that the so-called financial community hates.

The IRA vs. 401K debate boils down to dollars and sense to this so-called financial community.

If you get a self directed IRA or just a plain IRA or a Roth IRA, you need a custodian and that means someone gets custodian fees. And if they don't charge fees, they get to hold your money.

Schwab lets me keep an IRA with them and the fees are modest or non-existent but my money sits in Schwab and I have no choice about it.

If I go to a self directed IRA, I need a custodian. If I go with someone like Equity Trust for my self directed IRA, I may pay them as much as \$2000 a year or more between my various accounts. That's a big fee.

And it's every year.

IRAs always have custodian responsibilities and there is either a fee charged, or a "you are stuck with us" clause.

Not so with a 401K.



*Am I cool enough for my own self directed 401K? Photo courtesy of flickr.com/photos/pauldineen/*

## **In the IRA vs. 401K which is better debate, the 401K stands apart (but don't tell anyone!)**

In 2002 Congress made the rules around the 401K much better for the average Joe. So now almost anyone can have a 401K. Even if they already have a 401K at work.

If you have your own 401K, you can be your own custodian. Most people don't know this. The advantage is that you get the checkbook. You can put your money in stocks and bonds if you want, or in real estate as a real estate 401K. The self directed 401K has huge advantages:

- No trustee fee
- You can contribute as much as \$50,000 or more per year
- You can roll you and your spouse's IRAs into the 401K and pool your money to make bigger investments
- You can buy an apartment building or a rental house or a future vacation house with your 401K
- You can borrow up to \$100,000 (if you are married) from your self directed 401K and pay yourself back with low interest (and the interest builds in your self directed 401K so you are paying yourself)

## **So now what is better, a self directed IRA or a self directed 401K?**

Now you know the truth. But don't tell anyone. You want to get a self directed 401K. You have all the advantages and none of the disadvantages of the IRA.

However, the self directed IRA industry will argue with you. Because they stand to lose big money once more people know the truth.

Finally, and this is ultra important, if you make a mistake with an IRA, the whole IRA can be treated as a distribution and you can owe huge tax on it. With a 401K there is a much more forgiving process if you make a mistake. And, to top it off...

## **A self directed 401K asset protection secret**

A 401K cannot be easily seized. Even by the IRS. In most cases. Even if you owe money and even in bankruptcy.

This is not true of an IRA. The IRA is being taken down by creditors and the IRS in various states. The 401K has great asset protection and if you own an apartment building or a house or mortgage notes in your 401K or even gold coins (all of which depending on the technicalities and rules are possible investments in a self directed 401K) these cannot be taken by creditors.

So which is better, the IRA or 401K? Now you know the truth.

Please leave a comment or question. Thank you.

## **Don't get a self directed IRA until you read this dangerous report!**

Click on the eBook icon for your free copy.

written by Richard in *Free Reports*



We've gone to some of the foremost experts who make their money AWAY from Wall Street to put together this report showing you how you can possibly convert to a MUCH better retirement account option that most people don't know about

- Pool most/all of your present IRAs into one "super account"
- Buy rental properties, mortgage notes, or your dream home INSIDE your retirement account
- Get tax free income for life with MUCH higher potential returns than you'll ever get from an annuity
- Buy and HOLD gold and silver coins so you have them PHYSICALLY in your possession, but they are owned inside your retirement account

- Works even if you have a J-O-B, even if your J-O-B already has a 401K for you

## Put real estate into your IRA

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### The self directed IRA and how to put real estate into your IRA

Is there a new way to put real estate into your IRA?

The tax code has tens of thousands of words just on IRAs alone.

Accountants can't keep up.

Tax attorneys have trouble with it.

Each professional specializes and so it's hard to get good advice.



*Going with the flow can be a financial disaster. Before you consider how to put real estate into your IRA find out about the self directed 401K. Photo courtesy of flickr.com/photos/keyslibraries/*

And there is a vast Wall Street industry and the mainstream media trying to sell you on going with them.

With a self directed IRA, you are stuck with the custodian you select. So if you go with a company such as Equity Trust or Guidant, you rely upon them to be your custodian and therefore to exert an element of control over what you can and cannot do.

This makes the real estate IRA problematic.

### How to put real estate into your IRA using an LLC

The solution is to form a limited liability company, or LLC, that your IRA owns. You can put real estate in your IRA by putting the real estate into your LLC that in turn is owned by your IRA.

Many IRA custodians allow this.

But it is difficult and expensive and the IRS hates this. Many expect the loophole that allows this to be closed.

A better answer to putting real estate into your self directed IRA is putting real estate into your own 401K. A solo 401K, a self directed 401K.

With the self directed 401K, you are the custodian. There is no need for a third party. You are your own trustee. So you don't need to get another company such as Equity Trust or Guidant involved. You can put real estate into you IRA but even better is putting it into your own Checkbook Retirement Plan solo 401K, your self directed 401K.

We're finishing up a special report from our panel of experts on the self directed IRA and have some very important breakthrough news on that. Please comment or ask a question here. Thank you.

Please visit [www.financialSuccessInstitute.org](http://www.financialSuccessInstitute.org) for more information about securely and profitably investing for your wealthy retirement future.