



Self Directed IRA Real Estate Preliminary Training

Hello,

I'm Richard Geller, CEO and operating manager of [FinancialSuccessInstitute.org](#). If you are not already a regular reader and subscriber to 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 devoted to researching and providing information about high return alternative investments that you can physically hold in a self directed IRA real estate account or a self directed 401K real estate account or a self directed Roth 401K real estate account. Almost always, these are very different from what your financial planner tells you about.

This issue of our newsletter is devoted to Self Directed IRA Real Estate preliminary training that subscribers need to make an educated decision. The first article explains why there is so much confusion swirling around the Self Directed IRA Real Estate account. It also explains several variations that Self Directed IRA Real Estate account holders have for structuring their accounts. The second article goes into the details about why readers want to get as far away from Wall Street as they can. And the third article warns about how self directed IRA real estate account holders can make a fatal account error if they don't have the proper training about self directed IRA real estate account rules.

No one cares more about you becoming wealthy than you do and no one else should. You'll do much better taking full control of your financial future starting today! The way to do that is with a self directed IRA real estate account or a self directed 401K real estate account. At [FinancialInvestmentInstitute.org](#) you'll learn exactly how to do it!

Please visit us at [FinancialInvestmentInstitute.org](#) to leave general questions and comments. 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 Wishing You Great Success With Your Investing,
Richard Geller

Put real estate into your IRA

January 11th, 2012

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've finished our special report from our panel of experts on the self directed IRA and have some very important breakthrough news on that.

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

Get your free copy now by clicking on the eBook icon!

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

Self Directed IRA – How NOT to Become Wealthy

By brian on January 11th, 2012

If you aren't yet into a self directed IRA or 401K and are still invested in the stock markets or are thinking about getting back in, you need to read this. Here's part of a blog that [Tyler Durden](#) posted on [Zerohedge.com](#):

"2011 has not been good for hedge funds ... this will be the first year of many, possibly ever, in which the average hedge fund had a negative return, even as the broader market had a minimally positive return, although there are still a few more trading days in the year so the S&P could well close negative."

Hedge fund managers are supposed to be the smartest investors in the market. The ultra rich trust them with their money and require the managers personally invest substantial amounts of their own money to assure they act in the best interest of the hedge fund.

One of your alternatives with a self directed IRA is traditional investing in stocks, bonds, and mutual funds on Wall Street. If the best in the market is losing money, your little self directed IRA doesn't stand much chance. Better you invest your self directed IRA were it will be secure and grow predictably.



Don't trust your self directed IRA with hedge fund managers that are losing their own money on Wall Street. Photo courtesy of www.flickr.com/photos/worldeconomicforum/374705841/

[Tyler Durden](#)'s post doesn't show any confidence the markets will change any time soon. He goes on to say:

"No doubt this collapse in returns will be blamed on this and that, yet we can't help but wonder how in the "New Hedge Fund Normal" in which fundamentals no longer matter.... just what will happen to that ultra critical \$2 trillion marginal purchasing power, levered 3 times, which has traditionally been the driving force for market moves higher?"

You can hold a self directed IRA or 401K outside of an employer's pension fund. That might be a good idea since pensions are major investors in hedge funds. Having a self directed IRA invested in real estate or other tangible assets could just be the real hedge you need against stock market investing.

CNN Money reports that at the end of November, hedge fund losses averaged 7% for the year and the roller coaster S&P 500 was down 0.8%. When you have a self directed IRA invested in a real estate note paying 8%, you know exactly where your self directed IRA will end the year – up 8%.

It's pretty easy to invest a self directed IRA into a real estate note bearing 8% annually. A \$100,000 self directed IRA or 401K compounding for 15 years becomes a self directed IRA with \$330,700. I don't know about you but I'd be afraid \$100,000 invested on Wall Street for 15 years would become \$60,000.



Comparing a highly secured self directed IRA to Wall Street is like holding a royal flush to Wall Streets pair of deuces. You can be sure you're taking home the money. Not them Photo courtesy of www.flickr.com/photos/melissagrays/3786233137

A tax lien is another highly secure investment for you self directed IRA or 401K. Some tax liens are delivering 18% interest to people's self directed IRAs. Compounding your self directed IRA at 18% for 15 years will let you retire a millionaire with \$1.4 million in your self directed IRA. How secure are tax liens? If the taxes don't get paid, your self directed IRA becomes the owner of the property for the cost of the back taxes. How long this takes varies by state but most will turn over the property to your self directed IRA in three years or less.

As 2011 comes to an end, you owe it to yourself and your family to stop losing your wealth on Wall Street and start building your retirement by securely investing with a self directed IRA or 401K.

Please visit FinancialSuccessInstitute.org to learn all the reasons you should be moving off Wall Street and into alternative investments!

Self Directed IRA Rules - When Good Hearted People Do the Wrong Thing

January 11th, 2012

One of the often-violated self directed IRA rules involves prohibited transactions with related parties. Some times, they are unintentional and at other times they are for the benefit of the account owner or their family. Regardless of why a self directed rules violation occurs, when any of the self directed IRA rules are broken it can mean the death of the account owner's retirement dreams.

Here is what IRA advisor Clint Coon writes in an article about [self directed IRA rules](#):

"It is vitally important for every investor to know the limitations of his IRA which unfortunately requires your becoming partially if not fully versed in the IRA, prohibited transaction rules. A violation of any of these rules can result

in a loss of your IRA's tax deferred status. Section 408 and 4975 of the Internal Revenue Code explain[s] everything the IRA investor must be aware of when dealing with his own IRA."

Self Directed IRA Rules – Doing Good Doesn't Protect Your Account

The daughter of an account holder is legally a related party. Self directed IRA rules prohibit a related party from benefitting from the account holder's IRA. Still, it can be tempting to try getting around the self directed IRA rules when a loved one is involved. Examples of self directed rules violation often involve a limited liability company or LLC.

LLCs are a common way for an IRA owner to gain checkbook control of their account by instructing the IRA custodian to invest the IRA in the LLC. That's not a self directed IRA rules violation. What can become a self directed IRA rules violation is how the LLC invests the money.

A father helping a daughter might be tempted to violate the self directed IRA rules by purchasing his daughter a house thinking the LLC gives him enough anonymity that the IRS won't find the self directed IRA rules violation. That single violation of the self directed IRA rules can shatter the father's retirement dreams.



Did daddy violate the self directed IRA rules to make these new home owners happy? Photo courtesy of: www.flickr.com/photos/jennyku/504676399

Buying a house isn't the only way an account owner can violate the self directed IRA rules. Loaning money to a daughter, son, spouse, or parent is a violation of the self directed IRA rules. Owning the house and renting to a related party is another violation of the self directed IRA rules. Making the down payment is yet another violation of the self directed IRA rules.

And don't go thinking that LLC will hide self directed IRA rules violations. The paperwork filed with the state creating the LLC are public records easily obtained by the IRS. Who is that paperwork going to say owns the LLC? Something like Dear Daddy's LLC fully owned by Dear Daddy's self directed IRA. Big self directed IRA rules violation if the LLC engages in a prohibited transaction.

How Violating Self Directed IRA Rules Ruins Retirement Dreams

Once the IRS determines an account owner has engaged in a self directed IRA rules violations, they will almost certainly declare the retirement account fully distributed for the year the self directed IRA rules violation occurred. Or at the least, for the amount of money involved in the self directed IRA rules violation.

Let's go with our example from above and the house purchase for the daughter cost \$120,000. Rich daddy could afford the all cash purchase but what is the self directed IRA rules violation going to do to his taxes for the year and his retirement account long term?

Let's assume dear daddy's annual salary is \$65,000 the year the self directed IRA rules were violated. Now, as a penalty for the self directed rules violation, he must also include the distributed \$120,000 as income. First, he has to pay the 10% penalty for an early distribution. That penalty for the self directed IRA rules violation is \$12,000. The additional \$120,000 in income jumps him from the 15% to the 28% tax bracket. The self directed IRA rules violation increases his yearly taxes from \$8,900 to \$39,870. Adding in the \$12,000 penalty comes to \$51,870. That's a heck of a penalty dear daddy will pay for the self directed IRA rules violation.



Will a self directed IRA rules violation cause dear daddy to retire old and broke? Photo courtesy of: www.flickr.com/photos/jennyku/504676399

Fortunately, this doesn't have to be the result of a self directed IRA rules violation. A better answer is switching to a self directed 401K. A married couple can borrow up to \$100,000 from that preferred retirement account. And even if there is a rules violation the penalties are more like a slap on the wrist than the death of your retirement dreams caused by breaking the self directed IRA rules.

Don't Get a Real Estate IRA Until You Read These Facts!

Click on the eBook icon for yet another free resource about alternative investing provided by [FinancialSuccessInstitute.org](#).

written by Richard in *Free Reports*



Our expert panel analyzed the tax code and the costs of the real estate IRA. Our findings were shocking. This report is nitroglycerin to the industry of IRA custodians who want to run your money and collect huge fees from you. Make sure you get it and read it if you have a self directed IRA of any kind. It will open your eyes to what they do NOT want you to know

- How to contribute up to six times as much
 - How to borrow up to \$100,000 from your retirement and pay it back at low interest over many years — with the interest adding to your retirement
 - How to pay debts down with your retirement account
 - The almost secret way to buy real estate for tax free income for life
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