

SELF-DIRECTED IRA'S AN INVESTORS GUIDE

Provided By: American IRA, LLC



AMERICAN IRA

Self-Directed IRAs and 401Ks

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DEAR READER

Dear Reader,

Thank you so much for requesting our self-directed IRAs investor's guide.

This guide will provide you with a wealth of information about investing with a self-directed IRA.

We know that with this information, you will have the knowledge you need to make many successful IRA investments.

In addition to this guide, we also offer many other powerful educational tools such as our [CD/DVD series of David G.](#), one of our clients. That series chronicles his success story as he took his IRA account from \$6,800 to \$293,000 in 5 short years.

Please enjoy this guide and feel free to contact our staff for further information and/or additional educational materials.

Sincerely,

Jim Hitt

CEO

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WHY SELF-DIRECT?

Freedom of Choice!

The great news is that the IRS rules governing individual retirement arrangements allow for a lot of flexibility in what you can invest your retirement funds in. This means you can choose to invest IRA money - or, for that matter, Traditional IRA, SEP IRA, SIMPLE IRA, Roth IRA, HSA, Coverdell, and Solo 401(k) money, into [nearly any number of investments](#). The possibilities are endless:

- Real Estate: Single family homes, condo's, townhouses, multi-family homes, and commercial buildings, raw land, and apartment buildings
- Private equity
- Farms and ranches
- Mortgages and private lending
- Tax deeds and liens
- LLCs, Private Placements
- Precious Metals
- Partnerships
- Hedge funds
- Venture Capital
- Private equity
- Auto paper
- Commercial paper
- And much more!



That's correct, you are not limited to mutual funds, CDs and individual stocks and bonds. If you are not satisfied with the expected returns available in humdrum retirement investing vehicles...you can take control of your retirement account and invest in what you know!

WHY SELF-DIRECT?

Invest in What You Know and Understand!

Some investors believe they can get much better returns on their investment by investing in assets they know and understand. Only self-direction gives you the flexibility and freedom to take advantage of your unique professional expertise in these fields for your retirement funds!

Take Charge!

The term “self-directed” *means you are in the driver’s seat!* In concert with your team of professionals, you make all the transaction decisions. Our role as administrator is only to execute your directives.

How Common Is Self-Direction?

Up until recently, self-directed IRA was a tool once known about by a small sect of the population because there were almost no financial services companies that would administer these assets. Recently the public has become more knowledgeable about all of the options available to them and are increasingly turning to assets that they understand and are more comfortable with than having all of their eggs in the “stock market basket”. represented a little fewer than 5 percent of all IRA accounts. The current economic climate and the uncertainty of the stock market have caused a sudden well in interest in self-directed IRAs. Self-directed IRAs make great sense for those that want to supercharge the growth of their retirement account by investing in areas that they know and understand.

For more information and a free consultation, call us today at 1-866-7500-IRA (472) or visit our website www.americanira.com. We are a nationwide provider of self-directed IRAs.

THE EVOLUTION OF SELF-DIRECTED IRAS

Individual Retirement Arrangements (IRA's) date back to 1974, with the passage of the Employer Retirement Income Security Act (ERISA), which defined the preferential tax treatment of certain kinds of pension plans. Congress wanted to expand the benefits of tax-deferred retirement savings to those without access to workplace or government pension plans, and provide workers with an incentive to save for their own retirement security.

As part of that effort, Congress enacted [Internal Revenue Code Section 4975](#). The key to all retirement accounts lies in the way this section of the Revenue Code was framed: Congress did not restrict the types of investments authorized in an IRA to a narrow list of approved assets. Instead, Congress only specified a few types of assets that were not authorized. On the theory that *that which is not prohibited is permitted*, the self-directed IRA was born.

The original IRA - what we now refer to as the "Traditional IRA," proved enormously popular. But many investors wanted something different. They weren't focused so much on a current year tax deduction. They were willing to give up the deduction in exchange for tax-free income in retirement. Pressure for the new form of IRA built up over time and came to a head after 1994, when a sympathetic Republican party took control of both houses of Congress in the so-called "Republican Revolution." Three years later, in 1997, Congress passed a law authorizing the Roth IRA. Congress introduced the Roth IRA. This was a great boost to self-directed IRA investors, because the Roth IRA made it possible, with proper planning, to generate retirement income, *tax-free*.

WHY CONSIDER SELF-DIRECTION?

It's more important than ever to create some retirement income of your own, independent of the government.

- People are living longer. The number of centenarians is doubling every dozen years or so throughout the developed world. Chances are excellent that by the time you reach your golden years, between you and your spouse, your retirement savings will need to provide 25 to 30 years worth of income. That's a whole other career right there, between the ages of 65 and 95.
- Social Security is in trouble. The current projection is that the [Social Security trust fund will be exhausted by 2036](#). To pay promised benefits, Congress will need to pay more and more benefits out of general revenue - on the backs of a shrinking tax base. The money simply is not there to keep up the payouts as currently projected; something has got to give. Chances are excellent that Congress will eventually pass significant cuts, via raising the retirement age or means testing. We warn our clients to be prepared. Private savings are critical.
- Interest rates and dividend yields are near historic lows. Returns on investment in stocks and bonds - and by extension, mutual funds -- are also way down. This makes accumulating money for retirement using these conventional financial instruments *much* more difficult than it was a generation ago. Low interest rates and dividends on stocks means it's tougher than ever to amass a sufficient nest egg to provide for a meaningful level of retirement income with conventional IRA investments.
- Pension plans are going the way of the dinosaur. Current generations cannot rely on that component for income as previous generations could. Many investors have learned the advantages of investing in a self-directed retirement account. The process of purchasing and selling assets is the same inside and outside the IRA - the difference is that an asset owned by an IRA must be vested in the IRAs name. The other advantage is that assets inside an IRA are tax-deferred or tax-free depending on the IRA type.

SELF-DIRECTION IN YOUR PORTFOLIO

That's where self-direction comes in. A self-directed IRA combines the advantages of tax deferral - and in the case of Roth IRAs, tax-free growth - with the entrepreneurial and alternative investment opportunities normally associated with fully taxable accounts.

With self-direction, the choice is yours: You are free to pursue your most lucrative opportunities in residential and commercial real estate, raw land, condominiums, small businesses, private equity, trust deeds, mortgages, foreign currencies, tax liens, and many other fields. Some of these investments allow you take advantage of leverage that is unavailable to you in traditional investment accounts. Or you can hedge your retirement portfolio against inflation with an exposure to gold, and precious. Self-direction lets you focus on *your* expertise.

The Importance of Passive Income

As you get older, you're still going to need income. But your capacity for work will likely diminish over time. Developing sources of passive income - which *do not need your constant intervention* or depend on your own labor - is increasingly important. IRAs are an important part of this effort. But in today's low-interest rate environment, the assets that are likely to generate passive income most efficiently are not necessarily the traditional stocks, bonds and funds one normally finds in an IRA. The lower interest rates fall, the more important it will be to diversify into alternative asset classes, such as real estate, tax liens, trust deeds, mortgages, and the like.

Summary of Advantages

In summary, self-directed retirement accounts provide you with the following advantages over conventional financial instruments:

- More investment choices
- True diversification, potentially allowing for lower overall volatility
- Opportunity to invest where you have professional or specialized knowledge and expertise
- Tax deferred/tax free gains from your investments

KEEPING YOUR SELF-DIRECTED IRA IN COMPLIANCE

While IRAs are tremendously flexible vehicles, there are limits. [IRS rules place certain restrictions on the kinds of transactions you can make within IRAs and whom you can make them with.](#) In order to ensure the preservation of the preferential tax treatment your IRAs enjoy, it's important that you have experienced professionals on your side. Otherwise, you could inadvertently make a prohibited transaction or distribution. The following are rules that must be followed to be in compliance with the IRS.

- You CANNOT make personal use of property in your IRA. The same holds for any professionals advising your IRA and any prohibited persons.
- You CANNOT stay in the property for any reason - even if you pay the market rent to your IRA. The same holds for any professionals advising your IRA and any prohibited persons.
- Any income earned within the IRA must remain within the IRA. If you take any money out, the IRS may consider that to be a taxable distribution, based on your ages and account type, subject to income taxes and penalties.
- You must pay any of the expenses your asset incurs from funds within the IRA. You CANNOT intervene with your own funds, beyond the \$5,000 allowable contribution each year (\$6,000 if you are over age 50), plus any allowable rollovers from other accounts.
- Your IRA shall not purchase or sell dwellings, or other assets or entities from your parents, nor children, nor from those of your husbands or wives, nor any entities they own or control. You CANNOT buy life insurance in your IRA, nor wine. You cannot buy property that was previously owned by prohibited individuals, as specified above. This means you can't use a 'straw buyer' as an intermediary to create a 'back-door' prohibited transaction.
- You CANNOT profit at the expense of your IRA, until you take a distribution. You cannot provide services to assets owned by your IRA such as: managing the property, maintenance, etc.
- You CANNOT pledge your IRA as collateral for any loan outside of the IRA. All loans need to be non-recourse.
- You CANNOT place your office, nor your place of business within properties your IRA owns. Even if you pay your IRA a fair market rent.
- You CANNOT deduct for depreciation, property tax payments, repairs, loan interest, points nor any other deductions normally afforded to investment properties. Since IRAs generate no ordinary income tax until funds are distributed, there is no taxable income to deduct against.
- You CANNOT earn commissions from trades and transactions in your IRA.

Note: When in doubt as to whether your investment is in compliance, you should always consult with a professional before proceeding.

HOW DO I GET STARTED?

The process is straightforward:

- ✓ Open an account with American IRA as your third-party administrator. We will
 - Handle the required record keeping.
 - Provide you with a wealth of valuable educational materials and educational events.
 - Have our experienced team available to answer any questions you may have.
- ✓ Fund your IRA. You can do this through:
 - Executing a transfer from your current retirement account
 - An IRA rollover
 - A rollover from a 401(k) or other eligible retirement accounts
 - Opening a new retirement account and contribute up to \$5,500 in new money (\$6,500 if you are age 50 or older). Note: Contribution amount allowed depends upon your earned income.
- ✓ Identify the investment(s) you want to invest in.
- ✓ Direct us to invest your money, according to your wishes.



AMERICAN IRA

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AmericanIRA.com

INVESTMENTS

WHAT ARE MY OPTIONS?

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REAL ESTATE IRAS

[You can own real estate - not just REIT stocks, but actual dirt-on-the-ground real estate, using your IRA.](#) If you are comfortable with real estate investing, and understand and accept its risks, real estate can be an ideal asset for your IRA, for these reasons:

- **Income generation.** Real estate is a proven income generator - which is precisely what most people need in retirement.
- **Growth potential.** Real estate has the potential to generate both price appreciation and income growth, over time. Bonds typically cannot do both.
- **Flexibility.** The IRS allows wide latitude to your real estate investments in an IRA. Use your IRA to invest in these types of properties:

- Raw, undeveloped land
- Single family homes
- Townhouses
- Condominiums
- Resorts
- Duplexes
- Apartment buildings
- Commercial property



REAL ESTATE IRAS

HOW IT WORKS

Suppose you identified a quality residential rental property. The price looks right, and you want to hold it in your IRA.

Step 1. Open a self-directed IRA account.

To buy the property in your IRA, you would first open and fund an account with American IRA, simply by executing a trustee-to-trustee transfer from your existing IRA account.

Step 2. Direct us to buy the property for your IRA.

You would then fill out an American IRA buy direction letter, detailing the precise property and purchase price.

Upon receipt of all docs (vested correctly), American IRA would complete the transaction and accept the deed on behalf of your IRA. Note that it's your IRA that holds the deed, and not you, personally. Your IRA is a separate entity from you.

Step 3. Administer the asset in accordance with applicable laws

It is your responsibility to work with professionals to ensure that your investment is within the IRS guidelines. The American IRA team will take care of the administration of your account and will provide you with guidance along the way; still we are third party administrators, we are not responsible for the 'due diligence'. You should ALWAYS check with your professionals to ensure you are within the IRS Guidelines.

Example:

When you take rental payments from your tenants, ensure you don't receive their payments directly. If you take money directly, you endanger your IRA's tax-advantaged status. Instead, your tenants must make their checks out to your IRA's account, and not to you, personally. American IRA will accept rental payments directly from your property manager and credit your IRA account accordingly, in compliance with the law.

If you accept the payment from the tenant, the IRS will regard this rental payment as a distribution, subject to taxes and penalties.

REAL ESTATE IRAS

PROHIBITED TRANSACTIONS

The tax code prohibits “self-dealing” within IRAs. Specifically, the IRS expects that any transactions your IRA engages in be “arms-length” transactions, and specifically rules out certain types of transactions. It also prohibits your IRA from doing business with prohibited people (parents, children, spouses, and any entities they own or control). It is important that you avoid negative tax consequences - potentially voiding the entire IRA - by complying with restrictions on these prohibited transactions.

- You (the account holder) cannot sell your own property to your IRA. Neither can certain “prohibited parties,” including your parents, children, grandparents, grandchildren, their spouses, or business advisors engaged in providing services to your IRA. Neither can any entities which they own or control. Siblings, Aunts, and Uncles however, are not included in the IRS’s definition of “prohibited parties.”
- You cannot provide services to your IRA such as: collecting fees or commissions for services rendered or property sold to your IRA.
- You cannot use assets in the IRA to benefit yourself or a related party personally. This means you or your prohibited parties cannot stay in a rental property your IRA owns, even overnight.
- You cannot borrow money from or lend money to your IRA.
- You cannot pledge assets in your IRA, or your IRA itself, as collateral on any loan outside of the IRA.

REAL ESTATE IRAS CONSIDERATIONS

Many investors are unaware that their IRA has the ability to use leverage in a real estate transaction. You can't pledge your IRA as collateral on any loan to be used *outside* the IRA. [But YOU CAN still use debt to finance property *within* the IRA, subject to certain restrictions.](#) All loans in your IRA must be *non-recourse*. Non-recourse means, in the event of a default, the lender can only claim the property it has loaned your IRA money for. The lender cannot hold you personally accountable and it cannot seize the funds in your IRA account nor any other asset within the account. If your IRA profits from debt-financed investments, the IRS may assess *unrelated business income tax (UBIT)*, or *unrelated debt-financed income tax (UDFI)* on any profits attributable to borrowed funds. Note: The borrowed portion is subject to UDIT after depreciation and interest write offs.

Example: Your IRA purchases a property for \$100,000. Your IRA pays \$50,000 in cash, and finances the remainder with a non-recourse loan of \$50,000. You then proceed to collect \$20,000 in rental income from the property over the course of the following year. Generally, your IRA will have to pay unrelated debt-financed income tax *on the 50 percent of the rental income attributable to money you borrowed, after all normal deductions, such as taxes, etc.* The other \$10,000 is simply income your IRA earned on its own equity - just as any bond income would likely be tax deferred, if held within an IRA, or tax-free, if held within a Roth. The UDFI tax is applied to income attributable to *non-IRA assets* - loans paid off in 1 year or more no longer incur UDIT.

Partnerships are Permitted. You don't need to own a 100 percent ownership in any given property in your IRA. [Your IRA can also own real estate as a *tenant in common* with a partner - including yourself!](#) (See the section on "partnerships" below.)

Example: Let's say you buy that same \$100,000 property, but instead of financing half of it, you direct American IRA to buy half of it for your IRA, and you have a partner that buys the other 50 percent.

In this case, we would have the IRA itself hold title to a 50 percent interest in the property as tenants in common with your partner. 50 percent of the rental income would go to your IRA, and 50 percent to your partner.

Note: American IRA does not give legal, accounting or tax advice. When holding IRA or other self-directed retirement account investments in a partnership, we strongly recommend you employ the services of outside professionals to protect your interest in the property and to make sure your transactions are in compliance with the IRS guidelines.

REAL ESTATE IRAS

FOREIGN REAL ESTATE

There is nothing in the law that prevents you from using IRA assets to purchase real estate abroad. In fact, owning some portion of your real estate portfolio abroad may make terrific sense. Many investors are drawn to overseas opportunities for a variety of reasons:

- To diversify against a sluggish U.S. market
- To expose their portfolio to other currencies
- To place assets beyond the reach of the jurisdiction of U.S. courts

While real estate in many areas of the U.S. has fallen substantially in price in recent years, markets elsewhere, remain very robust. Caution: When investing in foreign real estate be sure that you have enlisted the services of professionals to help you with 'due diligence' and to ensure your interests and the interests of your IRA are protected.

Considerations

You cannot use a vacation home you own in an IRA for your own enjoyment, nor for that of prohibited persons (parents, children, spouses, and any entities they own or control). If you do, you will spark a taxable distribution, along with applicable early withdrawal penalties, if you are younger than age 59½. However, once you reach that age, the penalty for early withdrawal is lifted. You may then choose to take the property as a distribution and enjoy the property yourself, and you will only have to pay income taxes on the value of the vacation home. There will be no early distribution penalty.

What Do I Need to Do?

- ✓ Open an account with American IRA, LLC.
- ✓ Transfer funds to your American IRA, LLC retirement account.
- ✓ Find a suitable investment.
- ✓ Provide written direction to American IRA, LLC to purchase the property on behalf of your IRA.

GOLD IRAS (AND OTHER PRECIOUS METALS)

Gold has been an effective store of value and hedge against inflation, uncertainty and economic or political collapse since the dawn of recorded civilization. The same has been true of silver and other precious metals. Ownership of precious metals like these can help provide a valuable diversification benefit against other assets within your portfolio.

IRS rules allow you to [invest your IRA assets in gold and other precious metals](#) - with some restrictions:

- You cannot own jewelry or gemstones directly.
- You cannot have physical possession of the precious metals.
- Common IRA holdings include gold, silver, platinum and palladium.
- You can only invest in certain forms, including bullion and certain approved kinds of coins.
- Examples of permitted holdings include:
 - American Eagles
 - NYMEX-manufactured bars and rounds
 - U.S. Buffalo Gold Coins
 - COMEX-approved metals from an approved refiner, or a national government mine complying with specific requirements



What Do I Need to Do?

To invest part of your IRA in gold or other precious metals, take the following steps:

- Open an account with American IRA, LLC.
- Identify the precious metal investment you want to make.
- Select a reputable bonded firm to hold the physical gold. They will physically hold your precious metal investment.
- Provide American IRA, LLC with a written directive identifying the dealer and describing the specific form, quantity and price.

PROMISSORY NOTES, MORTGAGES AND OTHER DEBT INSTRUMENTS

Your self-directed IRA can [own all varieties of debt instruments](#), including, but not limited to these items:

- Discounted notes
- Mortgages
- Bonds
- Private placements
- Accounts receivable
- Hard money loans
- Small business loans
- Asset-backed securities
- Commercial paper



In some ways, these interest-bearing assets are the ideal IRA investments: The IRA allows you to shelter all the income generated from income taxation. In the case of Roth IRAs, the income generated and all capital growth is free of federal income tax, provided the money has been in the Roth account for at least five years and reach 59.5 yrs. old. These assets may be especially suited for those who have opportunities in this market but who do not want to invest the time and energy that real estate investing involves.

PROMISSORY NOTES, MORTGAGES AND OTHER DEBT INSTRUMENTS - CONSIDERATIONS

Considerations

It is important to note that the retirement account is the owner of the note and thus must receive all interest and payments derived from the asset. You cannot take any income from the notes out of the IRA without triggering a distribution, which may involve income taxes and penalties. All income must be reinvested within the IRA. Furthermore, keep the following principles in mind:

- ✓ The payments themselves are required to come to American IRA, LLC, which will receive and credit them on behalf of your IRA. *Interest payments should not come to you, personally*, lest you inadvertently trigger an unwanted taxable distribution.
- ✓ Once funds have been received by American IRA, LLC you can direct us to personally distribute funds to you.
- ✓ You may not live on the property, nor may any prohibited individuals. Prohibited individuals include your parents, children, spouses, and any entities they own or control, or anyone who provides professional services to your IRA. Note that siblings and cousins are not generally considered prohibited individuals for this purpose.
- ✓ Mortgage origination needs to comply with all state and federal servicing and lending requirements.
- ✓ American IRA, LLC does not handle collections. If you have a delinquent borrower or tenant, you and your attorney must handle collection actions, litigation, foreclosures or evictions. We will, however, gladly provide you with any documentary evidence we have on file that you need to support your case.
- ✓ If you lend money in the form of mortgages, remember that every mortgage borrower is entitled to receive an IRS Form 1098 from you each year. You are responsible for issuing these 1098s.
- ✓ All payments received from interest, rent or any other source will be deposited in your IRA's cash account, pending specific direction from you via a completed 'deposit coupon'.

CLOSELY-HELD CORPORATIONS



There is nothing in the law that says that all the stock your IRA owns has to be publicly traded. If you have opportunities in small, closely held businesses, [including stock purchases](#), venture capital and private equity offerings. You can use your IRA or 401k to invest in these privately held companies.

Considerations

- Your IRA can own any class of stock, provided that share class is described in the company's prospectus.
- To execute these transactions on your behalf, American IRA, LLC will require written direction via a stock agreement from you, specifying the number of shares to be acquired, the price of each share, the counterparty and the total amount of the transaction.
- Restrictions apply to IRA ownership of stock in S corporations.
- Be aware of capital call requirements with the business. There are limits to the amount of new money you can contribute to retirement accounts. Generally, IRAs limit you to \$5,000/\$6,000 of new money contributions each year. Any other liquidity needs need to come from the IRA itself, or you will have to borrow the cash, using a non-recourse loan as described above. It is important for you to consult with a professional in regards to the rules concerning closely-held businesses within self-directed IRAs.



PARTNERSHIPS



You can use your IRA or other self-directed retirement account to invest in small businesses, including closely-held corporations and [partnerships](#). However, as with other asset classes, IRA investments in partnerships are subject to some specific rules and restrictions.

- The partnership agreement must accept IRAs and qualified plans as partners.
- The partnership must conform itself in accordance with applicable federal and state laws.
- You must provide American IRA, LLC with written instructions to purchase or sell a partnership interest, listing the exact amount to change hands.

American IRA, LLC must sign any partnership subscriptions on behalf of your IRA. We will do this after you have signed the documents as ‘read and approved’. Remember, you do not sign any documents personally, American IRA signs the documents on your IRAs behalf after you have ‘read and approved’ the documents.

American IRA, LLC does not provide specific tax advice. Partnerships within IRAs may be subject to certain federal taxes, including unrelated business income tax (UBIT). You should retain your own tax advisor for advice pertaining to your specific situation.

LIMITED LIABILITY COMPANIES

Limited liability companies, or LLCs, provide many of the limited liability protections of corporations while being much less complicated to administer. [The law allows you to invest in LLCs using your self-directed IRA.](#) American IRA, LLC does not provide legal advice. Be sure to retain a tax attorney and a qualified business law attorney licensed in your state for advice specific in relation to LLCs in your jurisdiction.

TAX DEEDS AND LIENS

Tax deeds and liens are a comparatively little-known investment that provides the buyer with significant income opportunities, secured by real estate, with the possibility of large gains. Tax liens are paid ahead of all other liens including 1st mortgages. Some counties will place a lien against properties where the owner fails to pay the property tax. They will then allow an investor to pay the property tax on the property owner's behalf, in exchange for a property tax certificate. These certificates pay the holder a substantial amount of interest, typically 12-50% based on the states individual laws. After a certain period of time, if the property owner does not make good on his tax obligation, the county will award the property outright to the certificate holder. When this happens, the certificate holder can easily make his investment back many times over. However, it's much more common for the property owner to make good on the tax obligation rather than lose the property.

In some jurisdictions, the county will sell the property outright rather than place a lien against it. These are called tax deed sales. The county will give the property owner a specified amount of time to pay the tax owed. If the owner does not pay, the county again awards the deed outright to the tax deed holder. In either case, these can make excellent vehicles for retirement investing, using a self-directed IRA.

Considerations

- It is easier to put small balances to work investing in tax deeds and liens than is possible with direct ownership of real estate.
- The small amount at stake is secured by relatively valuable property, providing a significant margin of safety not found in other lending opportunities.
- You should do thorough due diligence on the property before buying. You should analyze the property secured by the lien to make sure that there is significantly more value in the real estate than the lien is being purchased for.
- These transactions are not free of exposure to risk. In some rare cases, the property could become the subject of an FDIC or drug seizure, stripping your investment of its security.
- Interest from tax liens in Traditional IRAs is tax-deferred. In Roth IRAs, it is tax free, provided the money has been in the account at least five years and 59.5 years old.
- You should have enough real estate knowledge to know what to do with the property should you acquire it or work with professionals.

TAX DEEDS AND LIENS

WHAT DO I NEED TO DO?

1. Establish and Fund your account with American IRA, LLC.
2. Research the procedures for these kinds of investments in specific counties, including your own. Due diligence is easier when you can visit the property yourself, or easily obtain documents from the county courthouse.
3. Provide American IRA, LLC with written direction describing the county agency, point of contact, address, address of the property and your purchase amount. Once we have received all necessary identifying information, we will promptly make the purchase on behalf of your IRA.

If you are involved in an auction, where the final amount cannot be determined in advance, we can provide a cashier's check for the maximum amount you would pay. You need to verify that the county will refund your IRA for any overage. Be sure to follow directions promptly, so we can quickly deposit the balance back into your IRA account. Otherwise you could trigger an unwanted distribution, resulting in needless penalties and taxes.

CONCLUSION

Self Direction is for individuals that are looking for TRUE diversification in the retirement portfolio.

Advantages of Self-Direction

- More choices
- More diversification
- More control
- Leverage is an option
- Greater potential returns than the expected return on diverse mutual funds, stocks or bonds
- Allows you to focus on areas of expertise
- Less risk: Stocks can become worthless overnight: Real Estate isn't going to zero any time soon.



OUR ROLE

American IRA, LLC is a third-party administrator for Traditional IRA, SEP IRA, SIMPLE IRA, Roth IRA, HSA, Coverdell, and Solo 401(k) accounts. Our specific expertise in self-directed retirement investing gives you the freedom to invest in these potentially lucrative investments, secure in the knowledge that you have someone on your team that can provide excellent administration of your account.

To make the most of your allocation to self-directed IRAs and other accounts, stay in close communication with us. We will provide you with a wealth of educational materials and opportunities to attend educational events with other like-minded investors.

As a third-party administrator, we work in concert with financial planners, tax advisors, brokers, agents, attorneys and other advisors. We do not replace their efforts.

As always, ensure that you conduct a thorough due diligence process before you invest, in close consultation with your financial and legal advisors.

For more information, please don't hesitate to call us at 1-866-7500-IRA (472), or visit our Web site, www.americanira.com. While we are headquartered in the beautiful area of Asheville, NC, we have clients nationwide.

Thank you for reading, and best of luck in all your endeavors.

Jim Hitt

CEO
American IRA, LLC