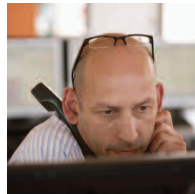


## Build a Team of Experts

When using IRA funds to invest in real estate, or any other alternative asset, self-directed investors have learned the value of working with a team of professionals, each with their own specialty and value.

- A financial advisor can help with determining suitability of the investment and asset re-allocation.
- A CPA can provide guidance on potential tax issues and IRS reporting requirements.
- An attorney can review the real estate contract, create lease agreements for income-producing properties or help establish an entity.
- A realtor can help locate and analyze the investment property, a task that is especially important when considering income producing properties or leveraging of the IRA investment.
- A non-recourse lender can determine if a non-recourse loan is appropriate based on their lending requirements which include property type, loan to value and debt service coverage ratio.
- A property manager can assist with tenant services and other issues surrounding income-producing properties.
- The investor will also need a custodian and administrator they have trust and confidence in – to provide administrative expertise and cost-effective custodial and administrative services.



Millennium Trust leads the industry in administrative and custodial services. Millennium custodies alternative and traditional assets in Self-Directed IRAs and Solo 401(k)s, creates customized Automatic Rollover programs, provides integrated Health Savings Account solutions, designs unique trading platforms for Investment Advisors and supplies valued Personal Trust Administration.

Whether you are an individual investor, a professional or investment sponsor, Millennium Trust Company has the knowledge, expertise and commitment to providing exceptional services and solutions to meet your every need. We pride ourselves on our ability to employ leading edge technology and customized operational support services to provide cost-effective specialized services.

[www.mtrustcompany.com](http://www.mtrustcompany.com)

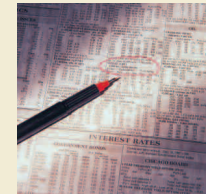
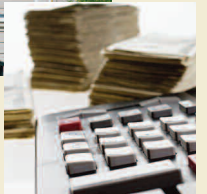


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## Real Estate in Self Directed IRAs

“I chose Millennium Trust because of their knowledge and expertise.”



TheSmartAlternative



# Real Estate in Self Directed IRAs

Investing in real estate for the purpose of growing IRA wealth or turning retirement wealth into income has been growing in popularity as individuals learn that real estate is, in fact, a permitted investment option that can be held in their self-directed individual retirement accounts. A critical element of self-directing investments in alternative assets, such as real estate, is finding a knowledgeable IRA custodian and administrator who has the expertise to assist with the investment transaction, the ability to custody the asset as well as provide the necessary administrative and reporting services.

Millennium Trust Company is committed to providing the highest level of administrative expertise as well as exceptional service and support to those individuals wishing to self direct a portion of their retirement funds in alternative assets such as real estate.



## The Real Estate IRA

Investors have identified a wide range of real property that can be held in a self-directed individual retirement accounts, sometimes known as 'Real Estate IRAs' and the type of property chosen is usually based on location, previous experience, or cash flow analysis. Examples of real estate-related investments made by individuals self directing their individual retirement accounts include:

- Farms
- Raw Land
- Boat Slips
- Condominiums
- Resort property
- Multi-family units
- Commercial property
- Pre-construction Investments



It is always recommended to 'do the math' first when considering an investment in real estate using retirement funds. Internal Revenue Code requires that any expense related to an IRA-funded real estate investment must be paid directly by the individual retirement account. Expenses related to the real estate investment include, but are not limited to, closing costs, annual real estate taxes, fees, insurance, utilities, maintenance, repairs and possibly renovations. An individual investor must also determine the best investment approach: direct purchase of the property by the individual retirement account; as a tenant in common with other investors or possibly leveraging the investment through a non-recourse loan.

## Learn the Rules

When it comes to using IRA funds to invest in real estate it is critical that the investor understand current rules and regulations in order to avoid prohibited transactions with disqualified persons that could lead to immediate distribution of the IRA with taxes and penalties incurred. A prohibited transaction is any improper use of the IRA account by the account owner, beneficiary or any disqualified person (spouse, ancestor, lineal descendant and any spouse of a lineal descendant).

Examples of prohibited transactions include borrowing money from it, selling property to it, using it as security for a loan or buying property for personal use. Investors should educate themselves by reviewing IRS Publication 590 and Internal Revenue Code Section 4975, consulting with their trusted advisors or attending one of Millennium Trust's educational seminars prior to making any investment decision.

## Understand the Process

The offer to purchase is made as follows:

- Millennium Trust Company as Custodian for (Account Owner's Name) IRA. Use our corporate mailing address and Tax ID number found on the Real Estate Investment Direction. Do not use personal funds for the down payment.
- The account owner reviews the contract, initials each page and signs as 'approved by' at the bottom of the first page of the contract. Millennium Trust will be signing on behalf of the IRA where the buyer usually signs on the last page of the document.
- Fax a copy of the real estate contract and the Real Estate Investment Direction to Alternative Investments Client Services at 630-368-5699 to release funds for the down payment. Mail the original documents to us for safekeeping.
- Our Client Services team will work with you and your closing agent to complete the investment transaction.

## Alternative Assets Beyond Real Estate

For sophisticated investors and their advisors, Millennium Trust Company is their choice for custodial and administrative services for a wide range of alternative assets including: real estate, futures, hedge funds, limited partnerships, private equity, mortgages and deeds of trust, foreign currencies, life settlement contracts, precious metals and promissory notes.



## For More Information

Visit [www.mtrustcompany.com](http://www.mtrustcompany.com) or contact Sandra Reese at 630-368-5645 or email [RealEstateIRA@mtrustcompany.com](mailto:RealEstateIRA@mtrustcompany.com).

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