

Leveraging Real Estate with a Self-Directed IRA Non-Recourse Loan

Non-recourse loans provide many Self-Directed IRA account holders with a way to diversify their portfolio with real estate. With a non-recourse loan, the IRA account holder is not personally liable for repaying any outstanding balance on the loan. The loan is in the name of the Self-Directed IRA and it is secured only by collateral, typically the property being purchased.

Benefits of a Non-Recourse Loan



A Means of Diversifying Your Portfolio

A non-recourse loan gives Self-Directed IRA account holders the opportunity to further diversify their portfolio with real estate and achieve a steadier investment income stream, especially during stock market fluctuations.



The Self-Directed IRA is Liable for Your Loan, Not You Personally

The non-recourse loan is in the name of the Self-Directed IRA, which means that the Self-Directed IRA account holder is not personally liable for repaying any outstanding balance on the loan.



IRS-Compliant and Tax-Advantaged Account

Self-Directed IRAs give you the opportunity to invest in the property of your choice within a tax-advantaged and IRS-compliant retirement account.

[Learn More](#)

Non-Recourse Lending Program

The non-recourse lending program gives you the opportunity to invest in a variety of property types including residential, commercial, industrial, and multi-family.

Lending program details:



Loan Amount:

\$100,000 - \$499,999
(Will consider larger requests)



Term:

- Loan Term: 3-5 years
- Amortization: Up to 25 years



Loan Rate:

Prime +



Loan-to-Value:

65% ±



Fast Turnaround Time:

- Approval: Within 7 days
- Closing: 3-6 weeks from application to closing (determined by the title work)



Low Fees:

- Origination Fee: 2%
- Estimated costs for title, filings, etc.: \$2,500 - \$5,000
(Fees are subject to change)



Debt Service Coverage Ratio:

1.25% ±

[Explore Your Options](#)

How Do I Invest with a Non-Recourse Loan?



Open and Fund a Self-Directed IRA at Madison Trust

Open a Self-Directed IRA with Madison Trust by completing our simple [online application](#). Fund your Self-Directed IRA by transferring or rolling over funds from an existing retirement account, such as an IRA or 401(k), or by making an initial contribution.



Identify an Income Producing Property

Think about what type of property you are looking to invest in with your Self-Directed IRA. The non-recourse lending program gives you the opportunity to invest in residential, commercial, industrial, or multi-family properties.



Execute a Purchase Agreement in the Name of your Self-Directed IRA

Madison Trust will sign all necessary paperwork involved in executing a Purchase Agreement. Simultaneously, you will complete an [Investment Authorization Form](#) and Madison Trust will place the deposit on the property. The buyer of the property is your Self-Directed IRA and should be listed as follows, “Madison Trust Company Custodian FBO [your name] [your Madison Trust account number]”.



Apply for a Non-Recourse Loan with our Preferred Lending Partner

[Schedule a call](#) with a Madison Trust Self-Directed IRA Specialist and we will put you in touch with our preferred lending partner.



Close on the Property and Loan

Madison Trust Company will review and sign all closing documents. Simultaneously, you will complete an [Investment Authorization Form](#) for Madison Trust to fund your percentage of the investment. (Payments are made from your Self-Directed IRA, not your personal bank account). Then, the lender will provide the remaining amount needed to close on your real estate investment.

Are you interested in leveraging your real estate investment with a non-recourse loan?

Call one of Madison Trust's [Self-Directed IRA Specialists](#) today to get started!

Get Started



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