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**Real Estate IRA Basics:
Everything You Need
to Know**

What is a Real Estate IRA?

A **Real Estate IRA** is a supercharged IRA that enables you to invest your retirement money directly into Real Estate — such as Multi-Family, Commercial, Raw Land, Fix-and-Flips, Tax Liens, and more. It has the same tax benefits as a regular IRA and can be set up as a Traditional, Roth, SIMPLE, or SEP Real Estate IRA.

A Real Estate IRA is also known as a **Self-Directed IRA**.

Popular Real Estate Investments

Exceptional Service. Exciting Opportunities.

- Single-Family and Multi-Family homes
- Commercial Real Estate
- Fix & Flips
- Rental Properties and Hotels
- Raw Land
- Self-Storage

How Do I Open a Real Estate IRA?



Opening a Real Estate IRA can be done in three simple steps: open, fund, and invest!

Step 1: Open: You open your account by completing our online application.

Step 2: Fund: To fund your account, transfer or rollover - all or a portion of - an existing IRA, 401(k), or other retirement account or by making an initial contribution.

Step 3: Invest: You instruct Madison Trust to send your retirement funds to your real estate investment.

The process, from start to finish, is typically 1-3 weeks.

The Do's and Don'ts of Real Estate IRAs

- **Rule #1:** You and your immediate family members, such as your spouse, your parents and grandparents, children and grandchildren, and their spouses, as well as the entities they own - collectively known as “Disqualified People” - cannot benefit from your IRA today.
- **Rule #2:** The same group of “Disqualified People” cannot transact with your IRA.
- **Rule #3:** All income and expenses must flow directly into and out of your IRA. Always remember that you and your IRA are separate entities.



Upgrading to a Checkbook IRA

- Consider upgrading your Self-Directed IRA to a Self-Directed IRA with Checkbook Control (also known as a Checkbook IRA).
- This enables you to manage your IRA without the need to contact your Self-Directed IRA custodian for everyday transactions—thus saving you time and money.
- Checkbook Control is appropriate for investments like real estate that have a lot of transactions - or if you are holding many investments in your IRA.

Upgrading to a Checkbook IRA



Upgrading to Checkbook Control only adds one extra step to the process.

Step 1: Open: You select a Self-Directed IRA custodian and open your account by completing their online application.

Step 2: Fund: To fund your account, you transfer or rollover - all or a portion of - an existing IRA, 401(k), or other retirement account or by making an initial contribution.

Step 3: Create: Your Self-Directed IRA custodian establishes a new LLC or trust for your IRA—which will serve as your IRA's self-directed investing platform. You are appointed as its manager or trustee, authorized to make all investment decisions. At your direction, your Self-Directed IRA custodian will fund your IRA LLC or trust at the bank of your choosing.

Step 4: Invest: You can begin placing investments by simply writing a check or sending a wire.

The process, from start to finish, is typically 2-3 weeks.

Non-Recourse Loan Financing

If you are interested in obtaining a non-recourse loan, schedule a call with one of our Madison Trust Specialists, and they'll connect you with our preferred five-star non-recourse lender.

There's always more real estate to buy than there is cash on hand. That's why most savvy real estate investors use leverage to grow their portfolio.

At Madison Trust, our Real Estate IRA features an optional Non-Recourse Loan.

Discussion of Specific Real Estate IRA Investments:

- Airbnb & Vrbo
- Fix & Flips
- Land
- Tax Liens





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**What Questions
Do You Have
About Investing in
Real Estate?**



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