

Invest for Success: Real Estate IRAs



Advanta | IRA

**Invest with confidence.
Retire with wealth.**

Invest in Real Estate with a Self-Directed IRA

Self-directed IRAs give owners complete control over their retirement funds and investing decisions. These plans have the same tax-advantaged benefits and are governed by the same IRS rules as conventional IRAs, but they allow you to invest in alternative assets such as private equity, gold, cryptocurrency, and real estate.

Self-directed IRAs that invest in real estate are commonly called real estate IRAs.

The power of real estate IRAs compared to conventional IRAs:

- ▶ Real estate IRA investments are not limited to stocks, bonds, and mutual funds.
- ▶ Account owners—not advisors, brokers, or plan custodians—choose their own investments that they personally know and understand.

Plans that Can Invest in Real Estate

For Individuals

- ▶ Traditional IRA
- ▶ Roth IRA

Savings Plans

- ▶ Health Savings Account (HSA)
- ▶ Education Savings Account (ESA)

For Small Business Owners

- ▶ Solo 401(k)
- ▶ SEP IRA
- ▶ SIMPLE IRA

Former Employer Plans

- ▶ 401(k), 403(b), 457
- ▶ TSP
- ▶ Pension Plan

Benefits of Real Estate IRAs

Additional investment capital: You won't miss that next deal because you don't have the personal funds to invest. You can use your retirement funds to invest and build tax-free income for your golden years.

Choose your own investments: You call the shots and rely on your own knowledge and expertise to invest in things you understand, which can increase your potential for success.

Invest in tangible alternative assets: Real estate IRAs allow you to leave Wall Street, create diversity, and invest in tangible assets that typically withstand the dips of the stock market and can appreciate in value over time.

Tax-free or tax-deferred income: Income from investments, including capital gains, grows within the tax-advantaged shelter of your IRA. You can use that income—often earned at a faster pace with real estate—to reinvest.

Roll funds over from an existing IRA or an old 401(k) to a self-directed plan—with no tax liability or penalty.



Popular Real Estate Investments



Rentals

Single family homes, condos, and duplexes produce consistent income now and potential gains on future appreciation.



Commercial & Multifamily

Office space, retail stores, apartments, and townhomes offer monthly income from one location.



Fixer-Uppers

When bought and renovated at the right price, property can be flipped for a quick profit.



Notes & Mortgages

Your IRA is the bank and earns income on the interest and terms of loans, which are secured by real estate.



Tax Liens & Deeds

These are often inexpensive to acquire. Your IRA earns income through interest on the payment of these transactions or upon sale of the property.



Land

Improved and unimproved land such as farms, timberland, and property that is ripe for development can produce gains in buy-and-hold scenarios.



Syndications

Pool your money with other investors to passively invest in more lucrative assets.

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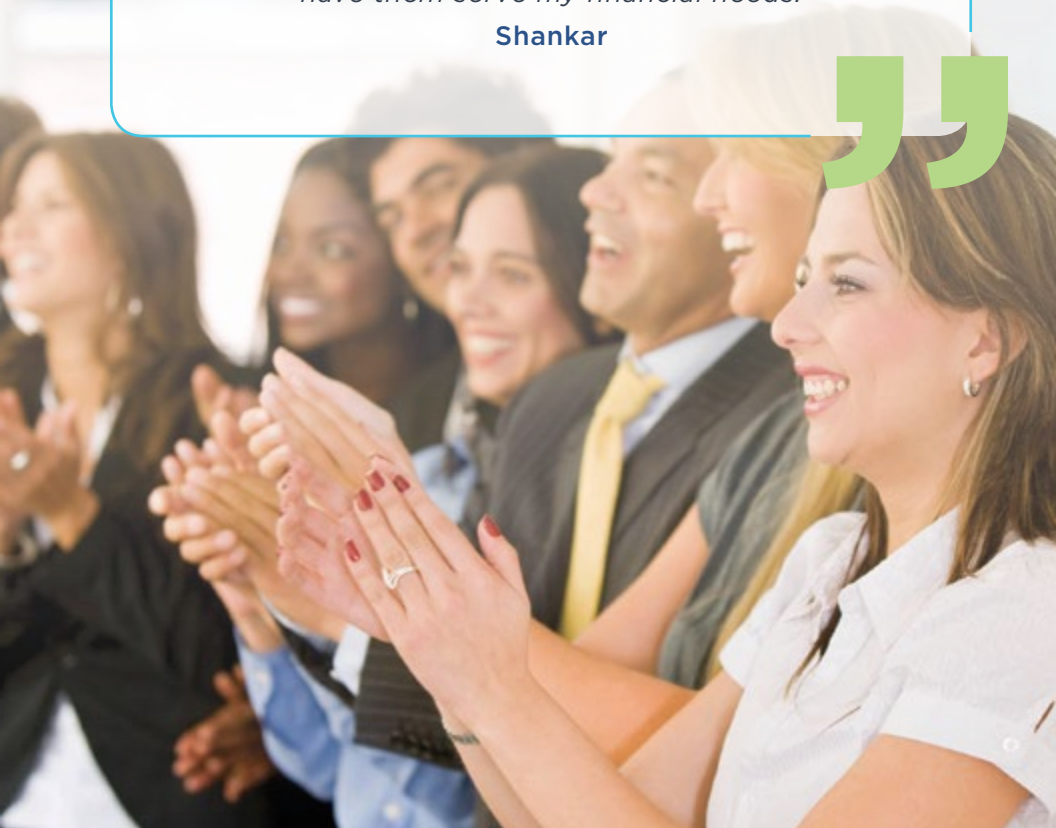
I have worked with Advanta IRA for over three years. They have great training, support, and communication. I am a real estate broker and I recommend Advanta IRA to all my clients.

Carl

Advanta IRA's employees have helped through every step of the process, and what a pleasant experience it has been. They are a customer-centric organization, and all my interactions have been pleasant and efficient. I am delighted to have them serve my financial needs.

Shankar

”



A hand is shown from the bottom, palm up, holding a glowing, golden orb. The background is filled with various sized gears in shades of yellow and blue, creating a mechanical or industrial theme. The overall lighting is warm and bright, especially around the orb and the hand.

Quick Facts

Finding investments

- ▶ **Residential real estate:** auctions, door-knocking, real estate professionals, Zillow, pre-foreclosure lists, Real Estate Investors Association (REIA) groups
- ▶ **Commercial real estate:** multifamily meetups, podcasts, investor clubs, conventions

Funding investments

- ▶ **Pay in full using funds from your IRA:** Most real estate in an IRA is purchased with funds from the account with no additional financing.
- ▶ **Partner funds:** Your IRA can partner with your personal funds and/or with funds of another IRA, person, or entity to invest.
- ▶ **Use leverage:** Your IRA can borrow money with a non-recourse loan taken in the name of your IRA. Typically, the asset purchased with the loan is used as collateral.

Unrelated Business Income Tax (UBIT)

Your IRA may be subject to this tax in either of these situations:

- ▶ Your IRA receives income from a debt-financed real estate investment.
- ▶ Your IRA receives business income (not passive income) from an investment in an ongoing business.



Titling IRA assets

- ▶ All assets are titled in the name of your IRA account: Advanta IRA (FBO) YOUR NAME IRA #123456.

Income, expenses, and management

- ▶ Income generated from the investment must be deposited directly into your IRA.
- ▶ Your IRA must pay any expenses related to the asset.
- ▶ Advanta IRA acts as recordkeeper for your account by tracking all income and paying all expenses.
- ▶ You cannot be a paid property manager or perform repairs or maintenance. You must hire third parties to do this work, but you can oversee them.

Checkbook control

- ▶ Checkbook IRAs (also known as real estate IRA LLCs) allow you to write checks from your retirement funds to invest quickly and pay bills related to your assets. Checkbook control is beneficial when investing in multiple assets that incur expenses.
- ▶ Appoint yourself as manager of the LLC, open a bank account in the name of the LLC and fund it with capital from the IRA. All investments are titled in the name of the LLC and the income and expenses flow in and out of the LLC bank account.

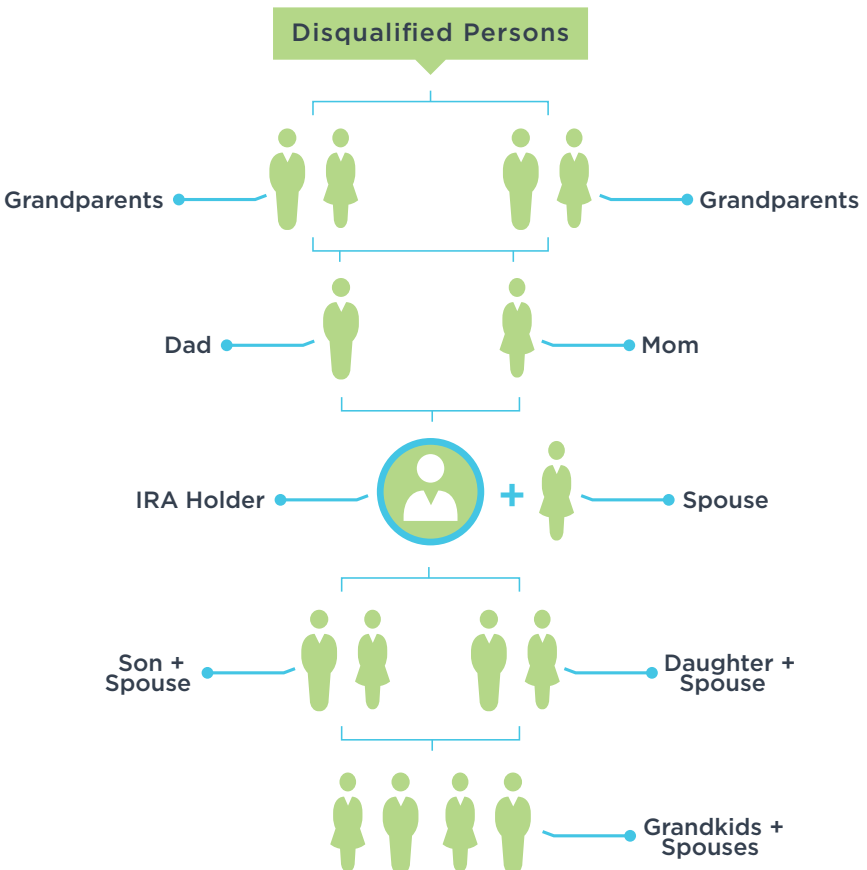
Tips to Avoid Prohibited Transactions

Per IRS rules, your IRA may not:

- ▶ Buy, sell, lease, exchange, or transfer assets to you or a disqualified person
- ▶ Pay you or a disqualified person to manage the property or to perform maintenance
- ▶ Provide a loan to you or a disqualified person

Additionally, you or disqualified persons may not use IRA-owned property for vacation or as security for a loan.

Note: Disqualified persons can include entities owned by and/or controlled by disqualified persons. Please contact Advanta IRA for more information.



The Advanta IRA Advantage


As a leader in self-directed account administration with over \$1.3 billion in client assets under management, Advanta IRA delivers expert, professional service—with a personal touch. We handle your account details so you can focus on finding your next investment.

Industry expertise: We have almost 20 years of experience and success in our industry. Our staff is comprised of attorneys, Certified IRA Services Professionals (CISPs) and Self-Directed IRA Professionals (SDIPs).

Unparalleled customer service: Each client has a dedicated account manager who handles all details and provides expert administration of your investments throughout the investing process, while ensuring compliance with IRS regulations.

Innovative educational platform: We provide weekly seminars, webinars, blogs, case studies, and videos to help you learn to maximize your investments. For professionals, we offer continuing education classes and on-site workshops at your firm.

FDIC protection: All uninvested cash in your Advanta IRA is held exclusively in FDIC insured institutions, up to applicable limits.



**Advanta IRA
delivers expert,
professional
service—with
a personal touch.**

Build Retirement Wealth

Knowledge Is Power

Invest in what you know and gain the potential to maximize the returns in your IRA to achieve financial security in retirement.

Control Is Key

Choose your own assets to grow income instead of relying on a third party to do so. After all, who is better equipped to make these choices than you?

Diversity Is Essential

Protect your hard-earned wealth. There are hundreds of alternative assets you can use to grow income and offset any stock market losses of traditional holdings.

With Advanta IRA, you leverage all of the above to build and protect your retirement wealth.



Open a Self-Directed IRA Today

It only takes 15 minutes to open your account
and get started!



Open Your Account



Go to AdvantaIRA.com, click OPEN ACCOUNT, and follow the instructions. You can also download the application from our FORMS section and send the original to us, or give us a call at 800.425.0653.



Fund Your Account

Transfer funds from an existing plan or roll over funds from a former employer's plan. If you are eligible, you can also make an annual contribution to your plan.



Start Investing

Contact your Advanta IRA account manager to begin working with you on your investment paperwork right away.



Advanta|IRA

Serving Clients Nationwide

Contact Advanta IRA

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*All information provided is for discussion purposes only.
Please consult your tax advisor before entering
into any financial transactions.*

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