

# Self-Directed Retirement Accounts & Tax Lien Investing

Security Trust Company  
&  
Paul Vojchehoske  
of the  
Real Estate Resource Institute

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# Self-Directed IRA Accounts

- What is a Self-directed IRA?
  - **You** may choose any allowable type of asset
    - Includes non-traditional assets like real estate
    - Offers you true diversification
  - **You** manage your IRAs investments
  - **You** have control

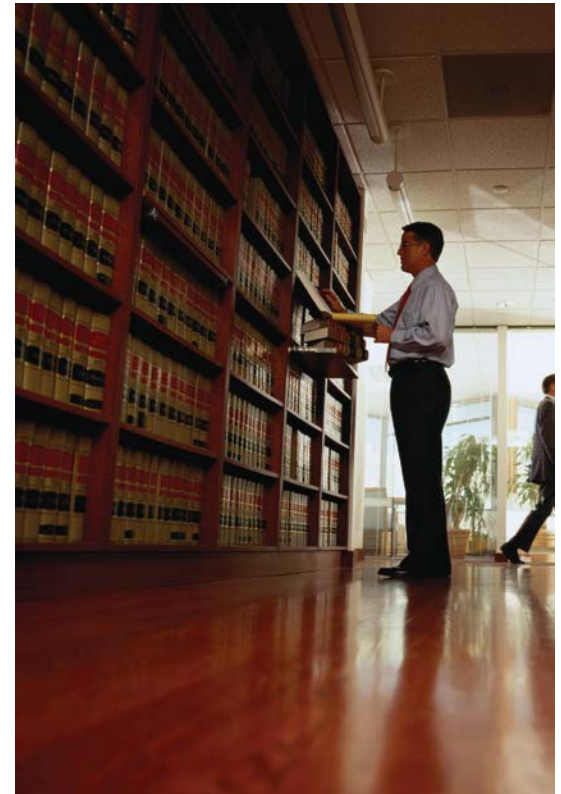
# Plans that can be Self-directed

- Traditional IRA
- Roth IRA
- SEP/SARSEP/SIMPLE
- 401 k – prior employer
- 403 b – prior employer
- TSA – prior employer
- TSP – prior employer
- Keogh
- Solo 401(k)



# Guidelines for Self-Directing Your IRA

- Administrative requirements
  - Annual valuation of IRA
  - Annual report to IRS (5498)
  - Books and records
  - State filings
  - Tax returns



# Guidelines for Self-Directing Your IRA

## Prohibited assets:

- Life insurance contracts
- Collectibles
  - i.e. rugs, works of art, stamps, coins

# Guidelines for Self-Directing Your IRA

## Prohibited transactions:

- Transactions not for the exclusive benefit of the IRA
- Can't borrow from IRA
- Can't pledge IRA assets to secure loan
- Can't utilize credit or guarantee to obtain loan for IRA
- Can't benefit any disqualified person



# Guidelines for Self-Directing Your IRA

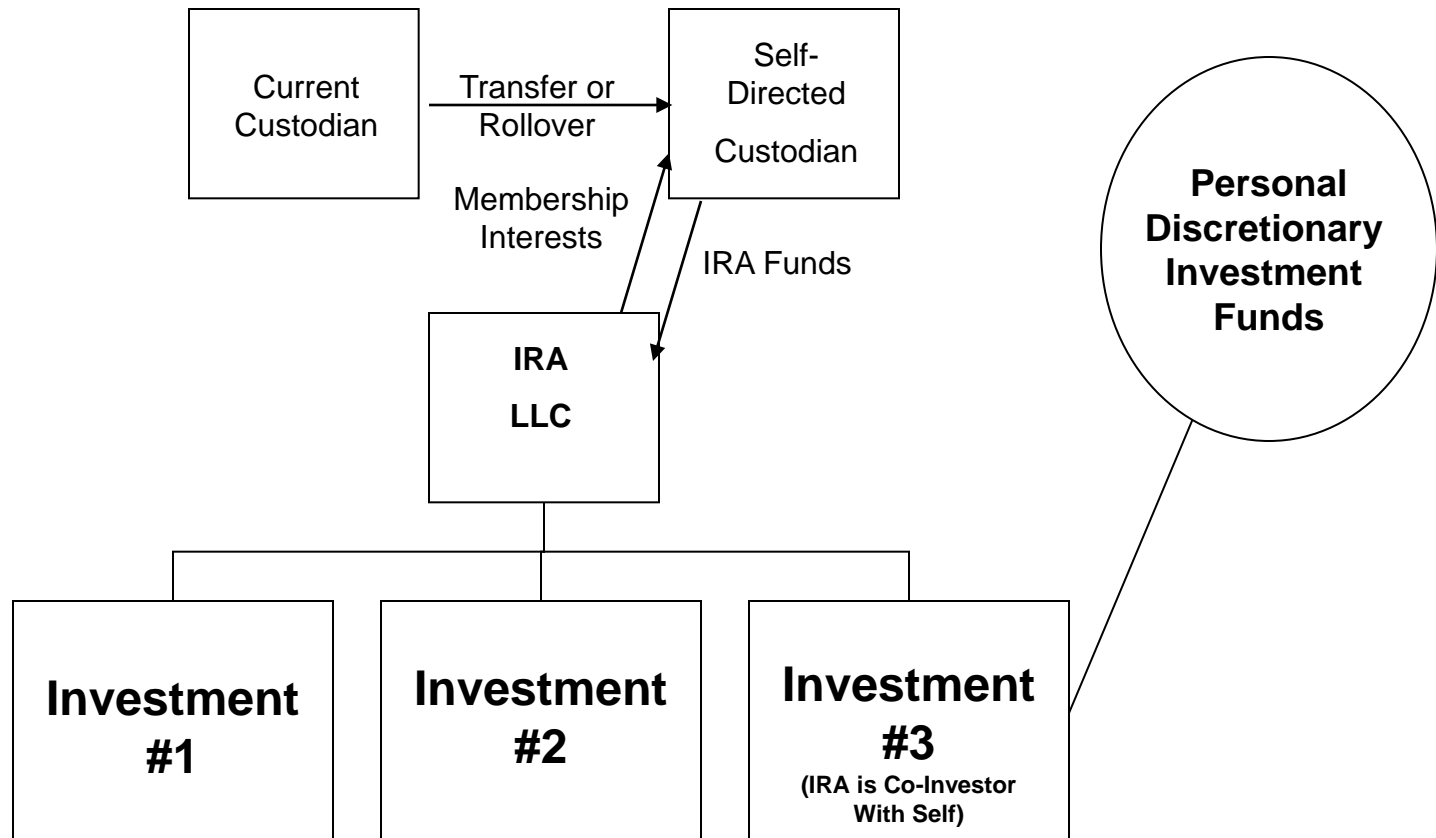
## Disqualified persons:

- “You”
- Certain family members
  - Ascendants
  - Descendants
  - Lateral family members are not disqualified
- Company if you own greater than 50% of stock
- Company if you are officer, director, HCE

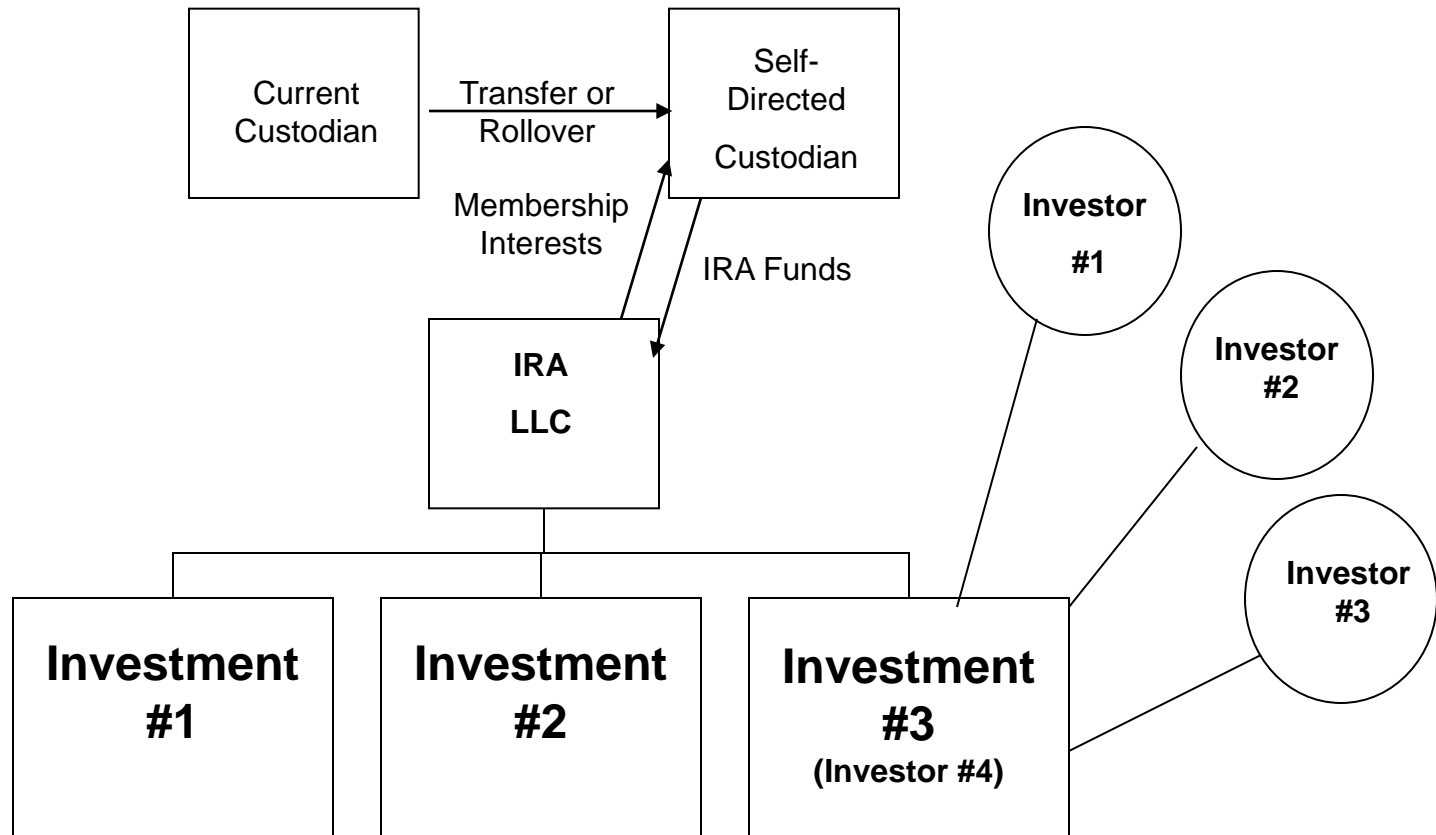
## Benefits of the IRA LLC Structure

- Offers maximum flexibility
- Provides additional asset protection
- ‘Checkbook control’ over IRA funds
  - Immediate response to investment opportunities
- Simplifies asset titling
- Ease of pooling

# IRA LLC Structure



# IRA LLC Structure



# Security Trust's Full-Service Approach

- IRA LLC structure setup
- Protected 'checkbook control'
- CPAs & attorneys to answer technical questions
- Guidance on transaction compliance
- Handle all the 'back office' support
- Maintain LLC financial statements
- Supervise regulatory reporting
- Oversee annual valuation

# Investing in Tax Lien Certificates

**By: Paul Vojchehoske**

**paul@operationlandlord.com**

# Investing in Tax Lien Certificates

- **What are tax liens?**
  - **They are senior liens**
  - **They are a foreclosable lien**
  - **They generate high interest rates**

# Investing in Tax Lien Certificates

- **Bidding Processes**
  - **Lottery**
  - **Round-Robin**
  - **Statutory Bidding Requirements**



# Investing in Tax Lien Certificates

- **How Investors make money**
  - **Lawful interest**
  - **Title to the property**

# Investing in Tax Lien Certificates

- **How to invest**
  - **Attend sale**
  - **Buy residential zoned property only**
  - **Better to purchase 10-\$500 liens than 1-\$5000 lien**

# Investing in Tax Lien Certificates

## Tax Lien Investment Strategies

# Investing in Tax Lien Certificates

Paul Vojchehoske

[paul@operationlandlord.com](mailto:paul@operationlandlord.com)

## How can Security Trust serve you?

Do you...

- want to open a self-directed IRA now?
- have clients or colleagues who would be interested in self-direction?
- need more information?

# Security Trust Company

- Contact your Security Trust Company representative.
- Website: [www.securitytrustcompany.com](http://www.securitytrustcompany.com)
- Corporate: 1-866-682-3683