



Self-Directed Retirement Accounts & Real Estate Backed Mortgages

**Security Trust Company
&
Steve Cook
of Flipping Homes**

Security Trust Company

- Security Trust Company is a retirement plan administrator only and does not provide legal, tax, or investment advice.
- Security Trust Company is not a registered investment advisor and does not represent or sell securities or investments of any kind.
- Security Trust Company does not represent or endorse any investment opportunities that may be shared in this presentation.
- You should consult with your legal, tax and investment advisors prior to making any investments.

Contents

- Self-directed IRA Accounts
- Benefits and Guidelines
- IRA LLC Structure
- Security Trust Company Services
- Investing in Real Estate backed Mortgages
- Q & A

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

Retirement Plans

- 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)
- 401(k) plans



Guidelines for Self-Directing

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



Guidelines for Self-Directing

Prohibited assets:

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

Guidelines for Self-Directing

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

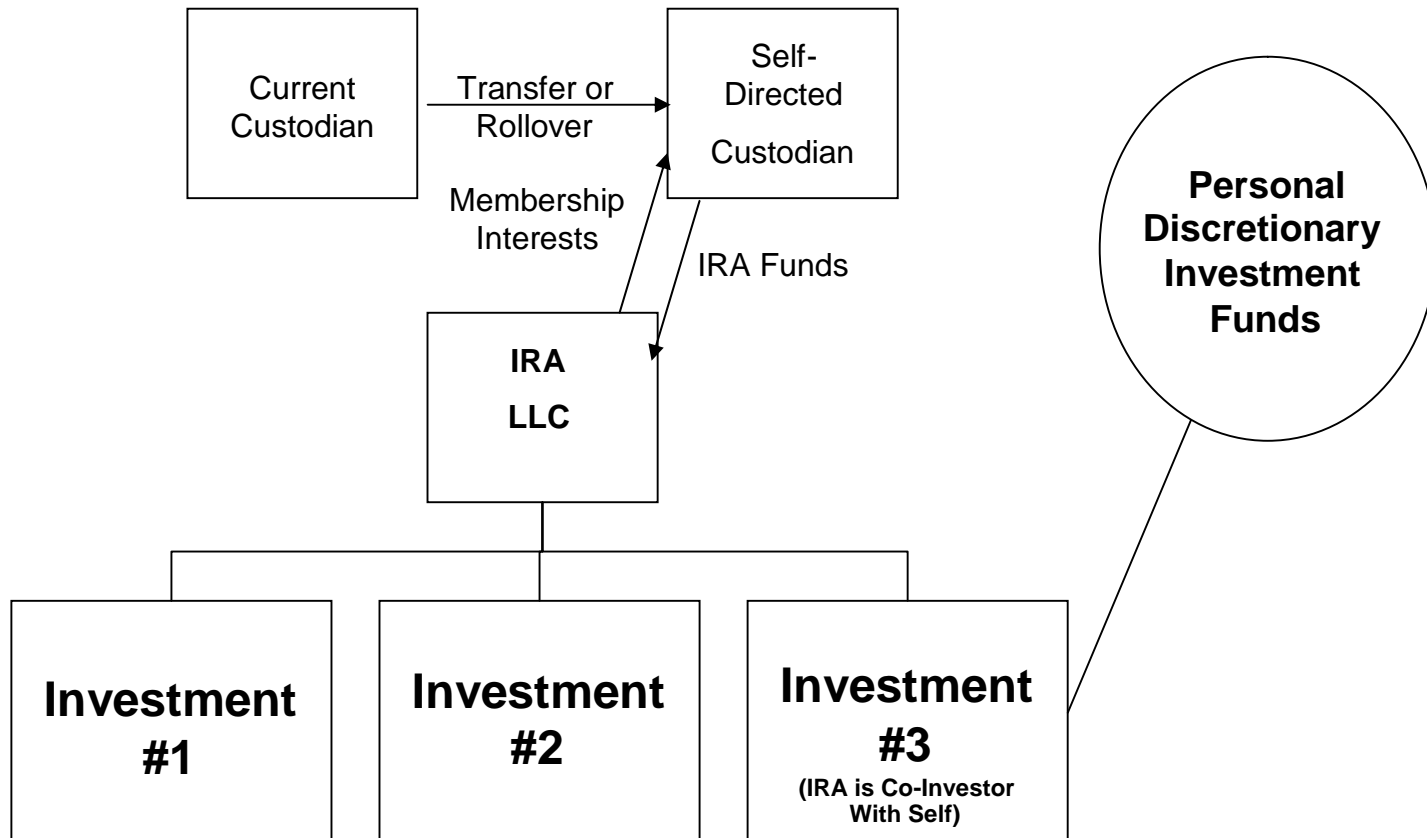
Disqualified persons:

- “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

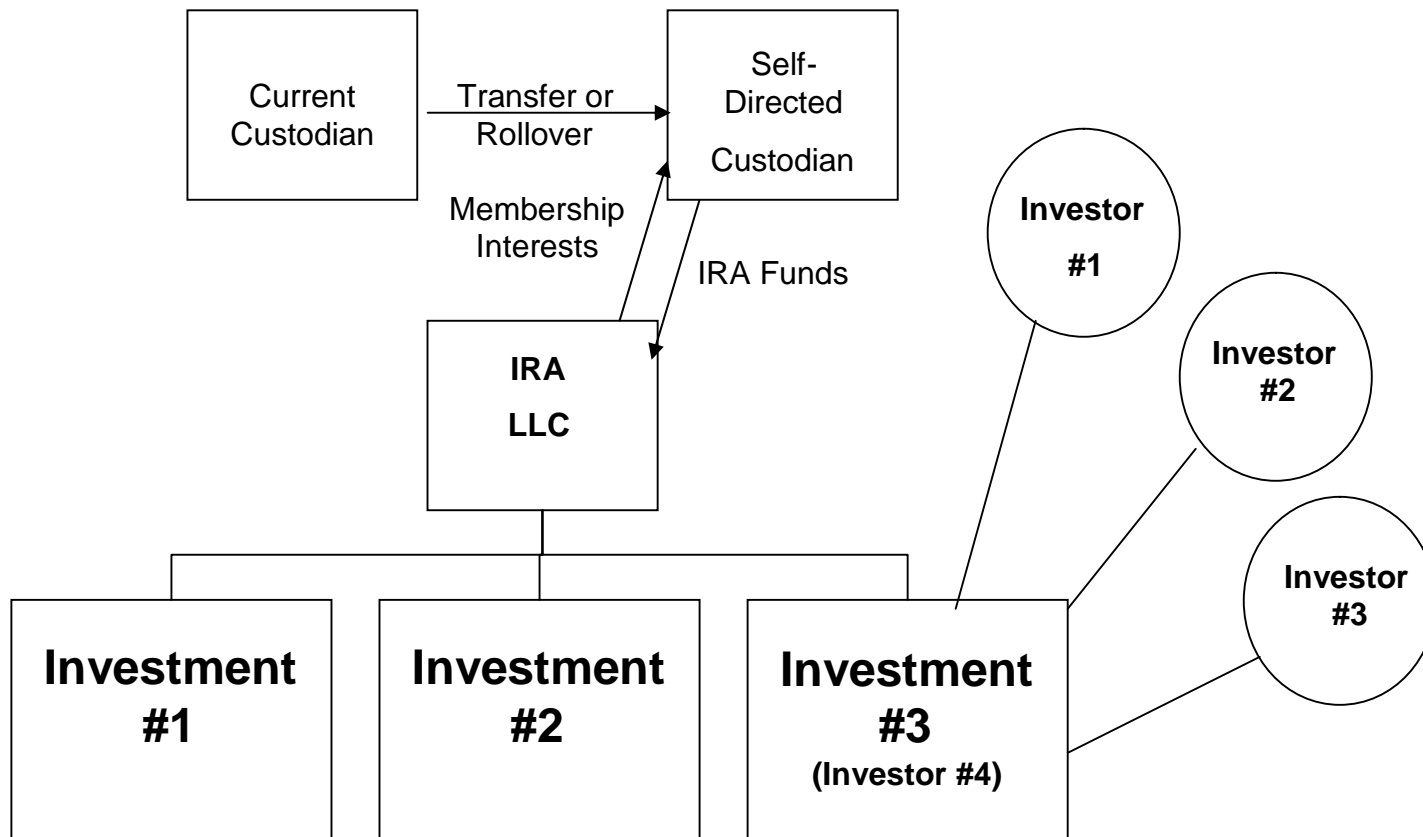
Benefits of the IRA LLC Structure

- 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

Real Estate Backed Mortgages

Steve Cook

www.flippinghomes.com

www.TheClubMastermind.com

Email: scook85@flippinghomes.com

Real Estate Backed Mortgages

- **Secure when done right**
- **Loan only to investors**
 - Legally can't lend to homeowners
 - Investors aren't as emotional
- **Many Opportunities**

Examples of Loans

- **First Mortgages**
 - Bridge loans
 - Day loans
 - Purchase and rehab loans

- **Second Mortgages**
 - Down payment loans
 - Rehab loans

Protecting Yourself

- **Do your own due diligence**
 - **Trust no one else when it comes to home values**
 - **Always look for supporting information, even from an appraiser**
 - **Keep your numbers in line**
- **Be creative in terms of repayment**

Real Estate Backed Mortgages

- **The Big Yields**
 - **First mortgage yields**
 - **Second mortgage yields**
- **How to connect with Borrowers**

Real Estate Backed Mortgages

Steve Cook

www.flippinghomes.com

www.TheClubMastermind.com

Email: scook85@flippinghomes.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 STC representative.**
- **Website: www.securitytrustcompany.com**
- **Corporate: 1-301-665-2830,**