



## Guide: Buy Financed Real Estate with your IRA

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### Vesting on Purchase Documents, Deed and Title Policy

The IRA Club CFBO [Account Owner Name] IRA [Account Number]

Owners Address: 79 W. Monroe St. Ste. 1208 Chicago, IL 60603

### Required Documents Pre-Closing

Expect to supply The IRA Club with:

- Signed Real Estate Investment Directions Form
- Purchase Contract
- Title Commitment or Title Insurance
- Settlement Statement (HUD-1)
- Escrow Instructions (if applicable)
- Loan Document (only if property is financed)

### Financing a Real Estate Purchase

- ✓ The loan must be non-recourse and list the IRA as the borrower
- ✓ NO personal guarantee can be obtained by the account holder
- ✓ Remember, rental income received by a financed property may be subject to Unrelated Debt-Financed Income Tax (IRS publication 590)
- ✓ Loan payments must be paid from the IRA account and an Expense Payment Request should be filled out by the account owner to setup the reoccurring payments

### Required Documents Post-Closing

Send to The IRA Club:

- Original Recorded Deed
- Original Title Policy
- Copy of Liability Policy

You can find additional information on our website! [www.IRAclub.org](http://www.IRAclub.org)

Call us any time toll free at 888-795-7950

OR, email us your questions! [newaccounts@IRAclub.org](mailto:newaccounts@IRAclub.org)

### Important Reminders

- ✓ The investment is made by the IRA – not you
- ✓ If an Earnest Deposit is required, it must come from the IRA
- ✓ Keep enough cash in the account for expenses and related fees
- ✓ The IRS requires expenses to be paid from the IRA account
- ✓ Personal use of the property is not allowed
- ✓ You can't let a disqualified person use the property (i.e. parents, children)
- ✓ Repairs must be done by a 3<sup>rd</sup> Party
- ✓ Deposit rent and other related income generated from the property to the IRA account