

INVESTMENT DIRECTIONS KIT



2018

Buying Real Estate with your IRA



PO Box A3535
Chicago, IL 60690
Phone: 888-795-7950

Real Estate Investment Directions

Account Owner Information

IRA Account Number: _____

First and Last Name: _____

Last 4 of SSN: _____ Daytime Phone Number: _____

Property Information

Single Family Multi-Family Commercial Land

Address of Property: _____

Purchase Percentage of the IRA: _____% Expected Closing Date: _____

*Please note: IRA Club will maintain a minimum cash balance of \$500 in the account plus any additional fees to process this investment.

Funds Delivery Instructions

Mail a Check (\$75 + \$15) + Annual Real Estate Fee \$165) Address: _____

Send a Wire Transfer (\$75 + \$35) + Annual Real Estate Fee \$165)

Bank Name: _____ Bank Phone #: _____

Bank Address: _____

Account #: _____ ABA Routing #: _____

Name on Account: _____

Account Holder Address: _____

Reference/Memo: _____

Document Delivery Instructions

Please let us know how you would like the signed documents to be delivered.

Email/Fax to: _____

Overnight (+35): _____

Outside FedEx #: _____



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Acknowledgement

1. I understand that I am responsible for selecting and reviewing my IRA investments.
2. I understand that The IRA Club is not affiliated with the management or sale of the investments I select and does not review or provide advice on the risk or merit of the IRA investments I select.
3. I agree to release, indemnify and hold harmless The IRA Club from any claims that may arise from investments I select.
4. I understand that The IRA Club is not responsible nor is required to take action if my IRA investment should become default, frauded, bankrupt or other legal process.
5. I understand that all real estate expenses (i.e. tax bills, insurance premiums, association payments, utility bills, repairs, improvements) must be paid from my IRA. Sufficient funds must be held in custodial cash. If such funds are not available to pay an expense, I will be responsible for any penalty incurred.
6. I represent that the investment is not a prohibited transaction as defined in the Internal Revenue Code.
7. I acknowledge that this investment is not insured by the FDIC.
8. I understand that I must provide an appraisal of the real estate for any request I make that may be a taxable event. I also acknowledge that I will provide The IRA Club with an annual fair market value of my real estate investment.

Signature: _____ **Date:** _____



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Deposit Form for Real Estate

*Make checks payable to IRA Club FBO (client's name) IRA

Account Owner Information

First and Last Name: _____

IRA Account Number: _____ Daytime Phone Number: _____

Deposit Information

Property Address: _____

Payment Type:

Rent Proceeds from Sale

Other: _____

Check Number: _____ Check Amount: \$ _____ Date: _____

Send checks to:

IRA Club
PO Box A3535
Chicago, IL 60690

Overnight:

IRA Club
67 E. Madison St., Suite 1510
Chicago, IL 60603

If this check is one payment for multiple properties, please provide the additional information below.

Email to: deposits@iraclub.org

Fax to: 888-600-6997

Revised 1/4/2018

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Phone: 888-795-7950

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Expense Payment Request for Real Estate

Account Owner Information

IRA Account Number: _____

First and Last Name: _____

Last 4 of SSN: _____ Daytime Phone Number: _____

Payment Information

***Please include a scanned copy bill / invoice when submitting this form.**

Asset Reference: _____

(ex: property address)

Amount: \$ _____ Payment Due Date: _____

Purpose of Payment: _____

(ex: "property taxes, insurance, HOA fees, rehab" etc.)

*Please note: IRA Club will maintain a minimum cash balance of \$500 in the account plus any additional fees to process this investment. The payee information and the dollar amount to be paid based on your percentage of ownership. (For example: If your account owns 50% of the property and the bill is for \$1,000.00, you would enter \$500.00)

Funds Delivery Instructions

Mail a Check (\$15) via Regular Mail Overnight (+\$35)

Payee Name: _____

Address: _____

Street

City/State

Zip

Send a Wire Transfer (\$35)

Bank Name: _____ Bank Phone #: _____

Bank Address: _____

Account #: _____ ABA Routing #: _____

Name on Account: _____

Account Holder Address: _____



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Expense Payment Request for Real Estate

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Payment Authorization

I agree to release, indemnify, defend, and hold IRA Club and its related employees harmless for any claims arising out of this payment. This includes, but is not limited to, claims that this payment is not prudent, proper, legal, or diversified. I also understand and agree IRA Club will not be required to take any action should the investment noted herein becomes subject to default, or loss due to fraud, insolvency, bankruptcy, or other court order or legal process. This payment is further subject to all terms and conditions of the account-holder's Custodial Agreement within IRA Club and all applicable State and Federal laws. I understand the prohibited transaction rules and I attest that this request does not cause a prohibited transaction.

Signature: _____ **Date:** _____



Congratulations! Your IRA bought property.

What's next?

investments@iraclub.org

Phone: 312-795-0988

Fax: 888-600-6997

Privileges of Owning Real Estate in your IRA

- Your IRA will receive all income generated by the property (including rent).
- And in most cases – the income is 100% Income Tax Deferred or 100% Income Tax Free in a ROTH IRA.
- Income accumulates so your IRA can make future investments. This allows your IRA to grow and compound in size much quicker than if the earnings were made outside the IRA account.

Ongoing Maintenance of the Property

- In general, you can perform “administrative” functions to manage the IRA investment property.
- You or a family member may not invest “labor” into the property. Sometimes, this is referred to as “no sweat equity”. If work needs to be done, simply call your property manager or a local handyman or professional.
- Expenses should not be paid out of your own pocket. Make sure to maintain enough cash in the IRA account to cover these costs.
- To pay an expense, please complete and sign an Expense Request Form (found on our website.)
- It is the IRA owner’s responsibility to monitor any expenses due.
- Send all rental income should be sent to your IRA Club self-directed IRA account.

Prohibited Transactions

- A family member or any other disqualified persons may not live in the house. The IRS states the investment must be for the exclusive benefit of the IRA and not for current benefit.
- Maintenance on the property must be completed by a third party.
- Expenses must be paid out of the IRA.
- For more information see **IRC Section 4975** and the **IRS Publication 590-B**

Important Reminders

- ✓ The investment is made by the IRA – not you
- ✓ Monitor expenses due throughout the year.
- ✓ 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 3rd Party
- ✓ Deposit rent and other related income generated from the property to the IRA account

You can find additional information on our website! www.IRAclub.org

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

OR, email us your questions! investments@IRAclub.org

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