

Don's interest in real estate revitalization led to interesting choices for his IRA. Following Security Trust's guidelines, Don purchased and renovated a home. In less than a month, Don had sold the property, made a good profit, and enjoyed the satisfaction of creating value.



Real Estate

Raw land, Building lots, Single-family homes, Multi-family homes, Vacation properties, Contracts for sale, Lease options

More and more people are investing their retirement funds in real estate. These people have enjoyed both income and capital appreciation while diversifying their retirement portfolios and increasing control over their investments. You can invest in all types of real estate, residential or commercial, from raw land to single-family or multi-family homes, from building lots to vacation property, and even contracts for sale and lease options.

You can use cash for the purchase, or you can employ a combination of cash and debt financing. If a project is too large for you to complete on your own, we can help you to pool your IRA money with other people's IRA money and other people's non-IRA money. Be sure to check with STC's Client Services department when you contemplate entering into a complex transaction.

Real Estate Investing With a Self Directed IRA

Diversify the investment options in your IRA to maximize earnings. Real Estate is a great way to do this and Security Trust Company can show you how.

Can I really invest my retirement assets in real estate?

Absolutely! In 1974, the Employee Retirement Income Security Act (ERISA) gave all self-directed retirement plans this option. In addition to real estate, you can direct your IRA investments into - among other things - mortgages, notes, tax liens, and private businesses. There are, of course, restrictions on some investments, but Security Trust will help you navigate through them.



Why haven't I heard about this opportunity before?

Brokerage companies earn commissions when you buy and sell stocks, bonds, and mutual funds. They don't make money when you buy real estate. Further, very few banks or trust companies are interested in holding "non-traditional" assets they don't understand. Security Trust is one of only a small handful of companies that provides "full service" to self-directed retirement plan beneficiaries.

Are there any pitfalls to self directed IRA plans?

There are many potential pitfalls with respect to both prohibited transactions and timely reporting at the state and federal levels. For example, engaging in a "prohibited transaction" can cause the favorable tax status of your IRA to be forfeited. Security Trust's specialty is structuring transactions in 'safe harbors' to avoid such problems and ensure statutory compliance.

Who makes the plan's investment decisions?

You do. Your account is truly "self-directed," which means that you make the investment decisions for your retirement assets in much the same way as you invest outside of your retirement plan. But you don't invest alone. Security Trust will help you navigate the complex rules that govern prohibited transactions so you can focus on making the best investment decisions.

How are my assets managed?

Your assets are co-managed by you and Security Trust Company. You make all investment decisions, and we take care of all of the paperwork and the reporting details. Once you make an investment, Security Trust will keep your books and records, coordinate the custodianship of your assets, oversee the annual asset valuation, and file all required annual reports.

What specific services does Security Trust provide?

Security Trust Company provides two such clusters of services: First, we establish the retirement plan structure that affords you the opportunity to take advantage of true asset diversification. Secondly, we provide the full administration of your retirement plan assets, including providing you with periodic statements. Security Trust is truly a "full service" provider.

