



Real Estate Investing with Equity Trust Company

Guide to Completing a Real Estate
Investment in a Self-Directed IRA

Introduction

Equity Trust Company, one of the nation's leading self-directed retirement account custodians, specializes in the custody of alternative asset investments. Real estate is one of the most popular alternative investment types for our clients and there are unique aspects to purchasing or selling this asset through a self-directed account. In this guide, we provide answers to the most frequently asked questions about investing in property, as well as important tips to ensure the efficient processing of your requests.

If you have additional questions or concerns not addressed in this document, please contact us at **855-673-4721**, Monday through Friday from 9 a.m. to 6 p.m. ET.





What is the first step to investing in real estate with a Self-Directed Account?

The first step to completing a real estate investment is to open and fund an Equity Trust self-directed account. You can fund your account through a contribution, rollover or transfer.

What does Equity Trust require to initiate a real estate investment?

Equity Trust requires written instructions from you (the client) to disburse funds and/or sign documents.

- **Purchase:** In the case of a real estate purchase, we require a completed Real Estate Direction of Investment (DOI) form and supporting documents. The DOI can be found online at www.trustetc.com/forms.
- **Sale:** In the case of a real estate sale, we require a completed Real Estate Sale DOI form and supporting documents. The DOI can be found online at www.trustetc.com/forms.

IMPORTANT: The DOI form must be signed and dated by you (the client). For your protection, we cannot process a form that does not contain a valid signature and current date.

What is Proper Titling?

Titling is very important to the successful processing and completion of your investments. The titling on all documents associated with a transaction must reflect that your Equity Trust account has ownership of the property and not you (the client). In addition, it is critical that the supporting documentation be titled correctly. For example, Equity Trust Company Custodian, FBO (for the benefit of) Your Name, IRA.

How do I request earnest money for a real estate purchase?

When requesting earnest money for a real estate purchase, you must complete a Real Estate DOI. The completed DOI, including valid signature and current date, must be accompanied by a signed copy of the purchase agreement that lists your Equity Trust account as the purchaser.



IMPORTANT:
When investing with a self-directed IRA, all funds must come from the IRA and all profits must be returned to the IRA.

How do I request the additional funds needed for a real estate purchase closing?

A second Real Estate DOI form must be completed prior to the disbursement of additional funds. The completed DOI, including valid signature and current date, must be accompanied by all the supporting purchase documents that have been prepared.

What documents will Equity Trust sign?

- **Purchase:** You may sign the purchase agreement on behalf of your Equity Trust account. All other documents need to be signed by Equity Trust. These documents must be listed within Section 9 of the Real Estate DOI form by proper name. If additional space is needed to list the documents for signing, please write “Addendum A” on a separate sheet and list the documents on the addendum. You must also sign and date the addendum. Please send these documents to Equity Trust as soon as they’re available to ensure ample time for processing. When processing is complete, we’ll return the documents as you have directed within the DOI form.
- **Sale:** All closing documents must be signed by Equity Trust. These documents must be listed within Section 5 of the Real Estate Sale DOI form by proper name. If additional space is needed to list the documents for signing, please write “Addendum A” on a separate sheet and list the documents. You must also sign and date the addendum. An example addendum is included within this guide. Please send these documents to Equity Trust as soon as they’re available to ensure ample time for processing. When processing is complete, we’ll return the documents as you have directed within the DOI form.



What are examples of supporting documents?

Supporting documentation for both a real estate purchase and sale include the Settlement Statement, Purchase Agreement, Contract, etc. These are required to provide evidence of correct titling to ensure ownership is being conveyed properly.

What is Equity Trust’s review process?

Once we receive the prepared supporting documents and Real Estate Purchase or Sale DOI form, we review them for:

- Accuracy
- Client signature and date on all pages of the DOI form
- Matching information on supporting documents and the DOI form
- Proper titling of the supporting documents
- Clarity of supporting documents
- Administrative feasibility of the investment

Self-Directed Timetable

What is Equity Trust's average processing timeframe?

- Normal processing requests will be completed in approximately three business days if all documents received are in good order.
- Expedited processing requests will be completed in approximately one business day unless corrections are required. Corrections must be received before 12 p.m. ET. There is a \$50 fee for expedited service.

Processing Guidelines: *Processing begins on the business day the paperwork is received. If paperwork is received after 10 a.m. ET, administrative processing will start the next business day. If the investment requires any corrections, investment processing will stop until the proper corrections are received.*

What is Equity Trust Company's hold on funds policy?

When funds are received into an Equity Trust Company account, they may have a hold placed on them prior to being available for investment use. Here are the details:

- Wires, cashier's checks and money orders are considered guaranteed funds and do not have a hold placed on them.
- Transfer or rollover checks from a contra firm are subject to a five-business-day hold with funds becoming available on the sixth business day.
- Personal and business checks are subject to a seven-business-day hold with funds becoming available on the eighth business day.

Where do I send the closing documents and any other materials?

You may send the DOI and any supporting documents to Equity Trust via email, fax, regular mail or overnight delivery. For faster processing, email is the preferred method of submission.

BY FAX:

Normal Processing:
(440) 366-3752

Expedited Processing:
(440) 366-3756*

REGULAR MAIL:

Equity Trust Company
P.O. Box 451340
Westlake, OH 44145

BY EMAIL:

help@trustetc.com**

OVERNIGHT:

Equity Trust Company
1 Equity Way
Westlake, OH 44145

* Any forms sent through the expedited processing fax line will be charged the \$50 Expedited Service Fee

** If this is an expedited transaction, be sure to include "Expedited" in the subject line.



What if I need to borrow money to finance the purchase of a property with my self-directed account?

Any debt obtained by your self-directed account for a purchase must be in the form of a non-recourse loan. A non-recourse loan is structured to ensure that the only recourse the lender has is against the investment property itself. In the event of a default, no other assets within your account or assets you hold personally can be taken for payment. A non-recourse loan could subject you to additional taxes and you should always consult with your accountant or attorney before making an investment decision.

If I have any questions who do I contact?

If you have any questions about the DOI form or what supporting documentation is required, please contact us at help@trustetc.com or 855-673-4721. Equity Trust's Client Service Representatives can also help you complete your DOI form. Our service hours are 9 a.m. to 6 p.m. ET.



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