



THE IRA CLUB

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My IRA Could Be the Banker



Making Loans From an IRA

“Let your IRA be the Banker and Earn All the Interest”

YES, your IRA may loan money and earn interest 100% tax deferred (or even 100% income tax free for life in a Roth IRA).

Why do you think there's a Bank on almost every corner?
Because lending can be very profitable. Now you can let your IRA be the bank and watch the interest earnings accumulate 100% tax deferred.

The first step is to Start and Fund a Self Directed IRA with the IRA Club call: 888-795-7950.

Below are commonly asked questions about how to make your IRA into “the banker”.

May IRA lend money? Yes.

To whom may my IRA lend?

IRA's can lend to individuals or businesses.

Are there any loans that my IRA cannot make?

A few. Your IRA cannot loan money to you or a member of your family or a business you (or your family) own, manage, or control.

How many loans may my IRA make?

There is no limit on the number of loans.

How much can my IRA earn?

There is no size limit for an IRA.

Does the borrower pay interest to *me* or to my *IRA*?

The payments are paid to the lender. The lender is your IRA so borrower pays back your IRA.

This is good as your IRA does not pay income tax on the earning received.

How does money get into my IRA so it can make a loan?

Generally, the funds are transferred to your new IRA from an existing IRA or from a 401(k) that is eligible for Rollover.

Does the IRA Custodian conduct due diligence on my IRA's loans or investments?

No. These are Self Directed IRAs, as the name implies you make all investment and lending decisions for your IRA.

How do I instruct my IRA to make a loan?

Once your new Self Directed IRA is open and funded, you only need to provide us with two simple forms.

- A. An Investment Authorization form (This form requests that the custodian send funds).
- B. The original loan document signed by the borrower. Commonly a Promissory Note etc.

If I start today when could I make the loan?

We will process your new application ASAP however, there are several steps including transferring your funds from the former account. Be safe and give it 21 days for the first transaction. Future transactions are much faster.

I understand that The IRA Club cannot provide investment advice however, are there any suggestions you have when making loans.

1. Remember the last time you borrowed money from the bank; Remember that they asked you a lot of questions. Now it is your turn. Get all the information you want. Don't make the loan till you are satisfied with the information.
2. Why is the person borrowing the funds/ Can that project support the repayment?
3. Ask for a periodic payment. Get the borrower into the habit of paying your IRA something monthly or quarterly, even if it is interest only, you want the borrower to pay.
4. Ask for security, i.e. what will your IRA get if the borrower cannot pay.

More Questions?

Call The IRA Club 888-795-7950