The Self-Directed IRA - Investing in Real Estate and Private Deals

The Strategy in 60 Seconds

Your retirement account can hold rental property and private deals, not just index funds. Here's exactly how the paperwork actually works, in sixty seconds.

100%

of the LLC owned by the retirement account

The investor is not you

- **The account is the buyer - Custodian FBO your name IRA**
- **You sign as account owner - Never as yourself personally**
- **Money in, money out - All of it moves through the IRA**

What the custodian needs

- Subscription agreement
- Private placement memo
- Operating agreement
- Buy direction letter
- Wire instructions
- Exact account titling

Wrong titling gets the wire sent back

The Law Behind It (primary sources)

Verify against the source before relying. This is education, not legal or tax advice.

26 U.S.C. Sec. 408 - Individual retirement accounts - the account rules a self-directed IRA operates under.

https://www.law.cornell.edu/uscode/text/26/408

26 U.S.C. Sec. 4975 - Prohibited transactions - dealing with disqualified persons can disqualify the entire account. The line you cannot cross.

https://www.law.cornell.edu/uscode/text/26/4975