

# Taking Control of Your Retirement With SELF DIRECTED IRAS



By Joshua D. Turpin

I am amazed at how many of my clients are not familiar with using their retirement funds to invest in "non-traditional" investments. I first became

familiar with the idea when one of my clients asked me about getting a loan for a property in which he intended on purchasing via his Individual Retirement Account (IRA). At first I was perplexed, I was not familiar with this method of growing your nest egg and furthermore, did not think it was possible. After months of extensive research, hours of training, and several conversations with some of the industry's top professionals, I have become well versed in this type of retirement investing and the opportunities it carries.

Many people who first hear of doing this sort of investing, like me, are skeptical. This seems to be the case with many retirement planning and investment advisory professionals as well. The fact is, however, that it is perfectly legal to purchase investment properties under your IRA and reap the tax benefits of doing so. Many professionals, when asked, may not be able to give a straight forward answer on the subject, thus limiting the flow of accurate information on this technique. This is primarily a result of not fully understanding the idea and/or the inability to collect a commission on the transaction.

When we discuss self-directing IRA funds, the question always comes up, "If this is possible, why is it not more publicized?". As mentioned, the concept is not new. You have been able to purchase real estate in your IRA since the first day IRAs were created. However, since there is little money for the average investment advisor to make off this type of transaction, it leaves little money to use to market the concept. No margin, no mission! With this in mind, it is perfectly understandable how word has not got around yet.

Although you may have heard little about self-directing your IRA, it doesn't mean it is not a great way to grow your nest egg. Many people are currently using their retirement money to buy real estate and they are seeing huge returns.

Investing in real estate is just the beginning of self-directing. Most self-directed accounts allow for investing in nearly any type of investment vehicle, as long as the end result is to benefit the IRA. In fact, the IRS states what you CANNOT invest in, rather than what you can invest in. Other than prohibited assets (life insurance contracts, collectibles, and stock in an S-Corporation) you are pretty much open to investing in whatever asset you like. Therefore, there is an almost unlimited array of investment possibilities that fall within permissible boundaries.

One example of creatively using IRA money to make smart investments is buying a retirement property in Arizona (or anywhere else to your liking) early in life, and using it only as an investment property until retirement age. Then taking withdrawals by slowly reassigning a portion or percentage of the grant deed through an "assignment" over the years. This is a way to mitigate tax consequences by spreading them over the years. Once full ownership is transferred "in-kind" to you, you can move into it penalty free. The income of the property and the appreciation can be realized on a tax-deferred and sometimes even tax free basis.

Over the past few years some of the self-directed IRAs leaders have apped their marketing efforts. The market has seen substantial growth and it is expected to continue for years to come.

If you are interested in finding out more information about this exciting way to invest in your future, visit [www.citywide.com/ira](http://www.citywide.com/ira) for more information and links to other resources.

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