



# ALTERNATIVE FINANCING - SELF DIRECTED IRA's -

## “BE YOUR OWN BANK”

When you absolutely positively have to retire affluent.

Presented By Service Financial

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# Self Directed IRA's (SDIRA)

- The Self Directed IRA (SDIRA) enables the investment of retirement funds into alternative investments such as real estate, a small business or franchise without tax penalties.
- Instead of traditional small business financing or franchise financing, many entrepreneurs and business owners have used the SDIRA. By rolling your existing retirement funds into the SDIRA you can invest in a small business or franchise inside your retirement plan... without tax penalties!
- The SDIRA, is an alternative financing that allows you to invest in something you can truly control (BE THE BANK!) while significantly affecting its value. Lower the overhead of your new business and enjoy higher retirement-account returns along with other outstanding benefits.



## SDIRA - Benefits

- Utilize funds from retirement accounts like IRAs, 401(k)s, 403(b)s, Keoghs, SEPs, etc., without incurring early distribution taxes or penalties.
- Launch your small business or franchise with minimal (if any) debt while securing significant tax benefits.
- Use up to 100% of your retirement funds, or use a portion as a down payment on an SBA, unsecured or home equity loan.
- Combine your retirement funds with the retirement funds of a business partner or spouse.



# SDIRA - Benefits

- Save thousands in interest fees and protect your personal credit.
- Invest profits tax-deferred back into your business or pension plan.
- Lower business overhead while aggressively growing your retirement account.
- Position yourself for faster success!
- The SDIRA for small business investing and financial expertise saves you time, expense and worry. To learn how you can finance a small business or franchise while enjoying significant tax and credit advantages.

# SDIRA – Top 3 FAQ's

1. Is It Legal To Invest In Real Estate, Notes, Tax Liens, etc. or to Finance A Business With Retirement Funds?

YES...In 1974, Congress passed the Employee Retirement Income Security Act (ERISA), making IRA, 401(k) and other retirement plans possible. Only two types of investments are excluded under ERISA and IRS Codes: Life Insurance Contracts and Collectibles (art, jewelry, etc.). Everything else is fair game. IRS Code Sec. 401 IRC 408(a) (3)

# SDIRA – Top 3 FAQ's

## 2. Why Haven't I Heard About This?

It's really quite simple. Government regulators decided the Securities industry was best suited to inform the public and bring these new products to market. From the beginning, brokers and bankers created the misconception that buying stocks, bonds and mutual funds was all that was allowed. It wasn't true then...and it's not true now. You can probably guess why they kept it a secret.



# SDIRA – Top 3 FAQ's

## 3. How Do I Get Started?

We'll take you through a simple, step by step process designed to put your investment future into your own hands...immediately. Everything is handled on a turn-key basis. You take 100% control of your Retirement funds legally and without a taxable distribution.

# SDIRA - Opportunities

Real Estate

Mobile Homes

Promissory Notes

Mortgages

Tax Lien Certificates

Stocks & Bonds

LLC's

Limited Partnerships

C-Corp's

Businesses

Commodities

Real Estate Options

Accounts Receivables

Factoring

Cattle/Horses

Leases

More . . .

# SDIRA – Recent Transactions

Our clients Hate paying interest to the bank. In this transaction, the IRA owner was allowed to have their IRA purchase the mortgage on their home. Now instead of having to write a check out to the bank each month, they write a check to their own IRA! Even though the interest is flowing into the IRA tax free, they still get the home interest deduction.

Another great aspect of this transaction is asset protection. Since the IRA owns the mortgage that means that the IRA also has a lien against the home. So now if somebody sues and wins a lawsuit against the IRA owner, the chances of the person who won the lawsuit collecting against the home is very minimal.

# SDIRA – Recent Transactions

This is another incredible client case! This was a transaction that allowed an individual to have his IRA loan money to his 100% owned corporation! Once again, the IRA loaned money to a corporation 100% owned by the IRA owner. This individual was now able to access all that money in a totally tax free manner.

There were a couple of other very large benefits with this as well. The loan had to be paid back to the IRA, which of course generates interest. Since the loan was presumably for business purposes the interest would be allowed as a deduction for income tax purposes!

# SDIRA – Recent Transactions

A client used his corporate umbrella when he retired from AT&T to create a SDIRA that he used to invest in luxury homes that were in foreclosure. He then used his own development company that he formed with other business partners to rehab the homes then sell them on land contracts to high end executives that eventually exercised the contracts at predetermined price and profit points

Over a seven year period the client turned an \$800,000 retirement nest egg into over \$18,000,000 in real estate and development profits all tax deferred!

# SDIRA – Recent Transactions

A husband and wife rolled over their traditional IRA's into a SDIRA for the purpose of purchasing a popular restaurant franchise. The clients as well as the SDIRA's were owners of the initial franchise.

Because a portion of the profits went back into the SDIRA tax deferred, the clients were able to leverage the SDIRA account for down payments to purchase several more franchises as well as using profits from the SDIRA to lease back equipment to the business. This preserved their lines of credit as well as insulating their credit for future expansion plans.



# SDIRA – Contact Information

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