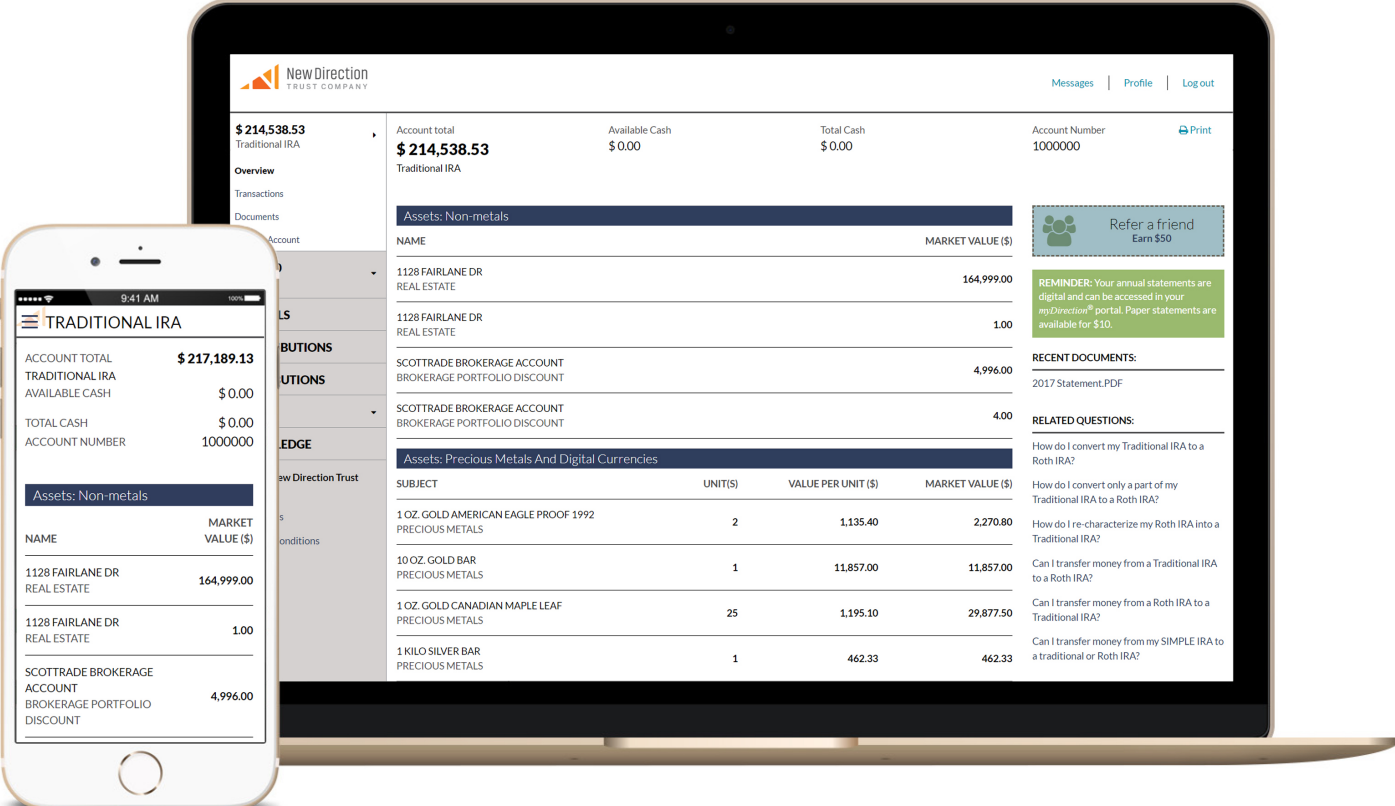


Real Estate Owner's Guide

Featuring *myDirection*[®]
ONLINE ACCOUNT ACCESS



New Direction TRUST COMPANY

Messages | Profile | Log out

\$214,538.53
Traditional IRA

Overview
Transactions
Documents
Account

Account total: **\$214,538.53**
Available Cash: **\$0.00**
Total Cash: **\$0.00**
Account Number: **1000000**

Assets: Non-metals

NAME	MARKET VALUE (\$)
1128 FAIRLANE DR REAL ESTATE	164,999.00
1128 FAIRLANE DR REAL ESTATE	1.00
SCOTTRADE BROKERAGE ACCOUNT BROKERAGE PORTFOLIO DISCOUNT	4,996.00
SCOTTRADE BROKERAGE ACCOUNT BROKERAGE PORTFOLIO DISCOUNT	4.00

Assets: Precious Metals And Digital Currencies

SUBJECT	UNIT(S)	VALUE PER UNIT (\$)	MARKET VALUE (\$)
1 OZ. GOLD AMERICAN EAGLE PROOF 1992 PRECIOUS METALS	2	1,135.40	2,270.80
10 OZ. GOLD BAR PRECIOUS METALS	1	11,857.00	11,857.00
1 OZ. GOLD CANADIAN MAPLE LEAF PRECIOUS METALS	25	1,195.10	29,877.50
1 KILO SILVER BAR PRECIOUS METALS	1	462.33	462.33

Refer a friend
Earn \$50

RECENT DOCUMENTS:
2017 Statement.PDF

RELATED QUESTIONS:
How do I convert my Traditional IRA to a Roth IRA?
How do I convert only a part of my Traditional IRA to a Roth IRA?
How do I re-characterize my Roth IRA into a Traditional IRA?
Can I transfer money from a Traditional IRA to a Roth IRA?
Can I transfer money from a Roth IRA to a Traditional IRA?
Can I transfer money from my SIMPLE IRA to a traditional or Roth IRA?

TRADITIONAL IRA

ACCOUNT TOTAL: **\$217,189.13**
TRADITIONAL IRA: **\$217,189.13**
AVAILABLE CASH: **\$0.00**
TOTAL CASH: **\$0.00**
ACCOUNT NUMBER: **1000000**

Assets: Non-metals

NAME	MARKET VALUE (\$)
1128 FAIRLANE DR REAL ESTATE	164,999.00
1128 FAIRLANE DR REAL ESTATE	1.00
SCOTTRADE BROKERAGE ACCOUNT BROKERAGE PORTFOLIO DISCOUNT	4,996.00

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CONGRATULATIONS!

Congratulations on the addition of real estate to your retirement account! We hope your investment will provide your IRA with significant growth. In order to protect your retirement account's tax privileged status, here are some guidelines for managing the new property that it holds.



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Managing Property Income

There are three ways to manage your property income:

1) Rent & Note Payments to Your IRA Can Be Made Online!

Your IRA's tenants and borrowers have the option to make rent and note payments online via ACH (eCheck) at www.mydirection.com and it's FREE!

At mydirection.com, IRA tenants or borrowers will click the "Pay Now" button.

New Direction
TRUST COMPANY

Welcome to *myDirection*[®]

ALREADY HAVE AN ACCOUNT?

happy@client.com

.....

Forgot your password or logging in for the first time? [Click Here](#)

Login

OPEN AN ACCOUNT

Sign up now to start your Self-Directed IRA!

Get Started

HAVE IRA INVESTMENT QUESTIONS?

877.742.1270 info@ndtco.com

Learn About Self-Directed IRAs

MAKING A RENT OR LOAN PAYMENT TO AN IRA?

Tenants and borrowers can make a secure payment to a New Direction Trust Company account using our online ACH payment feature.

Make Payment Now

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v2.0.0

Managing Property Income

The following page will guide your tenants or borrowers through the payment process:



Make Secure Rent or Note Payment

Please note all deposits that come in after 2:30 pm (mountain standard time) will process the next business day.

PAYMENT INFORMATION

(all fields required)

Transaction Type ▼

If this payment must be sent to multiple accounts, you must submit multiple pages. We will no longer split payments.

YOUR INFORMATION

(all fields required)

Please contact your bank or credit union to verify that they allow ACH pulls. US banks only; New Direction Trust Company is unable to pull funds from foreign banks. All returned ACH's are subjected to a \$30.00 return fee.

Your Name	Your Bank Name
Your Phone (000-000-0000)	Your Bank Account Number
Your Email Address	Re-enter Your Account Number
Payment Amount	Enter your 9 digit Routing Number
Bank Account Type ▼	+ What is this?

ADDITIONAL INFORMATION

(optional)

e.g. Special Requests

Submit

Cancel

*Please Note: If your property is jointly owned between two (or more) separate accounts, please have your tenant submit rent payments for each individual account.

If the payment is submitted before 2:30pm Mountain Standard Time, the payment will be processed the same day as it is received. Payments received after 2:30pm Mountain Standard Time will be processed the next business day.

Managing Property Income

2) Income Checks Submitted to New Direction Trust Company

All income from the property belongs to your IRA. Instruct your renters (unless a property manager is depositing these checks to their trust account) to make their rent checks payable to your IRA as follows:

New Direction Trust Company FBO [client name] IRA.

We cannot deposit any income checks into your IRA that are made payable to you personally. Any such checks will be returned to the renter with correct payee instructions.

We do provide the option of automatic rent payments via ACH. We will provide you with the appropriate form if you and your renter select this option.

Properties Rented To Those Receiving Rental Assistance From “Housing Authority” or Vacation Rentals Type Entities: Oftentimes the “Housing Authorities” or companies like VRBO/AirBnB will tell you that they must direct deposit your rent checks into your IRA. However, these direct deposits (ACH) can be tricky.

The ACH Set-Up in the bank programs is strictly regulated. There is often no place in the input screens for a memo reference, or if there is one, it is so small that there is not room for identifying information. This makes it difficult to identify to whom the payment belong when they come into our bank account.

If your particular Housing Authority or Rental Company is willing to put at least minimal info in their ACHs, we will try to work with them. Putting your name and the address of the property in the ACH is sufficient.

These deposits must be arranged with our approval in advance. Have your agency contact us for instructions.

An alternative is to have a non-disqualified person open an account, accept the ACH and then write a check to your IRA account here. We will reject any ACH deposits that we cannot identify.

3) Hiring a Property Manager

Should you choose to hire a property manager, that person will collect the rental income from tenants and deposit to their trust account. They also will pay bills on behalf of the property from said trust account. A Property Management Acknowledgement Letter and contract between the property manager and your IRA will need to be on file.

Managing Property Expenses

You have three ways to manage expenses generated by your investment in real estate:

1) Expenses Paid Using *myDirection*® Online Client Portal

Do you meet the following criteria to qualify for online bill payment using NDTCO's *myDirection*®?

- You have a copy of the invoice, whether you have the bill mailed directly to your home or to New Direction Trust Company. If New Direction receives the bill, we will email you a copy to reference when submitting payments.
- You would like to retain records for property expenses in your personal files.
- You want HOA notifications to go to you directly to keep you informed on changes to the property.
- You want to be informed and act on changes in property tax assessments.
- You want to control the timing of bill payment to coincide with tenant rent payment.
- You would like to avoid paying \$10 per check fee.
- You would like to set up monthly Autopay for HOA or mortgage payments, to automatically be sent out each month.

If you meet all of the criteria listed above, then you are eligible to pay your IRA bills 24/7 using *myDirection*® Online Client Portal.

All bills (with some exceptions) will be placed in the name of the IRA but sent to you. Retain all IRA-related bills in your files, as well as to help you submit an online bill payment.

Visit our home page and click on the *myDirection*® login logo and follow the instructions provided on the site once logged in. You can also use the *myDirection*® "Introduction" webinar recording for additional instruction.

2) Expenses Submitted to NDTCO

A Real Estate Owner's Checklist is included in this packet. Complete the form, sign and date it, and email it to cashmgmt@ndtco.com. We must have a signed checklist on file prior to making any expense payments for you.

All expenses for the property are the IRA's responsibility. Never pay any bills with personal funds. If you do, these payments must be treated as an excess contribution to your retirement account, subject to a 6% penalty by the IRS. Such payments may also be considered prohibited transactions, which could jeopardize the tax-advantaged status of your IRA account.

For recurring (monthly) expenses, you will need to complete only one PAL, designating the frequency of payments. Review the following list for the types of expenses that your IRA may need to pay. (The list does not include every expense you may incur):

- Recurring Bills: mortgage payments, property taxes, HOA dues, insurance, utilities, etc.
- Repairs & Improvements: remodeling, appliances and/or furnishings, repairs, cleaning, lawn care, etc.

Managing Property Expenses

HOA

Home Owners Association (HOA) dues have a variety of due dates. Your home address must be the mailing address on record with the HOA to ensure proper payment tracking. At NDTCO, we provide you with two methods in which you may have the property's HOA dues paid: online bill payment or by sending in a Payment Authorization Letter for check disbursement. In either case, you must have the HOA bills sent to your home address, and then sent to us for payment. You must notify NDTCO of any changes in HOA charges or information—failure to do so may result in late fees and penalties for the IRA to pay. If HOA dues are not paid on time, a lien may be placed on the property.

Mortgages

You can use *myDirection*® Online Client Portal to pay your mortgage. We process mortgage payments during the last week of the month. If you have just purchased a new property with a mortgage, please send a completed PAL to us by the 15th of the month prior to the “Date of First Payment” shown on the note from your bank.

Once we have your PAL, we will add your mortgage payment and process it at the end of the month, for payment due on the 1st of the following month. We make mortgage payments on the last week of the month prior to the due date.

You also can set up a recurring payment (to be sent out monthly) from your *myDirection*® portal to automatically pay the mortgage each month.

Utilities

You can use the *myDirection*® Online Client Portal to pay utility bills or send the bills to us with a completed PAL indicating which utilities the IRA should pay. The IRA will often pay utilities for rental properties until tenants take over those payments; be sure to have the utilities put in the IRA's name during this interim.

Regardless of which payment method you choose, the utilities should be placed in the following name: <Client Last Name, First Name> IRA c/o New Direction Trust Company.

If problems still exist, please contact the Cash Management Department.

Repairs

You must send us estimates, statements, invoices, bills or some other kind of documenting paperwork containing the property address showing exactly what the IRA is paying for. We will also need a completed PAL for each separate vendor to whom payment should be made.

Managing Property Expenses

Insurance

If hazard insurance is purchased, the IRA should be the named insured. Some insurance companies will only put an individual's name as the named insured. If this is the case, tell them they can list you (personally) as the named insured, but they need to show that the IRA is the "First Mortgagee" or the "Loss Payee." The insurance company must know that in the event of a claim, the check MUST be made payable to the IRA and mailed to New Direction Trust Company for deposit. The address shown for the insured is New Direction Trust Company's address. DO NOT PAY the insurance bill. If an insurance bill is paid outside the closing or not escrowed with a mortgage, use either the *myDirection*® Online Client Portal or submit payment to us with a completed Payment Authorization Letter.

How to Complete a Payment Authorization Letter:

The PAL can be filled out as a:

- One Time PAL - gives permission to pay the invoice once
This type of PAL gives New Direction Trust Company permission to pay the indicated invoice once. Please fill out – Section 1, Section 2 (one-time invoices), Section 3 and Section 4. Submit completed PAL with an accompanying invoice.
- Recurring PAL - gives permission to pay the invoice more than once
This type of PAL gives New Direction permission to pay the indicated invoice more than once. (Recurring PALs submitted for HOA and Mortgage Payments will be placed on our recurring system. These will be paid automatically each month, or as indicated, and is free of charge). Utility, Property Taxes, Insurance and Other types of invoices will be paid as indicated on the PAL on an 'as invoiced' basis. Please fill out: Section 1, Section 2 (Reoccurring invoices), Section 3 (indicating an amount will give permission to pay ONLY that amount) and Section 4
- Open PAL - gives permission to pay invoices as they are received
This type of PAL gives New Direction permission to pay bills as they are invoiced with little to no involvement from you. Please fill out: Section 1, Section 2 (Reoccurring invoices, more than one box may be selected), Section 3 (only select method of payment ex. Check, and mailing options ex, Standard Mailing), and section 4.

*If an AMOUNT is indicated, New Direction Trust Company will only have authorization to pay that specific amount.

*If a PAYEE, is indicated, New Direction will only have authorization to pay that specific payee. You may also submit your requests online at mydirection.com to avoid the \$10 check fee.

3) Hiring a Property Manager

Cost = Agreement between you and property manager. We will need a Property Management Acknowledgement Letter and Agreement/Contract on file before any funds can be processed and sent to the Property Manager.

Agreements

Lease/Rental Agreements

If you lease/rent your property or if there are any other agreements that need to be signed, please add your “read and approved” signature and forward those to the Acquisition Specialist who helped you with the purchase of your property or to your Client Representative. He or she will sign as the owner on behalf of the IRA and will forward it back to you.

Property Manager

If you choose to use a property manager, please follow these steps:

1. Your property manager must know that your IRA owns the property, not you.
2. Choose a property manager who is not a “Disqualified Person” or an entity owned by a disqualified person.
3. We require a Property Management Agreement. Make sure that the Property Management Agreement is in the name of the IRA and is signed by us on behalf of your IRA. We must have a copy of this agreement with the manager’s contact information on file. You will need to create a new signature line and sign the management agreement as “read and approved” before we can sign on behalf of the IRA as “property owner” or “landlord.”
4. The property management agreement must be signed by New Direction Trust Company.
5. If you choose to have any bills paid directly from the IRA, please provide us with an invoice (signed as “read and approved”) and a Payment Authorization Letter (PAL); otherwise, we will assume that everything will be paid by the property manager.
6. If a reserve is required by the Property Manager, use a Payment Authorization Letter to direct New Direction Trust Company to fund the reserve account.
7. The property management company may collect rent income for the IRA and forward that income to us periodically. Renters sending their payments to the property manager will make them payable to the property manager. Checks issued to the IRA account must be payable to: “New Direction Trust Company FBO Your Name IRA”
8. We will need at least a quarterly report from the property manager showing all income and expenses paid for the property.

Selling Your IRA-Owned Property

1) You choose a broker and he or she prepares a listing contract.

You sign as “read and approved” and scan/email or fax it to us for our signature as the seller.

2) You and your broker negotiate the terms and, when met, accept the offer to sell.

- Sign the offer as “read and approved” and scan/email or fax it to us.

Please sign documents as follows:

On the pages requiring the seller’s signature, please write “Read and Approved” and sign your name. IN THE MARGINS. Please leave the seller’s signature line blank so that we can sign on behalf of the IRA. On all other pages please write “R & A” and initial, again IN THE MARGINS. This lets us know that you have read each page.

If there are any other places within the document requiring initials, please write “R & A” and initial in each of those places to indicate that we should initial there as well for the IRA.

****If the title company prepared closing documents with signature lines that say “Read and Approved by” with your name, please disregard the above “IN THE MARGINS” and sign on the “Read and Approved” lines.****

- Complete the Sell Direction Letter and email/fax it to us with the accepted contract.
- We sign the contract and email it back to you.

3) You and your broker negotiate the terms and, when met, accept the offer to sell.

- You receive the closing documents from the title company and review them for accuracy and completeness. You then sign them as “read and approved” and scan/email or fax them to us at least 3 business days before closing is scheduled.
- We sign as the seller and email or overnight mail the documents to the title company. We also provide them our wiring instructions with your IRA name and account number indicated.
- The title company wires your proceeds back to your IRA account with us.
- We record your asset on our books as sold.

IRS Rules

Prohibited Transactions

The following actions are considered prohibited transactions, and could result in the distribution of this asset from your plan. Prohibited transactions apply to all disqualified persons to your plan.

1. Personal use of the property by disqualified persons. This includes vacations, family get-togethers, guest accommodations for friends and/or family, or renting to disqualified persons or entities (even if they were to pay fair market rent!)
2. Doing work personally or supplying “sweat equity,” for the property.
3. Use of your IRA’s assets as collateral for a personal loan.
4. Use of your IRA’s assets to guarantee credit for a loan on the property.
5. Taking a commission on the purchase or sale of the property.
6. Handling money related to the property, including paying expenses or receiving income for the property.
7. Buying or selling a property/asset from the plan from/to a disqualified person.

Disqualified Persons

The IRS rules prohibit the IRA from dealing with certain people. Disqualified persons to your plan include:

- You
- Your Spouse
- Your Ascendants (Parents & Grandparents)
- Your Direct Descendants (Children & Grandchildren)
- Your Direct Descendants’ Spouses
- Certain Fiduciaries (CPAs, Attorneys, Financial Planners, etc.)
- Retirement Plans held by Disqualified Persons

Unrelated Debt-Financed Income (UDFI/UBIT)

If there is a mortgage on the property—regardless of whether the property is owned directly by your IRA or by a legal entity owned by your IRA—you may incur Unrelated Business Income Tax. IRS Form 990-T may be required each year, even if the mortgaged property had losses. Please discuss this with your CPA.

Forms

Real Estate Owner's Checklist - This form alerts us to future payments.

- Complete the form, sign and date it, and email it to cashmgmt@ndtco.com. We must have a signed checklist and PAL on file prior to making any expense payments for you.

Payment Authorization Letter (PAL) - This form directs us to pay expenses for the property.

- When paying bills directly from the IRA, please provide us with an invoice (signed as "read and approved") and a Payment Authorization Letter (PAL).
- A PAL will need to be filled out for each type of bill (i.e. one PAL for all recurring bills and one PAL for each bill such as repair bills).
- Recurring PALs will stay on file in your account.
- There are two processing options for a payment:
Standard Processing: USPS Regular mail. Please allow 8-10 business days for processing.
Express Processing: FedEx Overnight, \$30 Fee

Rent Check Deposit Coupons - This form directs us to which account the property income is for.

- Please print the page and cut on the dotted lines. This page provides you with 4 months of coupons per property for your deposit checks. Complete 1 coupon per check and send to New Direction Trust Company

Property Management Acknowledgement Letter

- A Property Management Acknowledgement Letter identifies the Property Manager and his or her understanding of the IRS requirements.

Sell Direction Letter (SDL) - This form directs us to sell the asset/property.

- Please complete an SDL at the time you accept a contract offer and email it to the Acquisition Specialist who is assisting you with the sale.