



10900 NE 4th Street, Suite 1820
Bellevue, WA 98004
www.jenniferrealestate.com

Real Estate Options for Retirement Funds

Watching our retirement funds shrink during the crash of the stock market in April of 2000, many of us took drastic measures trying to rectify this downward spiral. To avoid “gambling” money in the stock market, we were forced into cash positions with our retirement funds. Few savings or money market accounts offered enough interest to do much more than cover inflation.

With the longevity of social security in doubt, most cannot afford to garner mediocre returns from their retirement investments, let alone lose money. Julie Ames of Issaquah, WA invested almost \$40,000 into two mutual funds in 1999. Julie indicated “These funds four years later are worth less than \$30,000.” She is not alone in her financial predicament.

Surprisingly, there are numerous options available to you other than mutual funds or money market accounts. For example, with your retirement funds it is possible to invest in real estate, mortgages, private notes, structured settlements, factoring, and limited partnerships. Tom Anderson CEO of PENSICO's Trust Company points out, “Because these are IRS-permitted investments, made within a qualified retirement plan, rolling current retirement funds into a self-directed IRA to do this type of investing is penalty-free.”

If it's penalty free and legal, why are the vast majority of Americans and their financial advisors not aware of the use of these self-directed IRAs? “The reason primarily is due to the lack of knowledge on the subject. There are, literally, only a handful of financial service firms in the nation willing to provide the required custodial and administrative services... [and] undertake the challenging research, extensive paperwork, and IRS-reporting required to administer non-traditional assets within IRA accounts,” explains Anderson.

David Nilssen co-founder of **Guidant Financial Group, Inc** explains that “most people are paralyzed by the possible consequences of setting up or incorrectly administering their own self-directed IRA.” For this reason, Nilssen created Guidant, a company that helps people navigate the problems of self-directed IRA investing. Specializing in helping clients from start to finish, Guidant handles all the paperwork, money transfers, legal advice, and even creation of a customized limited liability company because of the benefits it provides to their clients. IRA facilitators like Guidant work with custodians like PENSICO's to maximize the protection and profitability of those interested in having maximum flexibility and control of their IRA funds. After conducting extensive research on self-directed IRAs, Corrie Anders of the *Los Angeles Times* stated, “If you're interested in diversifying your IRA portfolio with real estate [or other non-traditional investments], begin by finding an IRA facilitator to help set up and administer [your] real estate [non-traditional] IRA.” Anders also cautions in her article, that investing in real estate or non-traditional IRAs is not a do-it-yourself proposition. As the chief executive of a firm specializing in the administration of IRAs which invests in real estate said, “We don't recommend this for people who are not sophisticated investors or who are not working with advisors.”

If you are unhappy with the returns or flexibility of your current retirement plan, there is another option available to you: The self-directed IRA. Remember to enlist the help of an IRA facilitator to legally protect your hard earned retirement savings.



Click here for more info email me at—j.nilssen@comcast.net