

IRA CLUB

Unlocking Capital: How Retirement Funds Can Fuel Your Next Big Deal!

Overview

A Self-Directed IRA (SDIRA) allows individuals to invest in alternative assets such as real estate, private placements, and life settlements. As a capital raiser, understanding how to work with SDIRA investors can open new funding opportunities for your deals while ensuring compliance with IRS regulations.

Key Rules & Considerations

- **Prohibited Transactions:** SDIRA funds cannot be used for personal benefit, and transactions with disqualified persons (e.g., the account holder, their spouse, lineal descendants, or entities they control) are prohibited.
 - **Investment Structure:** Ensure that the deal is structured to comply with IRS regulations, avoiding any self-dealing or conflicts of interest.
 - **Custodian Requirement:** All SDIRAs must be held by a qualified administrator, like IRA Club, who facilitates transactions and ensures compliance.
 - **Unrelated Business Income Tax (UBIT):** If the investment generates active business income, the IRA may be subject to UBIT.
 - **Due Diligence:** Educate investors on the importance of performing due diligence on your offering, the asset, and the potential risks.
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Scripts for Engaging SDIRA Investors

Introductory Script:

"Hi [Investor Name], I wanted to share an opportunity that could be a great fit for your Self-Directed IRA. Our investment structure allows SDIRA holders to participate in [real estate/private equity/etc.], providing potential for strong, tax-advantaged growth. Have you considered using your SDIRA for alternative investments?"

Handling Common Questions:

Investor: "Is this legal for my IRA?"

Response: "Yes! The IRS allows Self-Directed IRAs to invest in private placements, real estate, and other alternatives, as long as the investment follows their rules. I always recommend working with your SDIRA admin and CPA to ensure compliance."

Investor: "How does the process work?"

Response: "It's a simple three-step process: Open, fund, invest. After your Self-Directed IRA account is open and funded, you'll direct your IRA Club to move funds to the investment. Your IRA will then hold the asset and receive returns tax-deferred (or tax-free if it's a Roth IRA)."

Closing Statement:

"I'd love to help you explore how your SDIRA can be put to work in this opportunity. If you'd like, I can provide additional details and connect you with IRA Club to get started. What would be the best next step for you?"

Handling Common Investor Objections

Objection 1: "I've never heard of investing with an SDIRA before."

Response: "That's totally understandable—many people don't realize that the IRS allows investors to use their retirement funds for real estate, private lending, and other alternative assets. I can walk you through how it works, and I can also connect you with an IRA Club who can set up the account for you. Would you like a free guide on this?"

Objection 2: "Isn't that risky?"

Response: "Like any investment, there are risks, but the key advantage of an SDIRA is diversification. Instead of relying only on the stock market, you can invest in tangible assets with strong returns. Plus, real estate and private lending can provide more stability than traditional investments. I'd love to show you some examples of how other investors are leveraging their SDIRAs—would you be open to a short call?"

General Tips for Success

- **Educate First:** Many investors are unaware that their IRA can be used for alternative investments. Provide value by educating them on the benefits and process.
- **Work with IRA Club:** IRA Club can educate you and your team about self-directing, allowing for a more confident conversation with your investors.
- **Stay Compliant:** Ensure your investment structure does not trigger prohibited transactions or UBIT unnecessarily.
- **Follow Up:** Many investors need multiple touchpoints before making a decision. Keep them engaged with relevant updates and educational content.

By leveraging Self-Directed IRAs effectively, you can tap into a growing pool of capital while helping investors diversify their retirement funds in a tax-advantaged manner.

Contact IRA Club Today

Give us a call at 312-795-0988 or email us at info@iraclub.com