



Real Estate Investment Package

Required Documents for Closing

To Make an Initial Earnest Money Deposit	
<input type="checkbox"/> Real Estate Investment Authorization Form	➤ Complete in full, sign and date
<input type="checkbox"/> Purchase Contact <i>Signed "Read & Approved"</i>	In the name of "Directed Trust Company FBO [Client Name][account type]" .
<input type="checkbox"/> Earnest Money Deposit Request	➤ IRA funds MUST be used for earnest money deposit.

For Closing	
<input type="checkbox"/> Real Estate Investment Authorization Form	➤ Complete in full, sign and date
<input type="checkbox"/> Proposed Copy of Conveyance Deed	➤ The owner's name on Deed should read: "Directed Trust Company FBO [Client Name][account type**]" . ➤ For owner's address, use, 3033 N. Central Ave. Ste. 415, Phx, AZ 85012
<input type="checkbox"/> Preliminary Owner's Title Report	➤ Must be dated within 90 days. The proposed insured should read "Directed Trust Company FBO [Client Name][account type]**" .
<input type="checkbox"/> Settlement Statement <i>Signed "Read & Approved"</i>	➤ Signed by the Account Owner
<input type="checkbox"/> Escrow Instructions <i>Signed "Read & Approved"</i>	➤ If applicable
<input type="checkbox"/> Property Manager Agreement <i>Signed "Read & Approved"</i>	➤ Please use for all income producing properties.
<input type="checkbox"/> Loan Documents* <i>Signed "Read & Approved"</i>	➤ If applicable for non-recourse loan.
<input type="checkbox"/> Deed and Title Policy	➤ If the real estate is a transfer/rollover from another custodian.

*Any financing obtained must be non-recourse to the account, with no personal guarantee by the account holder. Financing might require you, the Account Owner, to report Unrelated Debt Financed Income (UDFI) on IRS form 990T. Contact your CPA or tax professional for assistance in completing these forms.

Vesting on Purchase Documents

The vesting on all purchase documents, including title to property should appear the same throughout all documents.

For example, vesting should be: "Directed Trust Company FBO John Doe IRA" or Directed Trust Company FBO John Doe Roth IRA, or Directed Trust Company FBO John Doe HSA, etc.

(only indicate percentage of owner if taking less than 100%). i.e., when taking title to property as tenants in common as to an undivided interest of 50%.

Prohibited Transactions

Broker cannot get a commission if he/she is a disqualified person.

Purchasing Property from/Renting to a Disqualified Person (Under IRC Section 4975)

Purchasing property from or renting to a disqualified person is a prohibited transaction that can lead to potential tax consequences for the Account Owner. For more information on prohibited transactions and disqualified persons, please review **IRC Section 4975** and **IRS Publication 590-B**.

INVESTMENTS: NOT FDIC INSURED ■ NO GUARANTEE ■ MAY LOSE VALUE

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Email Forms to:
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Phoenix, AZ 85012

Fax:
(602) 899-9641

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Earnest Money Deposit Request

Use this form to provide instructions for initiating earnest money deposits from your IRA. Please refer to the instructions and acknowledgements on the next page of this form.

The following documents must be submitted along with your request:

- Real Estate Investment Authorization form
- Purchase Contract

Processing Options

Select an option below. If no option is selected, Directed IRA will process your request as normal (within 3 business days). I understand that if my account does not have sufficient funds, my transaction may not be processed. Processing cannot begin until all Investment Documents have been received and determined to be in good order.

- Next-Day Service (\$150) – Must be received by 4pm MST Same-Day Service (\$250) – Must be received by 10am MST

1. Account Owner Information

First Name: _____ MI: _____ Last Name: _____
Last 4 of SSN: _____ Date of Birth: _____ Phone Number: _____
Directed IRA Account Number: _____ Account Type: _____

2. Purchase Contract

Buyer's name on Purchase Contract should read:

Directed Trust Company FBO _____
(Account Owner Name) (Account Type) % of ownership if less than 100%
Example: Directed Trust Company FBO John Doe Roth IRA; or Directed Trust Company FBO John Doe Roth IRA 40%

3. Earnest Money Investment Information

I hereby instruct Directed Trust Company to issue a check/wire for Earnest Money in the amount of \$ _____

The above requested amount is to be held in escrow for the purchase of the property located at:

Property Address: _____
City: _____ State: _____ Zip: _____

4. Document Forwarding Instructions

A copy of the signed investment documents will be scanned and emailed to you in accordance with our document handling policy. Please refer to the Records section of your Custodial Account Agreement and Disclosure for more information about how documents are stored at Directed Trust Company.

Recipients Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

- Regular Mail Overnight Mail (Charge my Directed IRA Account)
 Overnight Mail (Send via 3rd party billing): FedEx or UPS Account Number: _____
 Email to: _____ ATTN: _____
 Fax Number: _____

5. Funding Instructions

Please select option A or B below:

A. Check

Make Check Payable To: _____

Mail Check To: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Delivery: Regular Mail (7-10 business days) Priority Mail (2-3 business days) (\$15.00) Overnight Mail (\$35.00)

B. Electronic Funds Transfer

Bank Name: _____ Routing Number: _____

Account Holder's Name: _____ Account Number: _____

Reference Number: _____ Funding Deadline: _____

Delivery: Wire ACH Account Type: Checking Savings

*Routing Number may differ depending on selection

6. Instructions & Acknowledgement

I understand said property has not yet been deemed administratively feasible by Directed IRA and its purchase is subject to that determination, I further understand:

- Earnest money must be sent from the retirement plan for the portion of the property listed above to be held in the retirement plan.
- Any funds not used toward the purchase of property must be returned to my retirement account.
- Any income generated by the property must be received by the retirement plan and any expenses incurred from the property must be paid for by the retirement plan.
- All sale proceeds from the property must be returned directly to the retirement plan.

➤ _____
Account Owner Signature

Date

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Real Estate Investment Authorization

Use this form to initiate a real estate investment through your Directed Trust Company Account. All real estate investments are subject to administrative review by Directed Trust Company.

Documents Needed for Funding:

- ✓ Real Estate Investment Authorization Form
 - ✓ Proposed Copy of Conveyance Deed
 - ✓ Settlement Statement / HUD
 - ✓ Preliminary Owner's Title Report
 - ✓ Escrow Instructions
 - ✓ Property Management Agreement form
 - ✓ Property Management Documents
 - ✓ Loan Documents
- account owner.
- Vesting: *Directed Trust Company FBO Client Name Account Type*
Mailing Address: 3033 N. Central Ave., Ste. 415, Phx, AZ 85012
Signed as "Read & Approved" by Account Owner
Must be dated within 90 days. Proposed Insured be same as Vesting above.
Signed as "Read & Approved" by Account Owner
If applicable, see below
If applicable, signed as "Read & Approved" by Account Owner
If applicable. Must be a non-recourse loan and not personally guaranteed by
Signed as "Read & Approved" by Account Owner

Processing Options

Select an option below. If no option is selected, Directed IRA will process your request as normal (within 3 business days). I understand that if my account does not have sufficient funds, my transaction may not be processed. Processing cannot begin until all Investment Documents have been received and determined to be in good order.

- Next-Day Service (\$150) – Must be received by 4pm MST Same-Day Service (\$250) – Must be received by 10am MST

1. Account Owner Information

First Name: _____ MI: _____ Last Name: _____
Last 4 of SSN: _____ Date of Birth: _____ Phone Number: _____
Directed IRA Account Number: _____ Account Type: _____

2. Investment Instructions

I authorize Directed IRA to make (select one):
<input type="checkbox"/> New Purchase <input type="checkbox"/> Exchange

If this is a New All Cash Purchase, select and fill in the information below:	
<input type="checkbox"/> All cash purchase of \$ _____, plus closing costs outlined in settlement statement/HUD.	Closing Date: _____

Financed Purchases *Must complete <u>Financing Instructions</u> in Section 7	
<input type="checkbox"/> Financed purchase with a down payment of \$ _____ and I authorize Directed Trust Company to sign a Promissory Note and Deed of Trust/Mortgage. I represent that the loan is Non-Recourse and compliant for my IRA:	
Lender Name: _____	Total Amount: \$ _____

3. Property Information

Street Address: _____
City: _____ State: _____ Zip: _____
Property Parcel No. or APN: _____ **Percentage of Ownership:** _____ %

4. Closing Agent Information

Company Name		Contact Name
Street Address		
City	State	Zip
Phone	Fax	Email

5. Funding Instructions *Please select option A or B below:*A. Check

Make Check Payable To: _____

Mail Check To: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Delivery: Regular Mail (7-10 business days) Priority Mail (2-3 business days) (\$15.00) Overnight Mail (\$35.00)B. Electronic Funds Transfer

Bank Name: _____ Routing Number: _____

Account Holder's Name: _____ Account Number: _____

Reference Number: _____ Account Type: Checking Savings**Delivery:** Wire ACH

*Routing Number may differ depending on selection

6. Document Forwarding Instructions Use the address provided for the Closing Agent in Section 4 above. Other (please fill in information below)

Recipient's Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Select a delivery option (select one): Regular Mail Overnight Mail (Charge my Directed IRA Account) Overnight Mail (Send via 3rd party billing): FedEx or UPS Account Number: _____ Email to: _____ ATTN: _____ Fax Number: _____**7. Financing Instructions, if applicable (Check one if financing)** Property Manager will make note payments. (Please complete Property Management Agreement form) Upon closing, I will submit an Expense Payment Request form to set up an automatic payment for my loan.

Lender Name		Loan No.
Street Address		
City	State	Zip
Phone	Fax	Email

8. Acknowledgement & Signature

1. I understand that I am responsible, and Directed Trust Company is not responsible, for selecting and reviewing the above investment(s) and for determining the suitability, nature, value, risk, safety and merits of the investment that I authorize Directed Trust Company to make for my account.

2. I understand that Directed Trust Company is not related to or affiliated with the management or selling agent(s) of the investment(s) that I have instructed Directed Trust Company to purchase for my account. I acknowledge that Directed Trust Company has not reviewed, recommended or commented on the investment merits, risks, suitability or management of the asset(s) I have selected and I authorize Directed Trust Company to process this transaction. I therefore agree to release, indemnify, defend, and hold Directed Trust Company harmless from any claims arising out of making such investment. I also understand and agree that Directed Trust Company will not be responsible to take any action should the investment noted herein become subject to default, including fraud, insolvency, bankruptcy, or other court order or legal process.

3. I agree that any dispute regarding this investment shall be submitted to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association and the terms of the Custodial Agreement. I understand that the prevailing party shall be entitled to recover all legal fees, reasonable costs and expenses, and that these shall be in addition to any award of damage or any other relief to which the prevailing party is entitled.

4. I understand all the routine real estate expenses (e.g., tax bills, insurance premiums, homeowner's association payments, loan payments, and utility bills) will automatically be paid from my account upon receipt. Sufficient funds must be held in my uninvested cash account to make the required payment at least 14 days prior to payment due date. If funds are not available, I will be responsible for any interest or penalties incurred. Invoices for non-routine expenses (e.g., repairs and improvements) require specific Account Owner authorization prior to payment from the account. I agree that it is my responsibility to monitor my account activity to ensure all necessary expense payments have been processed.

5. I have consulted my own attorney and hereby represent that Directed Trust Company may hold title to this property. I

hereby represent to Directed Trust Company that I understand the risks involved with this investment, specifically, that there may be liability above and beyond the amount of the investment in the property (e.g., ad valorem property taxes on the property or liability arising under Environment Laws). The losses will include any losses caused by, or arising out of, the presence, on or about the Property, of any Hazardous Substances, or any person or entity complying or failing to comply with any Environment Law. The term "Environment Law" means any law, rule, regulation, or ordinance relating to protection of the environment or human health. The term "Hazardous Substance" means any substance defined as hazardous or toxic, or otherwise regulated by any Environmental Law.

6. I have made arrangements with the property manager designated in the Property Management Agreement. Directed Trust Company will not be responsible for errors and omissions in the management agreement or for any actions taken by the Property Manager.

7. I represent that the above investment is not a prohibited transaction, as defined in the Internal Revenue Code and Department of Labor regulations. I further agree that if my IRA receives and unrelated business taxable income that this may require my IRA to file a 990-T tax return to the IRS and/or state tax authorities and that it is my responsibility to determine whether such sums are due and to ensure that such filing is made for my IRA.

8. I acknowledge that this investment is not insured by the FDIC, is not an obligation of or guaranteed by Directed Trust Company is subject to risk, including the possible loss of principal.

9. I understand that I am responsible for ensuring that any documents relating to any investment are signed, recorded, genuine, legally enforceable, and/or sufficient to give rise to legal interest. I acknowledge that Directed Trust Company shall have no duty or responsibility to take such actions and that if this documentation is not provided to Directed Trust Company in a timely manner, my investment could be issued to me as a distribution.

10. I agree that this Real Estate Investment Authorization is further subject to all the terms and conditions of the Custodial Account Agreement.

I understand that I must provide a real estate appraisal for any real estate transaction request I submit that will result in a taxable event (e.g., distribution). I also acknowledge that on an annual basis, I will be asked to provide an updated valuation for each real estate investment within my account(s). Such annual valuation may be in the form of a comparative market analysis or other source deemed to be acceptable by the Custodian.

➤ _____
Account Owner Signature

Date

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Property Management Agreement

Note: This form is not required if you are not using a property manager. If you are using a property management company, please remit a copy of the property management agreement document along with this form.

Processing Options

Select an option below. If no option is selected, Directed IRA will process your request as normal (within 3 business days). I understand that if my account does not have sufficient funds, my transaction may not be processed. Processing cannot begin until all Investment Documents have been received and determined to be in good order.

- Next-Day Service (\$150) – Must be received by 4pm MST
- Same-Day Service (\$250) – Must be received by 10am MST

1. Account Owner Information

First Name: _____ MI: _____ Last Name: _____
 Last 4 of SSN: _____ Date of Birth: _____ Phone Number: _____
 Directed IRA Account Number: _____ Account Type: _____

2. Property Information

Street Address: _____
 City: _____ State: _____ Zip: _____

3. Property Manager Information

Property Manager Company: _____
 Contact Name: _____
 Street Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Email: _____

4. Recitals & Agreement

The Account Owner appoints Property manager to provide the services listed in this agreement and the Property Manger accepts such appointment. The Account Owner and Property Manager agree that the Property Manager is the Property Manager of the Account Owner, and not of Directed Trust Company. The Account Owner acknowledges that Directed Trust Company has not advised the Account Owner with respect to the selection of a Property Manager. The Account Owner agrees that he or she has sole responsibility, and not Directed Trust Company for the selection, retention, termination and monitoring of the Property Manager. The Account Owner and Property Manager agree that Directed Trust Company has a limited role in its capacity as Custodian of the Account and hereby agree that Directed Trust Company will not be responsible for any of the Property Manager’s duties or for the enforcement of this agreement.

Account Owner hereby designates the individual or entity identified above as Property Manager for the property identified on this form. By signing below, Account Owner and Property Manager, agree to and acknowledge the following:

- The Property Manager is a third party to this transaction (i.e., not the Account Owner or renter)
- A spouse or other disqualified person, appointed as Property Manager, will not be compensated for managing the property.
- The Property Manager agrees to comply with all local, state and federal property management laws while acting as Property Manager.

- The Property Manager will send all payments received to Directed Trust Company for deposit into Account Owners retirement account.
- The Property Manager will retain records for all parties. Records include but are not limited to: rental payment history (funds received from renters and any funds dispersed by the Property Manger to cover expenses), bank statements, and rental/lease agreements. Upon request, the Property Manager will provide a full accounting of these records to the Account Owner or Directed Trust Company.
- The Property Manager will provide notification to Directed Trust Company and Account Owner in the event of default and coordinate eviction proceedings as directed and approved by the Account Owner.
- The Property Manager will contact billing parties to ensure bills are forwarded to the address of the Property Manager.
- The Property Manager will ensure all expenses related to the property are paid according to the percentage of ownership.

➤ _____
Property Manager Signature

Date

➤ _____
Account Owner Signature

Date

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After You Invest in Real Estate

Property Maintenance

- You are not required to appoint a Property Manager. If you choose not to appoint one then please ensure all expenses – anything your property needs, from repairs on broken windows to leaky faucets – and all income flow through your Directed Trust Company account. Expenses should not be paid out of personal funds, so be sure to maintain enough cash in your IRA account to manage these costs.
- To ensure accurate recording of all income for your property, please have all income sent to Directed Trust Company with a Deposit Slip. This is very important when a renter is making payments directly to your account.
- Property Managers will be able to authorize Directed Trust Company to pay expenses under \$5,000 with documentation (bills, estimates, etc.), excluding property management advances.
- Directed Trust Company will pay all mandatory bills that we receive, regardless of whether you appoint a Property Manager for your real estate investment. Examples of mandatory bills: property taxes, insurance, utilities, homeowner association (HOA) dues, loan payments, etc. (Optional bills include, but are not limited to, property management advances, maintenance bills, improvement costs and attorney fees.)
- Tax bills of \$5,000 or less, received by Directed Trust Company will be paid in full by the first installment date.
- If you do not wish for Directed Trust Company to pay mandatory bills from your IRA/Account, you will need to contact the bill issuers to update your preferred billing address.
- All expenses related to your investment should be paid according to the percentage of ownership. To request an expense payment from your account, you must submit the Expense Payment Request form along with a copy of the bill requesting to be paid. The IRA is the legal owner of the property so any legal agreements or transactions that require signature will need to be submitted to Directed Trust Company for review.
- Please work with your tax advisor to ensure all taxes related to Unrelated Debt-Financed Income (UDFI) and Unrelated Business Taxable Income (UBTI) are paid accordingly by the IRA, if applicable. For more information about UDFI and UBTI, visit www.directedira.com
- Directed Trust Company does not monitor real estate investment expenses. It is the Account Owner's responsibility to protect the property and monitor the investments of the Account.

Prohibited Transactions

- A disqualified person cannot live in or rent out the property.
- The IRS prohibits personal use or use by disqualified persons as defined under IRC Section 4975. In addition, any property maintenance or repairs must be done by a third party. Any personal use or providing "sweat equity" by the Account Owner or a disqualified person may result in your retirement account being disqualified.
- Do not pay expenses outside of the IRA.

*NOTE: The above list are only some examples of how people can create a prohibited transaction in their account. Please review **IRC Section 4975** and **IRS Publication 590-B** for other situations that could cause a prohibited transaction or talk to your tax, legal, or financial professional about your options.

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Real Estate Income Deposit Slip

****Make all checks payable to Directed Trust Company FBO (Account Owner Name)(Account Type). If funds are being sent via a wire, please fax this Deposit Slip prior to the wire being sent.**



Rental Income Proceeds from Sale Other: _____

Account Holder Name: _____

Account Number: _____

Property Address: _____

Check Amount: \$ _____ Check Number: _____ Expected Wire Date (if applicable): ____/____/____

Mail Checks to:
Directed Trust Company
3033 N. Central Ave. Ste 415
Phoenix, AZ 85012
Fax: 602-899-9641

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