

# Using Retirement Plan Funds to Invest in Real Estate

by Duane Duggan, RE/MAX of Boulder Inc.

When most people think of IRAs, SEPs, 401ks, etc they usually think of investing in the stock market, mutual funds etc. However, using a self directed retirement account, your retirement plan can hold real estate, along with a variety of other real estate related investments. Anyone can use their retirement plan to invest in real estate but you must have the proper plan set up.

It has been permitted by the IRS to use retirement funds for investing in real estate since the 70's, however, most people were not aware of this because often the retirement plan administrators would not provide this option. The idea of real estate investments not being allowed within retirement fund accounts is so entrenched in the public that many CPAs are now just learning about the concept and "approving" it for their clients.

The first step for utilizing retirement plan funds for real estate investing is to find a plan administrator who is set up to provide self-directed plan services. The next step is to fund the account, then in turn, use those funds to purchase allowable real estate assets.

In order to invest in real estate you must have a self directed retirement plan. You need to have an administrator of your plan. The administrator does not give investment advice but only acts upon direction from you. They typically charge a fee per asset per year to administer the plan. Fees may also be structured based on the size of the account.

## **Locally, a company that offers self-directed retirement plans is:**

**Entrust New Direction IRA, Inc.,  
4450 Arapahoe #100, Boulder, CO 80303.  
303-546-7930.**

**Contacts are: Bill Humphrey and Catherine Wynne**

**Please check out their web site for additional detailed information on Using Your Retirement Plan Funds to Invest In Real Estate!**

**[www.NewDirectionIRA.com](http://www.NewDirectionIRA.com)**

Please feel free to contact me for additional information on this investment opportunity or to find out when my next seminar will be held on this topic!

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