

SDIRAs—A Powerful Tool

Page 1: Self-Directed IRAs—A Powerful Tool for Retirement Investing

What is a Self-Directed IRA (SDIRA)?

A Self-Directed IRA is a retirement account that enables you to take direct control over how your retirement savings are invested. Unlike traditional IRAs, SDIRAs allow investments far beyond stocks and mutual funds—including real estate, private businesses, precious metals, notes, and more. With an SDIRA, you decide which assets to acquire, allowing for greater diversification and potential growth.

Key Benefits of Investing with an SDIRA:

- **Tax-Free Growth:** Income and gains inside an IRA grow either tax-deferred (Traditional) or tax-free (Roth), meaning your investments compound without yearly tax drag.
- **Expand Your Investment Choices:** SDIRAs open the door to real estate, private lending, syndications, startups, farmland, and even cryptocurrency—but always within IRS-approved options.
- **Passive Income Opportunities:** You can use your SDIRA to invest in rental property, real estate partnerships, or private mortgages, generating steady income toward retirement.
- **Asset Protection:** Retirement accounts are generally protected from creditors, giving your investments an extra layer of security.
- **Portfolio Diversification:** Diversify beyond the stock market, safeguarding your savings against market volatility.

Steps to Start Investing Through an SDIRA:

1. **Choose the Right Custodian:** You will need an IRS-approved custodian who specializes in alternative assets. Leading providers include Entrust Group, Equity Trust, Alto IRA, Rocket Dollar, IRA Financial Trust, Madison Trust, Strata Trust, and more.
2. **Fund Your Account:** You may roll over existing IRAs, 401(k)s, or make direct contributions. Most custodians handle rollovers seamlessly.
3. **Select Your Investments:** From commercial real estate to private loans and gold, you can pick assets that suit your experience and risk profile.
4. **Maintain Compliance:** Custodians help with reporting and documentation, but investors must understand prohibited transactions and disqualified persons to avoid tax penalties.

Page 2: Maximize Your Retirement with Passive Income & Tax-Free Funding

How SDIRAs Create Tax-Free Income

- Rental Income: Rental profits from properties bought with IRA funds grow tax-deferred or tax-free, depending on your account type.
- Real Estate Appreciation: Gains from property sales inside the IRA enjoy powerful tax benefits.
- Private Lending: Make loans secured by real estate or other assets, earning interest directly to your account.

Most Frequently Asked Questions by New SDIRA Investors

Collected from investor forums, Reddit, and industry FAQs:

- What investments are allowed?
*Most IRS-approved assets (real estate, private companies, notes, metals).
Excluded: collectibles, life insurance, and S-corp stock.*
- What are prohibited transactions?
Personal benefit or transactions with disqualified persons (yourself, spouse, parents, children) are strictly forbidden.
- Can I buy property and manage it myself?
Yes, but you cannot personally benefit (use or occupy the property, perform repairs, or receive compensation).
- Can my SDIRA obtain a mortgage or leverage?
Yes, but only non-recourse loans are permitted. Part of income on leveraged real estate may be subject to special tax rules (UBIT/UDFI).
- How do I choose the right custodian?
Seek providers with experience in your target asset, transparent fees, and strong compliance support.

Common Pitfalls to Avoid:

- Violating IRS prohibited transactions (e.g., self-dealing, improper personal use of assets).
- Not understanding fees and account costs before opening.
- Selecting custodians lacking expertise in your chosen asset class.

Why Investors Use SDIRA for Passive Income:

- Invest in assets you know best (real estate, private lending, etc.).
- Generate income with potential for tax-free growth.
- Build wealth outside the stock market, protected from creditors and market crashes.
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Get Started Today:

Unlock your retirement's potential by speaking with a reputable SDIRA custodian or consulting industry experts. Learn how tax-free funding and passive income can help you retire on your terms!

7 COSTLY MISTAKES guide

BONUS!! 7 COSTLY MISTAKES

Pitfalls When Using an SDIRA to Invest in Commercial Real Estate and How to Avoid Them

1. Prohibited Transactions (IRS Rules)

Pitfall: Engaging in self-dealing or transactions with “disqualified persons” such as yourself, your spouse, ancestors, descendants, or certain business entities (e.g., renting a property to your child, performing maintenance work yourself) will trigger severe tax penalties.

How to Avoid:

- Never personally use, occupy, or repair IRA-owned commercial assets.
- Only transact with arms-length third parties.
- Ask your custodian about specific situations before acting.

2. Inadequate Due Diligence on Properties and Syndications

Pitfall: Rushing into deals without verifying property quality, title, market conditions, or sponsor credibility can result in losses.

How to Avoid:

- Conduct professional third-party due diligence and property inspection.
- Work with experienced commercial real estate groups and track record sponsors.
- Review legal documents carefully with your attorney.

3. Liquidation Challenges & Illiquidity

Pitfall: Commercial real estate is usually illiquid, leaving your retirement funds “locked up” in slow-moving assets.

How to Avoid:

- Diversify—don’t allocate all IRA funds into a single property or sponsor.
- Understand the investment timeline before committing funds.
- Retain enough cash in your IRA for emergencies or required minimum distributions (RMDs).

4. Unfamiliarity With UBIT/UDFI Taxes on Leveraged Deals

Pitfall: If your IRA uses a loan to buy property, income from leveraged assets may be subject to Unrelated Business Income Tax (UBIT/UDFI), which can reduce returns.

How to Avoid:

- Learn IRS rules on non-recourse loans and UBIT before leveraging.
- Ask your custodian or CPA for guidance before investing in debt-financed real estate.
- Factor potential taxes into your projected returns.

5. High Fees and Unclear Fee Structures

Pitfall: Some custodians charge extra for complex assets, transactions, and due diligence. These fees add up and erode investment gains.

How to Avoid:

- Compare all fees (setup, annual, asset, transaction) across custodians before opening an account.
- Choose custodians specializing in commercial real estate and transparent pricing.
- Read the fine print—ask for a written fee schedule.

6. Documentation Errors & Poor Record-Keeping

Pitfall: Missing paperwork, late filings, or incorrect titling of IRA-owned assets can jeopardize the tax-advantaged status of your account.

How to Avoid:

- Work closely with your IRA custodian for all documentation.
- Title assets and contracts with correct IRA ownership language (“XYZ Custodian FBO [Your Name] IRA”).
- Keep detailed records and timely communication with all parties.

7. Lack of Compliance Education

Pitfall: Not understanding the legal, IRS, and custodian requirements puts your investment—and tax benefits—at risk.

How to Avoid:

- Attend SDIRA education webinars or read official guides.
- Consult qualified IRA attorneys or experts when investing in commercial real estate.

- Ask all questions up front—don't hesitate to clarify confusing rules.

Emails for 7-mistakes

Emails for 7-mistakes

Here are two distinct versions of the lead magnet introduction for Odin Capital Group—one with a more educational tone, and the other more promotional—so you can compare and choose which suits your needs best.

Educational Version

Many investors are unaware that self-directed IRAs (SDIRAs) offer a unique opportunity to diversify retirement portfolios by investing directly in commercial real estate. At Odin Capital Group, we serve as sponsors who provide access to professionally managed commercial property investments that can be funded through your SDIRA. While we are not custodians or financial advisors, this guide will help you understand the critical IRS rules, compliance requirements, and investment considerations involved in using an SDIRA for real estate.

Our guide, “7 Costly Mistakes When Using an SDIRA to Invest in Commercial Real Estate—and How to Avoid Them,” explains essential topics such as prohibited transactions, unrelated business income taxes (UBIT), due diligence, and documentation protocols. With this knowledge, investors can protect the tax-advantaged status of their IRAs and avoid common pitfalls that jeopardize returns and compliance.

By educating yourself on these issues, you position your retirement investments for greater stability and growth within the commercial real estate space. Use this guide as a foundation to confidently collaborate with your IRA custodian, legal advisors, and professional sponsors like Odin Capital Group for a compliant and successful investment journey.

Promotional Version

Did you know your self-directed IRA (SDIRA) can open the door to lucrative commercial real estate investments? At Odin Capital Group, we are trusted sponsors offering exclusive access to commercial properties that allow you to put your retirement capital to work with tax advantages and passive income potential. While we are not custodians, we guide investors like you to smart, compliant real estate opportunities tailored for SDIRA accounts.

Our guide, “7 Costly Mistakes When Using an SDIRA to Invest in Commercial Real Estate—and How to Avoid Them,” reveals the insider tips and essential compliance steps you need to protect your retirement funds and maximize returns. Avoid costly errors with our expert insights on IRS rules, investment due diligence, taxes, and paperwork.

Ready to diversify and grow your retirement savings with commercial real estate? Download your free copy today and discover how Odin Capital Group can sponsor your journey into high-quality SDIRA investments designed for long-term wealth building.

Let me know if you want to adjust tone, length, or style in either version!

Here is a combined version of the lead magnet introduction, blending an educational tone with promotional elements to build credibility and encourage immediate engagement for Odin Capital Group as a sponsor.

Many investors don't realize that their self-directed IRA (SDIRA) can be a powerful tool to invest directly in commercial real estate, offering diversification, passive income, and potential tax advantages. At Odin Capital Group, we are not custodians or financial advisors; rather, we are dedicated sponsors providing access to exclusive commercial property investment opportunities that you can utilize through your SDIRA. This guide is designed to help you understand the possibilities and complexities of investing retirement funds in real estate with confidence.

In "7 Costly Mistakes When Using an SDIRA to Invest in Commercial Real Estate—and How to Avoid Them," we clearly explain critical IRS rules, common investment pitfalls, and due diligence best practices that every SDIRA investor must know. From avoiding prohibited transactions to understanding tax implications and proper documentation, the insights in this guide empower you to protect your tax advantages and make smart, compliant decisions alongside your custodian and trusted advisors.

If you're ready to explore commercial real estate investments within your SDIRA, this guide is your essential first step. At Odin Capital Group, we provide professional sponsorship and access to vetted properties, helping you unlock the potential of your retirement capital. Download your free copy today and take the first confident step toward diversifying your portfolio with commercial real estate through your SDIRA.

If you want, this can be tailored further to emphasize either the educational or the promotional aspect more strongly.

Here's a refined version of your lead magnet introduction that clearly positions Odin Capital Group as a sponsor—not a custodian—while educating investors about SDIRA opportunities in commercial real estate.

Many investors are surprised to learn that their self-directed IRA (SDIRA) can be used to invest directly in commercial real estate. At Odin Capital Group, our role is not that of a custodian or financial advisor—we are a trusted sponsor helping investors access professionally managed commercial property opportunities. This guide was created to help you understand how SDIRAs work in real estate investing so you can confidently explore these strategies with your custodian or financial professional.

In our guide, “7 Costly Mistakes When Using an SDIRA to Invest in Commercial Real Estate—and How to Avoid Them,” you’ll learn the key IRS rules, common pitfalls, and due diligence steps every retirement investor should know before participating in private real estate opportunities. We break down complex topics like prohibited transactions, UBIT taxes, and documentation requirements into straightforward, actionable insights.

Our goal is simple—to help investors recognize that SDIRAs offer a powerful path to diversification through commercial real estate. With the right professional support and compliance awareness, you can put your retirement capital to work in an asset class that generates passive income, tax advantages, and long-term growth potential. Download your copy today to start learning how SDIRA investing can open the door to new commercial real estate opportunities with Odin Capital Group.

Would you like this version to sound more educational for investor credibility or more promotional to encourage immediate engagement?