

INTRODUCTION

In recent times, we have all witnessed a new realization that investments can be fickle. Stocks and the broader financial markets have shown significant declines, causing many people to move money from those investments to cash, hoping a better opportunity to enhance their retirement nest eggs will appear. Now it has. Along with the financial decline, real estate prices have readjusted in many areas of the country, offering great deals to investors who understand that real estate is one of the best investments available.

Some investors remember a similar scenario in the 1980s as real estate prices readjusted and then set upon an unprecedented march upward in value over the next 25 years. We are once again perched upon a dawn for those who can recognize the pattern of opportunity.

Many Americans have saved their hard-earned money in tax-advantaged individual retirement accounts (IRAs) and are frustrated because they assume that this money can't be used to take advantage of the windfall in real estate, but this is a false assumption. IRA funds *can* be used to purchase real estate for investment purposes, offering the opportunity to take advantage of both capital appreciation and immediate cash flow into your IRA.

Throughout the pages of this book, we will show you the precise steps involved to master this type of investment and returns that simply can't be found in other areas during our current economic climate. We'll start with a basic introduction to the ideas that motivate each of us when investing our retirement money. This includes the wealth of misinformation offered by financial companies who campaign hard to ensure you only buy their products. This misinformation keeps many people from maximizing their opportunities, and we will dispel any rumors from financial propaganda that could be holding you back.

We'll also discuss the basics of IRAs, how they came to be, and Internal Revenue Service rules governing them. The IRS can seem intimidating to many people, but it need not be. Once you achieve your own comfort level and know for yourself what the rules are, or aren't, you will feel confident that this investment is for you.

For most people, IRAs are just one component of their overall financial plan. By focusing on what you want to achieve for your retirement, you can create a financial plan that helps you meet those goals. Many people who created a financial plan even as recently as five years ago will now find it obsolete given the turbulent market and falling returns in almost every investment class. Real estate can fill that gap, so an updated financial plan is in order to be sure you are still on track for the retirement you want and deserve.

One of the creative products that makes investing IRA funds in real estate a possibility for almost everyone is the advent of the IRA non-recourse loan. This type of financing was created specifically to allow investors the opportunity to use these tax-advantaged retirement funds to build a real estate investment portfolio. We'll explain in detail how it works and why using this type of leverage will allow you maximum gain for minimal money.

This book is a great resource for those who are currently unfamiliar with any kind of real estate investing as well as experienced real estate investors. We discuss the basics of locating and evaluating properties and how to make good decisions about the type and cost of particular types of real estate investments. This includes helpful hints and secrets known to the most experienced real estate investors.

The legal and taxation issues are important to understand—even though you will usually have a qualified professional handling these areas. We have expert Eric Wikstrom, CPA, CFP®, who will explain in detail what you need to know before pursuing this investment strategy and any potential pitfalls that you need to understand.

What happens when you want to sell the real estate owned by your IRA? We have expert Edwin Kelly, Director of Retirement Education Group,

an affiliate of Equity Trust Company, to discuss different exit strategies to maximize your returns and reduce the amount of taxes paid (if any) by your retirement plan.

There are certain transactions that are prohibited when using IRA funds. We also have Tom Anderson, Vice Chairman and founder of PENSCO Trust Company, to offer his vast knowledge in the area of prohibited transactions. Tom has outlined an exhaustive list of things you can and cannot do within in your IRA, and he provides a quiz to test your knowledge.

I have also added a frequently asked questions section for those areas that are of most common concern for people. This allows you to simply scan through and get your questions answered quickly and easily.

There are options available that not only allow you the opportunity to gain higher returns, but also to create long-term income through real estate investments.