



Real Estate-Backed Lending With Trust Deeds



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All information and materials are for **educational purposes only**. All parties are encouraged to consult with their attorneys, accountants and financial advisors before entering any type of investment.

Today's Agenda

- ❖ Introducing Self-Directed IRAs
- ❖ Understanding Trust Deed Basics
- ❖ Analyzing Advantages and Drawbacks
- ❖ Mitigating Risk With Due Diligence
- ❖ Learning How to Get Started





Meet *Your Host*



Tony Unkel



5 Years at Entrust



Educates investors and professionals on tax-preferred retirement accounts with the essential tools to make informed decisions in alternative investments



Who Are We?



Self-Directed IRA Administrators



**Knowledgeable Staff with
CISP Certifications**



Monthly Educational Webinars



Annual IRA Academy





About Entrust



\$5B

Assets Under
Administration



45k

Investors
Empowered



40

Years of
Service



1

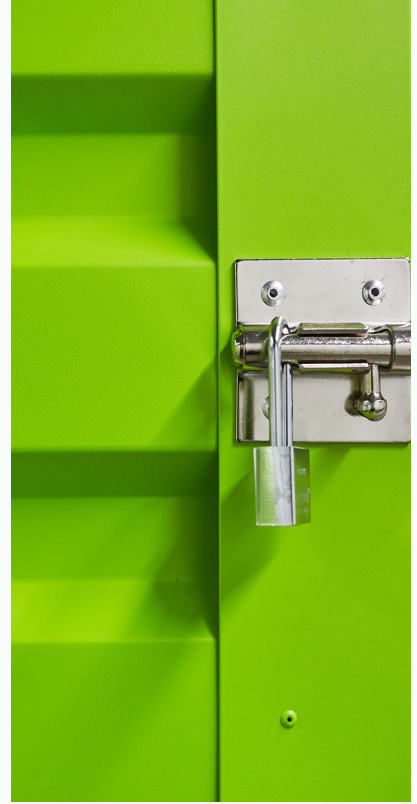
Point of
Contact

Introducing SDIRAs



What is a Self-Directed IRA?

A retirement account in which the individual is in charge of making all investment decisions



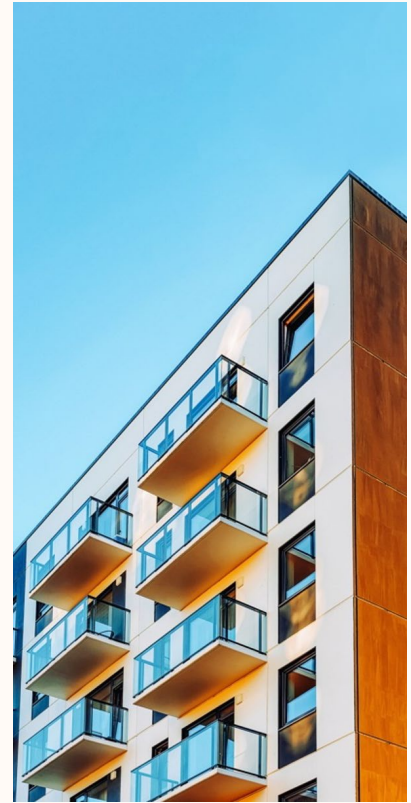
What is a Self-Directed IRA?

Greater opportunity for
asset diversification outside
of traditional stocks, bonds,
and mutual funds



What is a Self-Directed IRA?

All securities and investments are held in a retirement account administered by a regulated custodian or trustee





Real Estate-Backed Lending with Trust Deeds

How to Diversify Your Self-Directed Portfolio
By Using Real Estate as Collateral

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THE
INVESTOR'S SOURCE LLC
PRIVATE FUNDING SOLUTIONS

Introduction to Trust Deeds

- Trust Deeds (Deeds of Trust) or Mortgages are loans secured by real property most often by investors, builders, & flippers.
- Almost always 1st position
- Short-Term - usually 6-12 months
- Higher interest rates
- Loans repaid by selling/flipping or refinancing the property



Why Invest in Trust Deeds



- Security - all loans secured by real property
- Liquidity - funds not tied up in long-term projects; loans are regularly paying off
- Appropriate in appreciating or depreciating real estate market
- Makes sense in your IRA from a tax standpoint
- Professional management
- Investing with a purpose

3 Ways To Invest in Trust Deeds

1. Making loans yourself
2. Making loans using a broker
3. Investing in a pooled lending fund



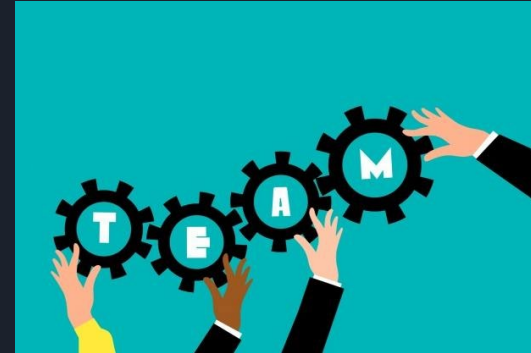
Making Trust Deed Loans Yourself - Advantages

- Most income potential - including points
- Most control over loan choice
- Building your own business without reliance on a broker
- Your name on the Prommissory Note & DOT
- No accreditation requirements



Making Trust Deed Loans Through a Broker - Advantages

- Professionally managed - avoid mistakes & omissions
- Less work and saving time
- Actively participate in which loans you choose to fund
 - Your name on the promissory Note & DOT
- More deal flow than you may get on your own
- More control & participation than in a pooled fund
- No accreditation requirements





Investing in a Pooled Lending Fund - Advantages

- Professionally managed
- Most passive requiring the least of your time
- Greatest diversification and sharing of risk
- Investment working 24/7/365
- Often the lowest required investment



Due Diligence - Risk Mitigation - The Deal

- Overvaluation - Order appraisal or BPO and visit property
- Inadequate Budget - Budget meeting
- Title Issues - Get title insurance
- Market Changes - Use Home Facts or like to get basic data about an unfamiliar market. Speak to real estate agents, appraisers and other lenders about market conditions in that market.



Due Diligence - Risk Mitigation - The Borrower



- Credit Risk - Pull a credit report and criminal background check
- Character Issues - Meet the Borrower at the property and check references
- Liquidity - Ensure adequate reserves for interest payments & budget overages



Broker Due Diligence - What To Look for in a Hard Money Lender and/or Pooled Lending Fund

- Experience and Track Record
- Transparency - gives you the good with the bad
- Reputation - known for fairness with both borrowers and lenders
- Humility - realizing every deal presents its own unique challenges
- Strong Team
- Skin in the Game





Market Forces & Their Impact on Private Lending

- Fed Interest Rate & Mortgage Rates creating reduced activity, downward price pressure, and refinance difficulties
- Housing Crisis and Supply Issues
 - **Pluses:**
 - Upward pricing pressures
 - Available take-out buyers
 - **Minuses:**
 - Higher prices-fewer investors
 - Difficult climate with more government regs
- Inflation is making hard assets more desirable — trust deeds are an example of how investors are hedging in their strategy
- Immigration driving uncertain effects, price support with greater demand, and downward price pressure with population exodus



Getting Started

- Identify a lending opportunity
- Do your due diligence
- Put together iron-clad loan docs
- Identify a title company and get title insurance and a closer lined up
- Contact Entrust and inform them you will need funds available to fund a Trust Deed investment yourself, with a broker, or in a pooled lending fund
- Close the loan





Contact Information

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Let's Wrap Up





Getting Started **in 3 steps**



Open an
Entrust Account



Getting Started **in 3 steps**

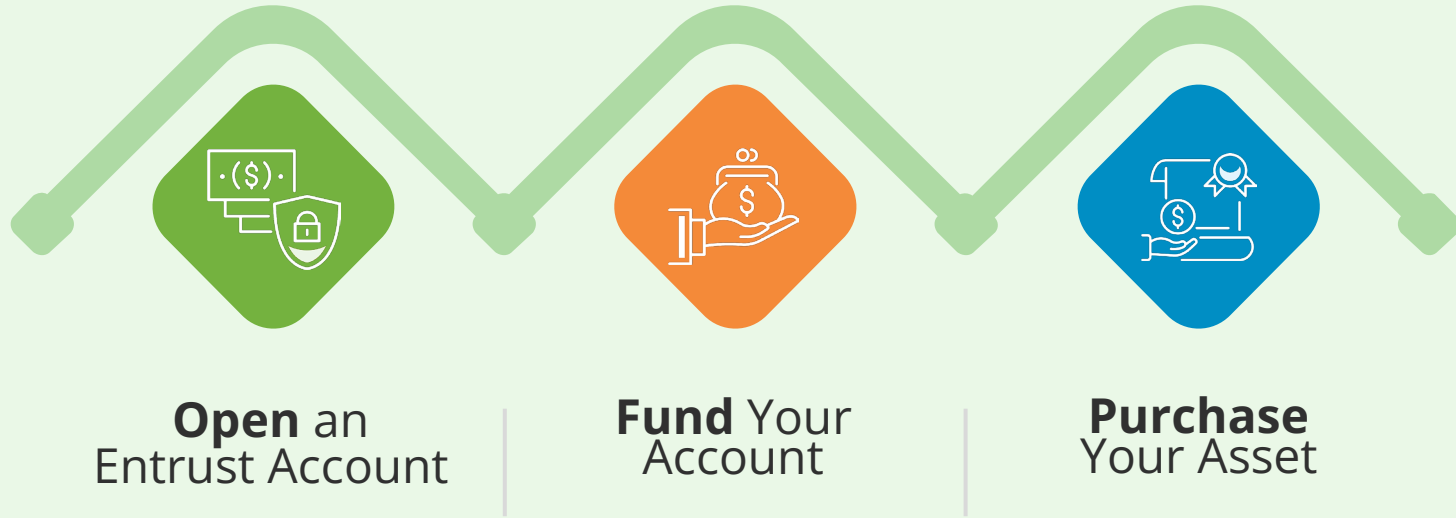


Open an
Entrust Account

Fund Your
Account



Getting Started **in 3 steps**





What's **Next?**

Need more information on SDIRAs?

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Question & Answer Session




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Learning gives CREATIVITY

Creativity leads to THINKING

Thinking provides KNOWLEDGE

Knowledge makes you GREAT

- *Abdul Kalam*

