

Trust Deeds 101: Using Real Estate as Collateral





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Agenda

- 1 Introducing Entrust & The Investor's Source
- 2 How to define trust deeds vs. other asset classes
- 3 What sets trust deeds apart
- 4 Making Trust Deed Loans Yourself
- 5 Making Loans Through a Broker
- 6 Investing in a Pooled Lending Fund
- 7 What to look for in a lender
- 8 Q&A time

Meet Your Host

Tony Unkel

Business Development Manager at The Entrust Group



Years at Entrust



Educating investors and professionals
on tax-preferred retirement accounts

About Entrust



\$4B

Assets Under
Administration



45k

Investors
Empowered



40+

Years in
Business



1

Point of
Contact

About Entrust



- Self-Directed IRA administrators
- Knowledgeable staff with CISP designations
- Nationwide offices
- In-person events and virtual webinars
- National Continuing Education program for other credentials
- Bi-annual IRA Academy

What is a Self-Directed IRA?



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



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



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



Trust Deeds 101

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



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Introduction to Trust Deeds

- Trust Deeds (Deeds of Trust) or Mortgages are loans secured by real property for business purposes
- Short-Term - usually 6-12 months
- Loans repaid generally by selling/flipping the property or refinance



Why Invest in Trust Deeds



- Return - 6-12% very possible
- Security - all loans secured by real estate
- Liquidity - funds not tied up in long-term projects; loans are regularly paying off
- Makes sense in your IRA from a tax standpoint
- Professional management
- Invest 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

Pros

- Most income potential - including points
- Most control over loan choice

Cons

- Most work and demands on your time!
- Greatest chance of missing steps and/or making errors





Making Trust Deed Loans Through a Broker

Pros

- Professional Management
- Avoid mistakes and omissions
- Much less work and freeing up of your time
- Actively participate in which loans you choose to fund
- Your name on the promissory Note & DOT

Cons

- No points
- Fewer opportunities than you might get in a pooled lending fund
- Less diversification - all your eggs in one basket
- Return may be lower than in a pooled lending fund



Investing in a Pooled Lending Fund

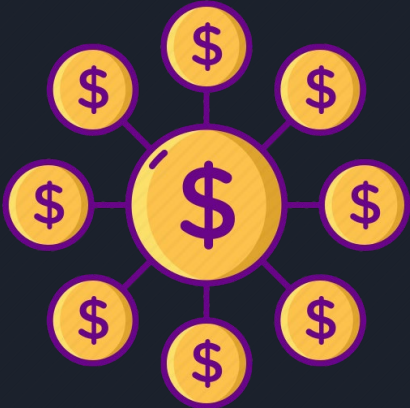
Pros

- Professional management - avoid mistakes & omissions
- Most passive giving you the most time
- Greatest diversification and sharing of risk
- Likely the most opportunity
- Funds are working

24/7/365

Cons

- Least amount of direct control - Fund Manager makes final loan decisions
- Potentially the least liquidity
- Lower returns???



What To Look for in a Hard Money Lender and Pooled Lending Fund

- Experience and Track Record
- Transparency - give you the good with the bad
- Reputation - known for fairness with both borrowers and lenders
- Humility - is your broker willing to get the needed expertise to help where needed?
- Strong Team





Contact Information

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What's Next?



Upcoming Webinar – *Preparing Your IRA for 2023 Taxes & Changes*

➡ Register today & join us on December 14!



Have feedback or topic requests?

➡ Let us know in the survey as you leave



Need more information on SDIRAs?

➡ Visit our website and Learning Center



Follow us on social media for updates



Time for Questions



Stay Connected



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Learning gives CREATIVITY

Creativity leads to THINKING

Thinking provides KNOWLEDGE

Knowledge makes you **GREAT**

- Abdul Kalam

