




DIRECTLY OWNED REAL ESTATE CHECKLIST

Document checklist and a step-by-step guide for directly owned properties





✓ DOCUMENT CHECKLIST

Below are the documents required to direct your STRATA Trust Company (“STRATA”) IRA to invest in real estate investments. For STRATA required forms, look for our self-service resource **SERVICENOW**, which enables fast form submission by letting you complete, sign, *upload supporting documentation*, and securely electronically transmit your information to STRATA in just a few minutes. Click the  icon anywhere you see the option available.

NEW PROPERTY PURCHASE

BEFORE CLOSING

- Purchase Contract
- [Earnest Money Deposit Authorization Form](#) 
- [Investment Direction Real Estate Form](#) 
- Title Commitment
- Will the property be debt-financed?** If yes, provide a copy of the non-recourse promissory note, deed of trust, and amortization schedule.

AT CLOSING

- Closing Documents
- Settlement Statement
- Title Policy
- Property Manager Agreement** (if income producing)

AFTER CLOSING

- Recorded Deed

IN-KIND TRANSFER OR ROLLOVER

- [Investment Direction Real Estate Form](#) 
- Copy of the Existing Deed
- Copy of the Existing Title Policy
- [Real Estate Valuation Form](#) 
- New Deed
- Property Manager Agreement** (if income producing)



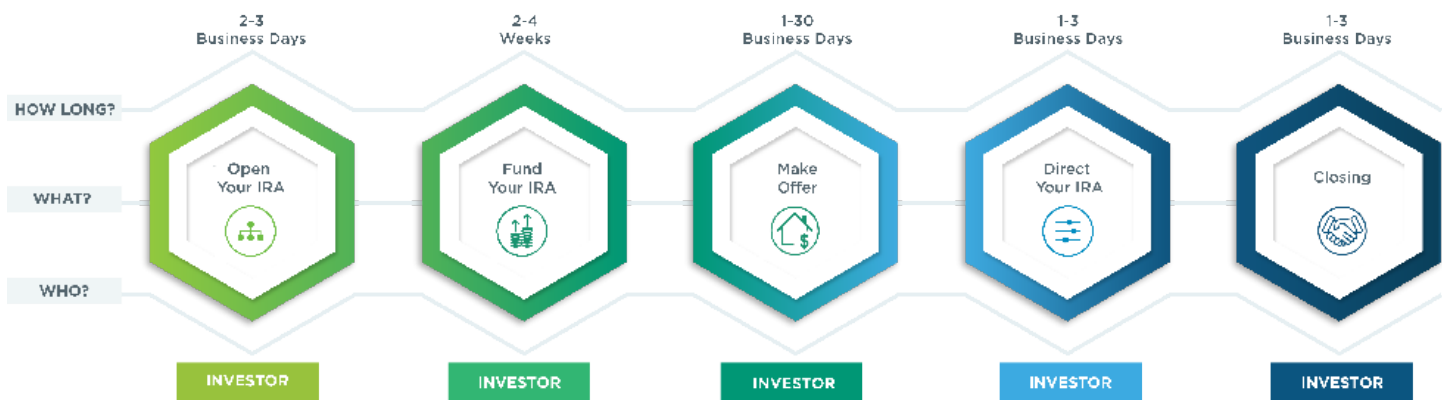
STRATA Trust Company (“STRATA”) performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers or service providers. As a custodian, STRATA does not sponsor, endorse or sell any investment and is not affiliated with any investment sponsor, issuer or dealer. STRATA does not provide investment, legal or tax advice. Individuals should consult with their investment, legal or tax professionals for such services.

OVERVIEW

A self-directed IRA (SDIRA) in real estate presents an exciting option to diversify your retirement savings. To ensure a smooth SDIRA purchase, it's important to have a solid understanding of the process.

DIRECTLY OWNED REAL ESTATE CUSTODY PROCESS

This timeline is approximate and fully dependent on the buyer/seller negotiations and other financial institutions' approximate processing times. Your STRATA IRA must be funded, and all items must be received in good order at least 48 hours before the scheduled closing date.



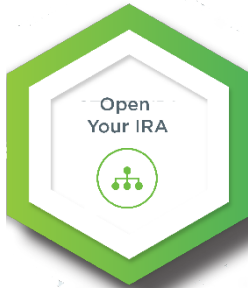
REAL ESTATE ESSENTIALS

- ☑ **Buyer's Name** — The contract must be in the name of the IRA: *STRATA Trust Company, Custodian FBO (Accountholder Name) IRA (Account #)*. You cannot list yourself as buyer and assign or amend the contract to your IRA as the buyer.
- ☑ **Earnest Money Deposit** — Earnest money must be paid directly from your IRA account. Using personal funds will disqualify the transaction.
- ☑ **Signing the Contract** — Since your IRA is self-directed, STRATA cannot sign anything without your written approval. For the purchase contract and closing documents, the account owner must sign “*Read & Approved*” on each page that requires a signature or initial. Afterward, STRATA will sign in its capacity as the custodian of the IRA.
- ☑ **Fraud Prevention** — As a safeguard against potential fraud, STRATA does not disclose its verbal confirmation policies. A STRATA team member will reach out via the accountholder's information of record if verbal confirmation is required.

STRATA Trust Company (“STRATA”) performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers or service providers. As a custodian, STRATA does not sponsor, endorse or sell any investment and is not affiliated with any investment sponsor, issuer or dealer. STRATA does not provide investment, legal or tax advice. Individuals should consult with their investment, legal or tax professionals for such services.

STEP-BY-STEP GUIDE

NEW PROPERTY PURCHASE



□ Step 1 – OPEN YOUR IRA

Getting started is easy. If you have not yet established your STRATA IRA, open your account in just a few minutes online. You will be prompted to select the [type of IRA](#) you will be self-directing, upload supporting documentation, and fund your account (Step 2). Per IRS regulations, if you are transferring or rolling over assets from another IRA service provider, you must choose the same IRA type (for example, Roth to Roth, Traditional to Traditional). Ready to get started? [Open an Account](#).



□ Step 2 – FUND YOUR IRA

Fund your IRA by direct transfer, rollover, or annual contribution. Depending on the method selected, STRATA may be dependent on other financial institutions' processing times, which can be 10-14 business days (up to 30 days for rollovers). If you are opening a new STRATA IRA and skipped the funding option in Step 1 or have already established an IRA with STRATA, click here to [fund your IRA](#). *It is recommended to start the funding process as soon as possible to avoid processing delays.* Once STRATA receives the funds, it will take 2-3 business days to reflect the funds in your IRA.

- Include sufficient funds to cover the Real Estate Processing Fee, Wire Fee (to wire the funds at closing), and First-Year IRA Fee (if you are establishing a new account). Click here to view [STRATA's IRA Fee Schedule](#).



□ Step 3 – MAKE THE OFFER

Once your STRATA IRA is open and funded, then you are ready to make the offer. Since the IRA will own the investment for the benefit of (FBO) the account holder, the purchase contract, recorded deed, debt instrument (if applicable), insurance (if applicable), and title policy must reflect the following named investment owner:



STRATA Trust Company, Custodian FBO (Accountholder Name) IRA (Account #)

STRATA Trust Company ("STRATA") performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers or service providers. As a custodian, STRATA does not sponsor, endorse or sell any investment and is not affiliated with any investment sponsor, issuer or dealer. STRATA does not provide investment, legal or tax advice. Individuals should consult with their investment, legal or tax professionals for such services.

Investment Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value


❑ **Purchase Contract:** When your IRA makes an offer on real estate, the buyer on the purchase contract must be **STRATA Trust Company, Custodian FBO (Accountholder Name) IRA (Account #)**. You will sign the contract as the Accountholder, and STRATA will sign in its capacity as the IRA Custodian. *You cannot list yourself as the buyer and assign or amend the contract to your IRA as the buyer.* STRATA will be unable to process the transaction if you or a disqualified person are listed as the buyer, since it would be a [prohibited transaction](#).


- If your IRA will not own 100% of the property, the property title and closing documents should reflect **STRATA Trust Company Custodian FBO (Accountholder Name) IRA (Account #) as to an undivided interest of ____%**.



❑ Step 4 – DIRECT YOUR IRA

Submit the executed Purchase Contract, Earnest Money Deposit Authorization form, and Investment Direction Real Estate form to STRATA. It is best to submit all three at one time to avoid any processing delays. STRATA will review the documentation and may need to request additional information to complete the custody process.

❑ **Earnest Money Deposit:** Complete and sign STRATA's [Earnest Money Deposit Authorization form](#)  to process a payment for any earnest money required by the purchase contract. The earnest money deposit must be paid directly from your IRA account. *Do not use personal funds to pay the earnest money deposit, as this will disqualify the transaction.*

❑ **Investment Direction Real Estate:** Complete and sign STRATA's [Investment Direction Real Estate form](#)  which authorizes STRATA to send funds from your IRA to the property closing. For new accountholders, if you skipped this in Step 1, use the link above to provide the investment direction. You will be prompted to upload supporting documentation with this form, with the exception of the Earnest Money Deposit form, which is completed separately.



❑ Step 5 – CLOSING

❑ **Title Commitment:** Prior to closing, provide a copy of the Title Commitment to STRATA, showing the proposed insured as **STRATA Trust Company, Custodian FBO (Accountholder Name) IRA (Account #)**.

STRATA Trust Company ("STRATA") performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers or service providers. As a custodian, STRATA does not sponsor, endorse or sell any investment and is not affiliated with any investment sponsor, issuer or dealer. STRATA does not provide investment, legal or tax advice. Individuals should consult with their investment, legal or tax professionals for such services.

❑ **Will the property be debt-financed?** If yes, provide a copy of the non-recourse promissory note, deed of trust, and amortization schedule. The borrower must be **STRATA Trust Company Custodian FBO (Accountholder Name) IRA (Account #)**. You will also need to complete and sign STRATA's Expense Payment Authorization form to set up the scheduled payments from your IRA to the lender. Either the lender must be a financial institution (bank, credit union, etc.), or the seller may owner-finance the transaction.

- Only a non-recourse note is permitted for debt financing. The property must be the only collateral for the loan, and all payments must be made from your IRA. You cannot guarantee the loan personally or make payments on the loan out of pocket. In addition, debt-financed property in an IRA may be subject to [Unrelated Business Taxable Income](#). For more information, please consult your tax advisor.

❑ **Closing Documents / Settlement Statement:** You will sign all of the closing documents as *"Read and Approved,"* and then STRATA will sign in its capacity as the IRA Custodian.

❑ **Property Manager Agreement:** Self-directed IRA owners who invest in income-producing real estate must appoint an unrelated third party to act as the property manager. The property manager agreement must be assigned at closing, pass all income/expenses through the IRA, and provide STRATA a report at least on a quarterly basis.

❑ **Recorded Deed/Title Policy:** After closing, email or mail the title policy issued by the title company and the original recorded deed filed at your county's recording office to STRATA.



Post-closing documents can be submitted to STRATA by either method below:

- Mail: STRATA Trust Company | P.O. Box 23149 | Waco, TX 76702
- Email: NewInvestments@StrataTrust.com



IN-KIND TRANSFER OR ROLLOVER

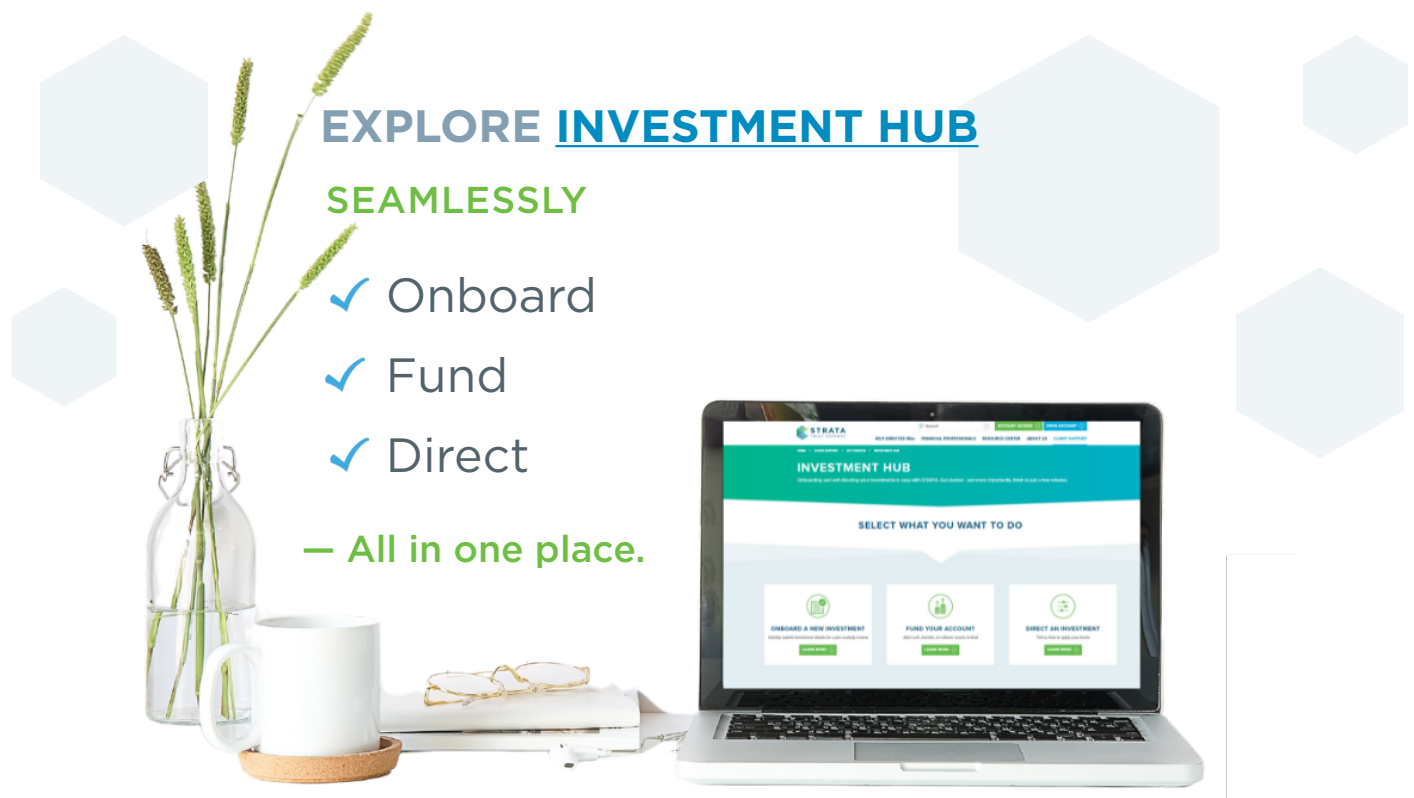
For an in-kind transfer or rollover of directly owned real estate, please gather the documents shown below.

❑ **Copy of the Existing Title Policy:** Provide a copy of the existing title policy which shows your current IRA custodian or plan as the insured FBO your IRA or qualified plan.

❑ **Copy of the Existing Deed:** Provide a copy of the existing deed which shows your current IRA custodian or plan as the owner FBO your IRA or qualified plan.

STRATA Trust Company ("STRATA") performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers or service providers. As a custodian, STRATA does not sponsor, endorse or sell any investment and is not affiliated with any investment sponsor, issuer or dealer. STRATA does not provide investment, legal or tax advice. Individuals should consult with their investment, legal or tax professionals for such services.

- ❑ **New Deed:** If your current custodian does not prepare a deed to convey the property to STRATA as custodian, you will need to contact an attorney or real estate professional to draft a new deed that is signature-ready for your current custodian to sign. The deed must convey ownership to **STRATA Trust Company FBO (Accountholder Name) IRA (Account #)**. You will then need to execute and record with the county in which the property is located. Once it is recorded with the county, send the original recorded deed to STRATA.
- ❑ **Property Manager Agreement:** This is applicable if the property is income producing.
- ❑ **Real Estate Valuation Form** : Submit a current valuation from an independent (third-party) appraiser or broker.
- ❑ **Investment Direction Real Estate** : If you are new to STRATA, you will be prompted to fill this form out with your IRA application. Indicate an in-kind transfer or in-kind rollover of the property. If you have an existing IRA with STRATA, you may transfer or roll over into like account types (Traditional to Traditional, Roth to Roth). Otherwise, you will need to open a new STRATA IRA that matches the account type at your existing custodian. When opening your new STRATA IRA, you will be able to submit all the below documentation with the exception of the Real Estate Valuation form, which is completed separately.



EXPLORE INVESTMENT HUB

SEAMLESSLY

- ✓ Onboard
- ✓ Fund
- ✓ Direct

— All in one place.


The laptop screen displays the STRATA Investment Hub interface, which includes a navigation bar with links for 'HOME', 'ABOUT US', 'REAL ESTATE', 'FINANCIAL PERFORMANCE', 'REGULATORY', 'CONTACT', and 'FAQ'. The main heading is 'INVESTMENT HUB' with a sub-heading 'Select what you want to do'. Below this, there are three main action buttons: 'ONBOARD A NEW INVESTMENT', 'FUND YOUR ACCOUNT', and 'DIRECT AN INVESTMENT', each with a corresponding icon and a 'GET STARTED' button.

STRATA Trust Company ("STRATA") performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers or service providers. As a custodian, STRATA does not sponsor, endorse or sell any investment and is not affiliated with any investment sponsor, issuer or dealer. STRATA does not provide investment, legal or tax advice. Individuals should consult with their investment, legal or tax professionals for such services.

IMPORTANT REMINDERS MANAGING YOUR INVESTMENT





Annual Reporting

After the initial purchase, you will be required to obtain an appraisal every year and provide it to STRATA. In addition, a new appraisal will be required for any taxable event, such as an in-kind distribution of the property or a Roth IRA conversion. Complete STRATA's [Real Estate Valuation form](#)  to submit your appraisal.



Income and Expenses

- If the property is income producing, a copy of the property management agreement should be submitted at closing. If there are changes to the agreement, including a property manager change, a copy of the new agreement must be sent to STRATA immediately. The agreement may be sent to InvestmentUpdates@StrataTrust.com.
- All rental income must be deposited to your STRATA account. If your property manager collects rent and pays expenses, the remaining proceeds should be sent to STRATA at least quarterly, along with an itemized accounting of income received and expenses paid. Use the [Deposit Certification form](#)  to add funds to your IRA.
- Any property maintenance expenses (property taxes, utility bills, etc.) or property improvement costs (contractor invoices) must be paid directly to an unrelated third party from your IRA account rather than by you personally. *You cannot pay for expenses out of pocket or charge expenses to a credit card and then request to be reimbursed by your IRA.*

Submit STRATA's [Expense Payment Authorization form](#)  along with the invoice/bid/quote (whichever is applicable). STRATA will then send a check or wire funds to the payee directly from your IRA. Please be sure all invoices/quotes contain the applicable investment property address.

- When setting up utilities or updating tax records with the county, please use your mailing address (or your property manager's address) to ensure you receive the bills in a timely manner.



Insurance

If you choose to carry liability insurance on the property, the named insured must be STRATA Trust Company Custodian FBO (Accountholder Name) IRA (Account #), and the annual premium must be paid directly to the insurance company by your IRA. You cannot add the IRA property to your personal homeowner's policy or list your IRA as an additional insured.

STRATA Trust Company ("STRATA") performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers or service providers. As a custodian, STRATA does not sponsor, endorse or sell any investment and is not affiliated with any investment sponsor, issuer or dealer. STRATA does not provide investment, legal or tax advice. Individuals should consult with their investment, legal or tax professionals for such services.