

# REAL ESTATE PROCEDURES

The first step in funding this transaction is to make sure the vesting for the purchaser/buyer name is as follows:

Quest Trust Company FBO [Account Holder's Name] [IRA/HSA/CESA] # [Account Number]

## QUEST TRUST INTERNAL DOCUMENTS:

Direction of Investment for Real Estate

## SUPPORTING DOCUMENTATION TO BE COMPLETED AND SUBMITTED PRIOR TO CLOSING:

Copy of Warranty Deed

Copy of HUD-1 Settlement Statement

Purchase and Sales Contract

Any other documents the buyer is required to sign at closing.

**NOTE:** Quest Trust Company is the legal entity in administration of the IRA and thus must sign as the buyer on the purchase offer/contract. We CANNOT sign anything without the client's written approval. Client must sign "**Read & Approved**" on each page that requires a signature or initial from Quest Trust Company. Once all the proper documents are signed, Quest will work with the 3rd party closing agent to close your real estate purchase.

## READY TO SUBMIT AN INVESTMENT?

Use the QTC Investment Hub to easily submit and track new investments 100% online directly through your client portal. When you use the QTC Investment Hub, no Direction of Investment form is needed; simply fill in the step-by-step investment information and funding details, and your investment is ready to be reviewed for funding! Scan the QR to learn more.

You may also use the link below to access the secure upload. Submitting your documents electronically through the secured document upload requires our Direction of Investment form.

[UPLOAD.QUESTTRUSTCOMPANY.COM](https://upload.questtrustcompany.com)



**Use this form to direct Quest Trust Company (QTC) to fund an investment for your account.**

**Processing Instructions:** The official processing of investment documents begins on the first business day in which all investment forms and correctly vested agreements are properly endorsed and submitted to QTC. Once all forms and agreements have been correctly submitted, funding can be expected within 48 business hours of that time.

**Titling/Vesting:** All IRA sole-ownership investment documents must be titled in the following format:

**Quest Trust Company FBO [Account Holder's Name] [IRA or HSA or CESA] #[Account Number]**

If using another account type, please contact a Transaction Specialist at 855-386-4727 with any questions.

## A Account Holder Information

<b>First &amp; Last Name:</b>	<b>Account Number:</b>	<b>Account is an Inherited IRA:</b> <div style="text-align: center;">Yes      No</div>
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<b>Account Type:</b>					
Traditional IRA	Roth IRA	SEP IRA	Simple IRA	HSA	ESA

## B How Would You Like to Pay Your Fees

<b>Choose a Payment Method:</b>	Deduct from Account	Check Enclosed	Credit Card on File
To add, change, or update a credit card, please contact our offices.			

**QTC Fees:**

\$125 Asset Purchase Fee	\$0-\$35 Postage Fee
\$95 Non-Recourse Loan Fee (if applicable)	\$0-\$30 Funding Method (Wire, ACH, or Check)
\$350 Annual Administration Fee (if applicable)	

## C Investment Details

**Property Address (Street, City, State, Zip) or Legal Description:**

<b>Contract Price:</b>	<b>Projected Closing Date:</b>
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**Percentage of real estate that will be owned by this account:**

100% Sole Ownership      Co-Ownership: \_\_\_\_\_% of Ownership

For split ownership properties, payments are deposited according to percentages on file unless QTC receives prior notice from all owners of this investment.

**If funding amount is not based on percentages of ownership, a Joint Venture or Partnership agreement will be required.**

**CLOSING INFORMATION**

Title Company, Escrow, or Attorney Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

**SELLER OR ASSIGNMENT OF CONTRACT**

Will the IRA be assigned a purchase contract?      No      Yes, Assignment of Contract & Original Contract will be submitted.

Assignor's Name, if entity include Managing Member: \_\_\_\_\_

Seller's Name, if entity include Managing Member: \_\_\_\_\_

<b>EARNEST MONEY DEPOSIT (EMD) FUNDING INFORMATION</b>			
Earnest Money Amount: \$ _____		Requested Funding Date: _____	
Send Funds via:      Check(\$5)              Cashier's Check(\$10)              Wire(\$30)			
Wire Instructions		Check Instructions	
Name of Bank:	Account Name:	Make Check Payable to:	
ABA/Routing Number:	Account Number:	Mail Check to:	
For Further Credit to:		Send Check via:	Regular Mail (Free) USPS Trackable Mail (\$10) Overnight Mail (\$35 Fee)
<b>OPTION FEE (if applicable)</b>			
Option Fee Amount: \$ _____		Requested Funding Date: _____	
Send Funds via:      Check(\$5)              Cashier's Check(\$10)              Wire(\$30)			
Wire Instructions		Check Instructions	
Name of Bank:	Account Name:	Make Check Payable to:	
ABA/Routing Number:	Account Number:	Mail Check to:	
For Further Credit to:		Send Check via:	Regular Mail (Free) USPS Trackable Mail (\$10) Overnight Mail (\$35 Fee)
<b>D Debt-Financed Real Estate (Complete if applicable)</b>			
Property purchased with a loan are subject to an additional \$95 processing fee and require additional supporting documentation:      Promissory note with non-recourse language                      Mortgage/deed of trust			
Unrelated Debt-Financed Income: Property purchased using debt financing may be subject to Unrelated Debt-Financed Income (UDFI) Tax. QTC requires clients to obtain a separate and unique Employer Identification Number (EIN) for the purchase and management of said asset. QTC does not give any tax, legal, or investment advice. You, as account owner, are responsible for reporting any potential liabilities on IRS Form 990T.			
This loan is:      Non Recourse              Re-finance              Subject To			
Lender Name:		Loan Number:	Loan Amount:
<b>LOAN PAYMENT INSTRUCTIONS</b>			
Loan Servicer:	Payment Amount:	Payment Start Date:	Payment End Date:
Frequency of payments:		Process this payment via: Check(\$5)              ACH(Free)              Wire(\$30)	

<b>For ACH/Wire</b>		<b>For Check</b>
Name of Bank:	Account Name:	Make Check Payable to:
ABA/Routing Number:	Account Number:	Mail Check to:
For Further Credit to:		Send Check via:      Regular Mail (Free) USPS Trackable Mail (\$10) Overnight Mail (\$35 Fee)

## E Prohibited Transactions & Disqualified People

A prohibited transaction under the Internal Revenue Code (IRC) is a transaction prohibited by law between a retirement account and the IRA owner, his or her beneficiary, or any disqualified person. IRC Section 4975 (c) and (e) lists the prohibited transactions and disqualified persons. Disqualified persons include the IRA owner's fiduciary and members of his or her family (spouse, ancestor, lineal descendant, and any spouse of a lineal descendant). If a prohibited transaction occurs, the effect is that the account is treated as distributed at its fair market values on the first day of the year.

1. Are you, either directly or through an entity, purchasing this asset from any disqualified persons, as mentioned above?      Yes      No
2. Will any disqualified people receive a personal gain or benefit from this purchase? Example: Commission from sale.      Yes      No

If yes to any of the above, please explain:

## F Asset Management

### Annual Fair Market Valuations

Fair Market Valuations (FMVs) are an annual requirement set forth by the IRS to determine the value of the non-cash assets in your IRA. These are due at the conclusion of each calendar year, no later than January 15<sup>th</sup>. FMV submissions require supporting documentation to support the value. You may elect for QTC to conduct asset research for a \$75 fee.

To satisfy this requirement, I elect:

I will obtain an independent qualified valuation and provide it to QTC when requested.

I authorize QTC to complete the asset research (\$75). If QTC is unable to update the value, I will not be charged, but still be responsible for providing the current value.

### Third Party Servicer/Property Manager

QTC, as Custodian, receives payments and provides record-keeping services, but does not monitor the timeliness of payments made nor does QTC service rental agreements.

I have hired a third party to act as property manager.      I do not plan to hire a property manager at this time.

## Property Insurance Acknowledgement

QTC does not require obtaining insurance for an IRA owned property or property used as collateral; however, insurance may reimburse you for an unexpected loss or claim. QTC does not hold any obligation to inform or procure insurance coverage for this investment or any collateral property. I acknowledge and agree that it is my sole responsibility to decide what insurance is necessary or appropriate for investments in my account.

## G Document Acknowledgement

**Fully Executed Documents.** Quest Trust Company (QTC) requires fully executed documents to hold any asset in your account. Fully executed documents are documents that are signed by all parties. Fully executed documents prove, legally, that your IRA owns the asset.

I acknowledge and ensure that QTC will receive fully executed documents within 30 days of the funding of this investment. I agree and understand that failure to submit these documents may lead to distribution of the asset at full face value.

**E-Sign Service Option (Available only if closing with a Title Company)** QTC has an authorized e-sign service (Adobe-Sign) that is preferred for funding. However, account holder may opt out of using the service if closing with a title company.

I opt out of using QTC's authorized e-sign service and authorize QTC to accept the signatures provided by the title company for funding. I understand that QTC will only accept e-sign signatures if transaction is closing with a title company. QTC reserves the right to require additional acknowledgment.

## H Final Closing/ Funding Instructions

Your account must have a cash balance with funds available for immediate use. If you are expecting a transfer or deposit that is needed for funding, be aware that incoming checks have a 5-day hold, and incoming wires clear within 24 hours.

Process this investment via:      Wire (\$30)                      ACH (Free)                      Check (\$5)                      Cashier's Check (\$10)

ACH/ Wire Instructions		Check Instructions
Name of Bank:	Account Name:	Make Check Payable To:
ABA/Routing Number:	Account Number:	Mail Check To:
For Further Credit To:		Send Check via:      Regular Mail (Free) USPS Trackable Mail (\$10) Overnight Mail (\$35 Fee) Hold for pickup      Houston Office Austin Office Dallas Office

## I Authorization

I confirm that I am directing QTC, as Custodian of my account, to complete this transaction as specified above. I specifically authorize the Custodian to execute any and all documents necessary to complete this transaction. I understand that my account is self-directed, and I take complete responsibility for any investment I choose for my account, including the investment specified in this Direction of Investment. I understand that the Custodian does not sell or endorse any investment products, and that they are not affiliated in any way with any investment provider. I understand that the role of the Custodian is limited, and the Custodian's responsibilities do not include investment selection for my account. I acknowledge that the Custodian has not provided or assumed responsibility for any tax, legal, structuring or investment advice with respect to this investment, and I agree that the Custodian will not be liable for any loss that results from my decision to purchase this investment.

I understand that the Custodian has not reviewed nor will review the merits, legitimacy, appropriateness or suitability of this investment for my account, and I certify that I have done my own due diligence investigation prior to instructing the Custodian to make this investment for my account. I understand that the Custodian does not determine whether this investment is acceptable under the Employee Retirement Income Security Act (ERISA), the Internal Revenue Code (IRC), or any applicable federal, state, or local laws, including securities laws. I understand that it is my responsibility to review any investments to ensure compliance with these requirements.

I understand that in processing this transaction the Custodian is only acting as my agent, and nothing will be construed as conferring fiduciary status on the Custodian. I agree that the Custodian will not be liable for any investment losses sustained by me or my account as a result of this transaction. I agree to indemnify and hold harmless the Custodian from any and all claims, damages, liability, actions, costs, expenses (including reasonable attorneys' fees) and any loss to my account as a result of any action taken in connection with this investment transaction or as a result of serving as the Custodian for this investment, including, without limitation, claims, damages, liability, actions and losses asserted by me.

I understand that if this Direction of Investment and any accompanying documentation are insufficient, or if the Custodian deems it to be administratively infeasible to act as the Custodian for this investment, the Custodian may choose not to process this transaction. For instance, if the required information or documents are not received as required, or, if received, are unclear in the opinion of the Custodian; or, if there is insufficient Undirected Cash in my account to fully comply with my instructions to purchase the investment and to pay all fees. Again, the Custodian reserves the right to not process this transaction until proper documentation and/or clarification is received, and the Custodian will have no liability for loss of income or appreciation. According to my Custodial Agreement, I understand that the Custodian, in lieu of the original records, may cause any, or all, of its records, and records at any time in its custody, to be photographed or otherwise reproduced to permanent form, and any such photograph or reproduction shall have the same force and effect as the original thereof and may be admitted in evidence equally with the original.

I understand that my account is subject to the provisions of Internal Revenue Code (IRC) §4975, which defines certain prohibited transactions. I acknowledge that the custodian has not made nor will make any determination as to whether this investment is prohibited under §4975 or under any other federal, state, or local law. I certify that making this investment will not constitute a prohibited transaction and that it complies with all applicable federal, state, and local laws, regulations and requirements.

I understand that the Custodian is not required to complete, file, or advise on any forms or requirements per the Corporate Transparency Act. I understand that I am solely responsible for conducting my due diligence and evaluating the necessity for such reporting. I understand that the Custodian does not bear or assume any responsibility to notify me of filing requirements or deadlines. I understand that the Custodian is not responsible for the accuracy and completeness of the information I provide in the CTA forms.

I understand that my account is subject to the provisions of IRC §§511-514 relating to Unrelated Business Taxable Income (UBTI) of tax-exempt organizations. If this investment generates UBTI, I understand that I will be responsible for preparing or having prepared the required IRS Form 990-T tax return and any other documents that may be required. I understand that the Custodian does not make any determination of whether or not investments in my account generate UBTI. I understand that with some types of accounts there are rules for Required Minimum Distributions (RMDs) from the account. If my account is

now subject to the RMD rules, or will become subject to those RMD rules during the term of this investment, I represent the following: I have verified that this investment will provide income or distributions sufficient to cover each RMD; or as an alternative, I affirm that there are other liquid assets in this account or in another account from which I will be able to withdraw my RMDs. I understand that failure to take RMDs may result in a tax penalty of 50% of the amount I should have withdrawn.

I understand that all communication regarding this transaction must be in writing and must be signed by me or by my authorized agent on my behalf, and that no oral modification of my instructions will be valid. I agree to indemnify and hold harmless the Custodian and its respective officers, directors, shareholders and employees against any liability associated with making this investment, including any liability that arises because the investment is or may be a prohibited transaction under IRC§4975. I understand that I am responsible for confirming that no "disqualified person" with respect to my account will benefit from this investment in any way which is prohibited by IRC §4975.

I represent that I have done my own due diligence on the investment. I understand that the Custodian does not make any attempt to evaluate the investment or the individuals involved with the investment. I understand that I am solely responsible for evaluating the investment and its potential for profitability. I understand that the Custodian does not bear or assume any responsibility to notify me or to secure or maintain any fire, casualty, liability, or other insurance coverage, including but not limited to title insurance coverage, on this investment or on any property which serves as collateral for this investment. I acknowledge and agree that it is my sole responsibility to decide what insurance is necessary or appropriate for investments in my account, and to direct the Custodian in writing (on a form prescribed by the Custodian) to pay the premiums for any such insurance.

I further understand and agree that the Custodian is not responsible for notification or payments of any real estate taxes, homeowner's association dues, utilities or other charges with respect to this investment unless I specifically direct the Custodian to pay these amounts in writing (on a form prescribed by the Custodian), and sufficient funds are available to pay these amounts from my account. I acknowledge that it is my responsibility to provide to the Custodian or to ensure that the Custodian has received any and all bills for insurance, taxes, homeowner's dues, utilities or other amounts due for this investment. Furthermore, I agree that it is my responsibility to determine that payments have been made by reviewing my account statements.

I understand that no person at the office of the Custodian has the authority to modify any of the foregoing provisions. I certify that I have examined this Direction of Investment and any accompanying documents or information, and to the best of my knowledge and belief, it is all true, correct, and complete.

Prepared By:

Account Holder

Limited Power of Attorney

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date