Article Sheds Light on Hard Money Lending Through Self-Directed IRAs

Hard money lending can be a substantial way to build wealth for investors who have the cash—but using the IRA for such a transaction can be difficult. A recent blog post at American IRA explains using Self-Directed IRAs for lending money.

Asheville, NC (PRWEB) September 21, 2017 -- Hard money lending can be a tricky but substantial way for investors to earn money. Now, a recent blog post at American IRA is explaining how hard money lending works from two perspectives, including investors who might use hard money lending through a Self-Directed IRA to generate long-term wealth.

Such investments can require a high tolerance to risk. But there are benefits to hard money lending as well, including diversification of assets. In the blog post at American IRA, CEO Jim Hitt explains how hard money lending can work on both sides of the equation.

According to the post, hard money lending is often a second resort for those who can’t secure traditional funding, such as through a bank loan. These loans are typically for real estate ventures, often for small-to-mid sized real estate enterprises. In many cases, a hard money loan is appropriate for investors who need to invest both capital and time to “unlock” the value of a potential property down the line.

This means that the investor won’t be able to establish cash flow early on and begin paying off the loan right away. This puts off the maturation of the loan until later, when a balloon payment will see the investor receive the value they were promised. That’s where the Self-Directed IRA can come in handy, as this growth would then take place within a tax-protected account. For obvious reasons, an investor with long-term risk tolerance would be ideal for hard money lending, whereas retirement investors without a lot of money to put aside toward hard money lending would not.

“The goal with this post was to point out that there are more avenues on both sides,” said Jim Hitt. “For the borrower, there is more than just a local bank to secure possible funding for what could be a lucrative venture. For the lender, a Self-Directed IRA can be an ideal way to protect assets and keep some money out of the public stock market and separate, which helps investors avoid putting all of their eggs in one basket.”

About:

American IRA, LLC was established in 2004 by James C. Hitt in Asheville, NC.

The mission of American IRA is to provide the highest level of customer service in the self-directed retirement industry. Mr. Hitt and his team have grown the company to over $250 million in assets under administration by educating the public that their self-directed IRA account can invest in a variety of assets such as real estate, private lending, limited liability companies, precious metals and much more.

As a self-directed IRA administrator they are a neutral third party. They do not make any recommendations to any person or entity associated with investments of any type (including financial representatives, investment promoters or companies, or employees, agents or representatives associated with these firms). They are not responsible for and are not bound by any statements, representations, warranties or agreements made by any
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