



## Overview

Notes are one of the most common investments, yet no two are ever alike. The terms of the note are completely up to you to decide, however there are several guidelines you must keep in mind.

### **You may not lend to any disqualified person or company.**

Disqualified persons include yourself, your parents, grandparents, children, grandchildren, spouse or any of their IRAs as well as any company that they own a significant portion of. (See: Prohibited Transactions)

### **The notes must be real economic transactions**

Your IRA must benefit from this note which means no unrealistically low interest rate. A common question is "My brother is not a disqualified person, can I lend him money to buy a new car at 0% interest?" No, because your IRA is not benefiting from this transaction.

### **Note Requirements:**

**Lender Name:** "EntrustCAMA *FBO CLIENTS NAME Acct # XXXXXX*"

**Lender Address:** 5 Valley Square, Suite 103 | 512 Township Line Road | Blue Bell, PA 19422-0119

**Client Approval:** The notes must be signed as "read and approved" by the client. This may be handwritten in the margins by the client.

**Original Note:** The original note **MUST** be sent to us for safekeeping immediately after funding and execution.

**Loan Service:** We are not loan servicers, this is the client responsibility

### **Documents required prior to funding (must be received at least 48hrs prior to funding)**

1. Buy Direction Letter (Promissory Notes/Real Estate Note)
2. Original Loan Notes (Must meet above requirements)
3. Promissory Note Acknowledgement (Completed by Borrower)

### **Additional Documents:**

**Real Estate Note:**

4. Certificate of ownership of Deed of Trust
5. Preliminary Title Report of Commitment
6. Buyer/Borrower's closing statement
7. Servicing agreement
8. Evidence of hazard insurance

**Secured Note:**

4. Certificate of ownership
5. Buyer/Borrower's closing statement
6. Servicing agreement

EntrustCAMA Self Directed IRA  
5 Valley Square, Suite 103 | 512 Township Line Road | Blue Bell, PA 19422-0119  
Phone: 215-283-2868 Fax 973-302-8622

**Promissory Notes Acknowledgement**

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Name of Borrower \_\_\_\_\_ Date \_\_\_\_\_

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Borrowers Address \_\_\_\_\_

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RE: \_\_\_\_\_ Tax ID Number if secured by real property \_\_\_\_\_

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EntrustCAMA FBO Account # \_\_\_\_\_

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Lender \_\_\_\_\_ *Client Name* \_\_\_\_\_

EntrustCAMA Self Directed IRA's has received instructions for the above referenced IRA holder concerning his or her intent to lend IRA fund

As this asset is to be held in an Individual Retirement Account, the following instructions must be followed to ensure compliance with both IRS requirements and EntrustCAMA Self Directed IRA policy. ***Please initial all items in the spaces provided showing your intent to comply.***

\_\_\_ Vesting is to be: Lender "EntrustCAMA FBO CLIENTS NAME ACCT # \_\_\_\_\_  
Address: 5 Valley Square, Suite 103 | 512 Township Line Road | Blue Bell, PA 19422-0119  
Tax ID: 20-1307892

\_\_\_ The original note showing the proper vesting is to be held by EntrustCAMA Self Directed IRA

\_\_\_ All payments, income distributions and/or payoffs for this holding must be sent to EntrustCAMA. Under the Internal Revenue Code, it is never acceptable to send funds directly to an IRA holder or and IRA holder's nominee. Should this happen, you agree to indemnify EntrustCAMA Self Directed IRA against all liability concerning IRS compliance

\_\_\_ If an IRA holder has any questions concerning the IRA, such as, but not limited to, payments, distributions or fees, you agree to inform the IRA holder to contact EntrustCAMA Self Directed IRA directly. ***Under no circumstances will third party inquiries be answered.***

\_\_\_ You agree to honor all written instructions for EntrustCAMA Self Directed IRA concerning changes in asset registration

\_\_\_ You agree to inform the IRA holder that you have referred EntrustCAMA Self Directed IRA as an accommodation and that EntrustCAMA Self Directed IRA neither endorses your product nor has received consideration from you

\_\_\_ You agree to inform EntrustCAMA Self Directed IRA promptly of any changes in address, telephone number, or company status (such as bankruptcy filings, regulatory agency investigations or litigations).

\_\_\_ If an IRA holder is subject to required Minimum Distributions, you agree to provide a written plan detailing how this requirement is met

**You acknowledge and agree to inform the IRA holder that EntrustCAMA Self Directed IRA will not record principal balance changes unless amortization numbers are provided with each payment**

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Signature \_\_\_\_\_ Date \_\_\_\_\_

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Principal name of Authorized Signer of Borrower \_\_\_\_\_



**For office use only**

**Note – Indicate whether this direction letter:**

- is the original  supersedes the direction letter sent on date: \_\_\_\_\_ /time: \_\_\_\_\_  
 is the original faxed on this date \_\_\_\_\_ / time: \_\_\_\_\_ to FAX number \_\_\_\_\_

If you will be using funds from other accounts and/or qualified plans administered by us, please use separate Buy Direction Letters for each IRA and/or qualified plan. You may photocopy this form for this use.

**Administrator:** Entrust CAMA Self-Directed IRA, LLC, of Pennsylvania

The name of the company that performs record keeping and administration of your plan on behalf of custodian named in the account application.

**Form Instructions:**

1. Please complete General Asset Information section.
2. Locate your asset type within this document and complete that section.
3. Sign and date this form, and return the original signed copy to your local Entrust office.
4. Maintain a copy for your records.

**General Asset Information**

<b>1. Name</b> (as it appears on your account application)	<b>2. Account number</b>

**2. Escrow/Title Co./Attorney(s)** Entity(ies) responsible for closing the transaction between account and the Seller. If multiple entities, please include all names. Include contact names, phone and fax numbers.

**I hereby authorize and direct the administrator and/or custodian to BUY the following asset for my account:**

**3. Asset name, description or property address.** Describe the asset here. Provide the full physical address which appears on the current deed or tax records (if purchasing real estate, notes) or the name that the seller provides in a prospectus or offering. If stocks, bonds, or other securities, please include the CUSIP or ticker symbol.

**4. Transaction fees to be paid by:** All fees due at time of transaction. If no indication is made, fees will be deducted from your uninvested cash balance if available.

<b>Choose One:</b> <input type="checkbox"/> Your Account <input type="checkbox"/> Check	<input type="checkbox"/> <b>Credit Card</b> Card Type: _____ Card Number: _____ Exact Name on Card: _____ Security Code: _____ Expiry Date: _____ Signature: _____
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**5. Delivery instructions.** Please provide complete delivery instructions for your payment, including name, address, city, state and zip. Incomplete instructions will delay payment for your asset, or misdirect funds. Such instructions are supplied by the seller of the asset.

**Choose One**  **Wire** (Please complete wiring instructions)  **Make check payable to** Payee/Seller \_\_\_\_\_  
 Payee/Seller Mailing Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**A. Real Estate Complete this section if purchasing real estate**

<b>A1. A.P.N #/legal description:</b> If used, must agree with documents we will sign on your accounts behalf. Please attach legal description, if needed.	<b>A2. Total purchase price (contract price)</b> The total purchase amount of the property minus settlement and other charges. If this changes, please send in addendum to update this information. Additional Settlement Charges may be listed on Escrow Instructions.	<b>A3. Deposit amount</b> (Funded by the Administrator to Escrow) The amount you would like us to fund into an escrow account for the purchase of this property. This amount will appear on your settlement statement. Do not fund escrow from personal funds, as this may be a disqualifying event. \$ _____
<b>A4. Percentage of ownership %</b> Percentage for this account.		<b>A5. Is the property to be mortgaged?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO If YES, complete a Payment Authorization.

**B. Notes Complete this section if making a note purchase**

**I hereby authorize and direct the administrator and/or custodian to BUY the following asset for my account:**

Buy existing note  Create new note  Carry back from a real estate sale  Unsecured note  
 Note secured by \_\_\_\_\_

<b>B1. Borrower(s) name(s)</b> If more than one borrower, include all names.	<b>B2. Borrower's address</b> Address where payment coupons/borrower notices are sent.
<b>B3. Telephone no.</b> Borrower's telephone number	<b>B4. Social security number of payor</b> Payor's S.S.N. for Mortgage Interest (1098 Purposes)

**B5. Property address** *If this note is secured by a piece of property, please provide the physical address which appears on the current deed or tax records.*

<b>B6. Your percentage of ownership of this note</b>	<b>B7. Purchase price</b>	<b>B8. Note amount</b> <i>Face amount of Note.</i>
%		\$

<b>B9. Principal balance</b> <i>For existing note:</i>	<b>B10. Frequency</b>
\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Annually <input type="checkbox"/> Interest Only <input type="checkbox"/> Amortized <input type="checkbox"/> Other

<b>B11. Interest Rate</b>	<b>B12. Payment amount</b>	<b>B13. Maturity date</b> <i>Including extensions</i>

**B14. Name, address and phone number of loan servicer** ( check if none):

**B15. Administrator MUST be in receipt of the original note prior to funding.**

**B16. All vestings to read**

FBO \_\_\_\_\_ Account# \_\_\_\_\_  
*e.g. Your Name (For Example ABC Administration FBO John Doe, Account #0000) (John Jones Profit Sharing Plan FBO John Jones Account #0000)*

**C. General Buy Direction Authorization - Complete this section if purchasing assets other than real estate or notes**

<b>C1. Quantity</b> <i>(Number of shares, units, etc.)</i>	<b>C2. Price</b> <i>(Per number of shares, units, etc.)</i>	<b>C3. Total purchase price</b> <i>(Quantity times price)</i>
	\$	\$

**D. Prior to funding, all transaction documents must be notated "read and approved" with your signature and date.** *(For example, subscription documents, real estate closing documents, promissory notes.)*

I understand that my account is self-directed and that the Administrator and Custodian named in the disclosure statement received when the account was established will not review the merits, legitimacy, appropriateness and/or suitability of any investment in general, including, but not limited to, any investigation and/or due diligence prior to making any investment, or in connection with my account in particular. I acknowledge that I have not requested that the Administrator and/or Custodian provide, and the Administrator and/or Custodian have not provided, any advice with respect to the investment directive set forth in this Buy Direction Letter. I understand that it is my responsibility to conduct all due diligence, including, but not limited to, search concerning the validity of title, and all other investigation that a reasonably prudent investor would undertake prior to making any investment. I understand that neither the Administrator nor the Custodian determine whether this investment is acceptable under the Employee Retirement Income Securities 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 neither the Administrator nor the Custodian is a "fiduciary" for my account and/or my investment as such terms are defined in the IRC, ERISA, and/or any applicable federal, state or local laws. I agree to release, indemnify, defend and hold the Administrator and/or Custodian harmless from any claims, including, but not limited to, actions, liabilities, losses, penalties, fines and/or claims by others, arising out of this Buy Direction Letter and/or this investment, including, but not limited to, claims that an investment is not prudent, proper, diversified or otherwise in compliance with ERISA, the IRC and/or any other applicable federal, state or local laws. In the event of claims by others related to my account and/or investment wherein Administrator and/or Custodian are named as a party, Administrator and/or Custodian shall have the full and unequivocal right at their sole discretion to select their own attorneys to represent them in such litigation and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorneys' fees, and costs and internal costs (collectively "Litigation Costs"), incurred by Administrator and/or Custodian in the defense of such claims and/or litigation. If there are insufficient funds in my account to cover the Litigation Costs incurred by Administrator and/or Custodian, on demand by Administrator and/or Custodian, I will promptly reimburse Administrator and/or Custodian the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, Administrator and/or Custodian shall have the full and unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action in order to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Administrator and/or Custodian will not be responsible to take any action should there be any default with regard to this investment.

I am directing you to complete this transaction as specified above. I confirm that the decision to buy this asset is in accordance with the rules of my account, and I agree to hold harmless and without liability the Administrator and/or Custodian of my account under the foregoing hold harmless provision. I understand that no one at Administrator and/or Custodian has authority to agree to anything different than my foregoing understandings of Administrator's and/or Custodian's policy. If any provision of this Buy Direction Letter is found to be illegal, invalid, void or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions, which shall remain in full force and effect. For purposes of this Buy-Direction Letter, the terms Administrator and Custodian include The Entrust Group, its agents, assigns, joint ventures, licensees, franchises, affiliates and/or business partners. I declare that I have examined this document, including accompanying information, and to the best of my knowledge and belief, it is true, correct and complete.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Please read the disclosure above the signature line before signing and dating.