

Millcreek Commercial Helps People Invest Their 401K (SDIRA) in Commercial Real Estate

With Millcreek Commercial, you can purchase any amount of a high-quality, commercial property through your retirement account(s).



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/EINPresswire.com/ -- With Millcreek Commercial,

you can purchase any amount of a high-quality, commercial property through your retirement account(s). Adding real estate to your retirement plan introduces a level of stability that is otherwise difficult to achieve.

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At Millcreek Commercial, we help investors co-own commercial real estate through their self-directed retirement accounts. We love helping our clients supercharge their portfolio growth.”

Kevin G. Long, President

There is a common misconception that a Self Directed Retirement Account ([SDIRA](#)) cannot own property with financing. In Mat Sorensen’s Handbook on The Self Directed IRA, he debunks this myth. “It is possible for an IRA to obtain a loan in connection with its cash investment to purchase real estate. However, the loan must not result in an extension of credit prohibited transaction under IRC §4975 (c)(1)(B)” (p 117).

“View our [webinar](#) with special guest Mat Sorenson,” said Kevin Long, president of Millcreek Commercial. “Mat has

been at the forefront of the self directed IRA industry for over a decade. He’s the CEO of Directed IRA, a partner at KKOS Lawyers, a national speaker, top-ranked podcast host, best-selling author, and a self-directed retirement investor.”

Due to this restriction, owning property with your retirement account is typically done through what is called a non-recourse loan. A non-recourse loan is a type of mortgage loan secured by the real estate itself, without a personal guarantee from the owner of SDIRA, and the borrower, SDIRA or the owner of the SDIRA, is not liable for any loss incurred by the lender if the collateral loses value.

Done correctly, using your SDIRA can be an intelligent way to rocket your net worth.

The Property Management Dilemma

With a non-recourse loan in place, you can use your SDIRA to purchase investment real estate. This is an extremely effective strategy to help grow your investment portfolio. Managing your investment property will be challenging, as you are unable to perform any of the improvements or required maintenance yourself.

- Self-Management Option □

Owning property and managing the property yourself, inside of your retirement account, is cumbersome and limiting. If, for example, you need to repair a sprinkler head, you, as an individual, cannot just hop on over there and do the fix yourself. You will need to hire a third party to complete the repair for you. Collecting bids for simple repairs, organizing a repair schedule, and constantly going back to your IRA custodian asking for bills to be paid is exhausting.

- Property Management Option □

An alternative to self-management is using a qualified property management company. A property manager will be able to reduce the friction of owning investment real estate inside of your retirement account by collecting rents, removing their fee and other property expenses, and sending the balance to your retirement account. Decisions can be made quickly, and your IRA custodian is not issuing payments to suppliers and vendors.

- Single Tenant, Net Lease Option □

Owning commercial real estate inside of your Self Directed IRA is also an option and may be the best choice for many investors. In a Single Tenant, Triple Net Leased (“STNL”) property, the tenant does all of the heavy lifting. The tenant buys property insurance, pays the property taxes, hires the plumber, gets the HVAC bid, and maintains the landscaping. The burden of managing a property is removed from the landlord and assumed by the tenant.

Supercharge Your Portfolio Growth □



CVS and Wells Fargo offer a perfect product for your SDIRA if your goal is long-term growth. CVS signs and guarantees a non-recourse 467 loan provided by Wells Fargo. This works because every penny of the rent from CVS is assigned directly to pay off the mortgage with Wells Fargo. The non-recourse loan allows for compliance with the prohibited transaction rules when investing with a Self Directed IRA.

These loans must meet the LTV requirements of around 75%. There is a considerable prepayment penalty, and the loan must be repaid during the initial lease term, which is usually 25 years.

If you had \$250,000 available in your SDIRA, you could take advantage of this secret weapon by buying \$1,000,000 interest in a CVS. You bring the \$250,000 from your retirement account, and \$750,000 of the non-recourse loan will be assigned to you since CVS guarantees the loan and Wells Fargo doesn't care who owns the debt.

This strategy will bolster your SDIRA by using smart leverage, backed by a top credit-rated tenant.

At Millcreek Commercial, we help investors co-own commercial real estate through their self-directed retirement accounts. We assist in the process to transition your current investment into one compatible with owning real estate. With this model, you can direct your retirement account(s) and diversify a portion of those funds into commercial real estate.

Self-directed IRAs are best suited for savvy investors who already understand the alternative investments and who want to diversify in an account with tax advantages.

About Millcreek Commercial

Millcreek Commercial takes the benefits of investing in commercial real estate to the next level with a powerful model that produces monthly passive income, requires zero heavy-lifting, and tax-protects our co-owners. The company helps investors enjoy monthly passive income by co-owning premium commercial real estate that is both recession-resilient and fully-managed. Millcreek offers attractive programs for 1031 Exchange, self-directed IRA (SDIRA), and cash investors. Located in the Salt Lake City metro area, Millcreek Commercial is privately held.

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