

# American IRA Discusses Tips for Avoiding Prohibited Transactions in a Self-Directed IRA

*What are the best ways to avoid prohibited transactions in a Self-Directed IRA? A Self-Directed IRA administration firm recently posted the answers.*

ASHEVILLE, NC, UNITED STATES,  
January 5, 2023 /EINPresswire.com/ -- It

might be one of the most important aspects of retirement accounts, yet many retirement investors don't know what they are. That's according to a new [post](#) at American IRA, where the Self-Directed IRA administration firm recently took to its blog to explain prohibited transactions within an IRA—what they are, how investors can understand them, and most importantly, how investors can avoid them.



**AMERICAN IRA**  
Self-Directed IRAs and 401Ks

[www.AmericanIRA.com](http://www.AmericanIRA.com)

In the post, American IRA divided it up into two essential tips for investors to better understand the boundaries of Self-Directed IRAs—and any retirement account. For example, it is not possible for investors to invest in collectibles within an IRA. Says the post: “But because these are not easy to value, they make poor retirement investments, which is why the IRS prohibits collectibles like these.”

Another transaction to avoid is “investing” in life insurance. In fact, this is not a style of investing in the literal sense, which is why the IRS would not allow life insurance policies within an IRA. Any such policy would have to be held personally by the investor themselves.

American IRA also pointed out that a good rule of thumb is to keep personal investments and IRA investments separate—which, after all is part of the point of the IRA in the first place.

In the second tip, American IRA explained that one of the best ways to avoid prohibited transactions is to work with a great Self-Directed IRA administration firm. For example, American IRA regularly posts content on its blog and its website that explains the limits and the possibilities within a Self-Directed IRA. This education is vital to making sure that investors know their boundaries when investing within a Self-Directed IRA—especially considering how much more freedom is possible when investing in this way.

For more [information](#), visit the post by clicking to [www.AmericanIRA.com](http://www.AmericanIRA.com). Interested parties may also reach out to the Self-Directed IRA administration firm American IRA by dialing 866-7500-IRA.

"About:

American IRA, LLC was established in 2004 by Jim Hitt, Founder in Asheville, NC.

The mission of American IRA is to provide the highest level of customer service in the self-directed retirement industry. Jim Hitt and his team have grown the company to over \$500 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 such person or entity and do not provide any recommendation on the quality profitability or reputability of any investment, individual or company. The term "they" refers to American IRA, located in Asheville and Charlotte, NC."

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