

IRA



Non-Recourse Loans

Available in all 50 states

Who is National Investors Mortgage?

National Investors Mortgage has been providing loans to individuals since 1987. As a leader in the mortgage industry, NIM offers a variety of mortgage loans and is one of the **only nationwide Non-Recourse brokers for IRA real estate investments**. We have retail lending branches in Arizona, California, Florida and Tennessee and offer nationwide lending via the internet.

What is a Non-Recourse loan?

A Non-Recourse loan is one in which the IRA/SEP account holder is not personally liable for repayment of the loan. The security instruments allow no recourse against the individual account holders or the balances of your IRA/SEP funds. In the event of default/foreclosure the lender can only look to the property as the sole source of repayment. The non-recourse lender cannot pursue other assets owned by the account holder or the IRA.

Who is eligible for a non-recourse loan using their IRA to purchase rental/investment properties?

Anyone who has at least 30%-35% of the purchase price vested in a self-directed IRA/SEP has the opportunity to buy rental properties using a non-recourse loan. This is subject to loan approval, including an acceptable real estate appraisal, as determined by National Investors Mortgage.

How do I set up a Self-Directed IRA account?

We work mainly through Mountain West Entrust IRA, who allows non-recourse loans. Please contact Mountain West Entrust IRA for more details. You are not required to use Mountain West Entrust IRA and NIM does not represent or endorse any administrators nor do they represent NIM. Please perform all prudent due diligence before setting up an account. If you need to contact Entrust Tennessee: www.EntrustTN.com OR 615.794.8961

What is the minimum down payment requirement?

30% of the purchase price is the minimum required for a non-recourse loan. Insufficient cash flow or the condition of the property may require a larger down payment.

In which states can I purchase rental property using my IRA?

National Investors Mortgage can finance eligible property with non-recourse loans in all 50 states.

What is the processing time frame for a non-recourse loan?

Allow at least 30 days from the date we receive your loan application and your purchase contract.

What type of loan programs are available?

NIM offers a 5 year ARM and a 30 year fixed. NIM does not offer an interest only loan for the non-recourse financing.

What types of rental property are eligible for NIM's non-recourse financing?

Single family detached residential, warrantable Condo's, PUD's, duplexes, 4-plexes, and multi-family (5 or more units).

Ineligible Properties Include:

Residential with large acreage, raw land, farms, manufactured or log homes, *non-warrantable condos, Condo-Hotels, Co-ops, Time Shares, hotels, senior or assisted living facilities, non-franchise restaurants, entertainment properties, mini-storage, and commercial property.

**Condominiums: Condos must meet the following minimum criteria to be considered Warrantable. The project building must be 100% complete, including common areas. The units within the building must be 60% sold and 33% of all building units must be owner occupied or 2nd homes (versus tenant occupied). Condos not meeting these criteria are not eligible under our non-recourse program.*

Can properties be held in a LLC?

Yes. Discuss the LLC structure with your legal/tax advisor or an IRA/SEP administrator.

What are the income requirements for rental property?

Typically, the financed property must generate sufficient Net Operating Income (rents minus operating expenses) to exceed the debt payments by 20-25%.

LOAN OPTIONS

	1-4 Family (50K Min)	Multi-Family (300K Min)
Product	5/1 ARM or 30-Year Fixed	5/1 ARM or 30-Year Fixed
Max LTV	70%	65%
Max Term	30 Years	25 Years
DSCR*	1.0x	1.1x

*DSCR: Debt Service Coverage Ratio = net operating income / annual debt service.
Minimums listed above represent the loan amount.

How can I apply for a Non-Recourse loan?

Call NIM directly at 877-888-9788 or email to dberry@ni-mortgage.com.

NIM will quote interest rates on a case by case basis, on the basis of the collateral type and down payment. The following fees (fees subject to change without notice) and costs apply:

- 1.5% Origination fee to NIM (Origination fee is based on the loan amount, type of property, & DSCR)
- \$385 Underwriting fee
- \$310 Processing fee
- \$16 Flood Certification fee
- \$500 Appraisal fee (including rent Comps) – Due at time of application
- \$_____ Settlement/Escrow fee
- \$_____ Title Insurance
- \$_____ Recording fees
- \$_____ Mortgage Registration or other state fees (if applicable)
- \$_____ Prepaid Interest and taxes*
- \$_____ Initial Hazard Insurance Premium*
- \$200 Attorney fees to review LLC (if applicable)

* Escrows for taxes and hazard insurance are required. Additional costs may be incurred for commercial and multi-family properties.

Documentation Required for Loan Approval:

- Completed loan application
- Current detailed Rent Roll or copies of signed leases (leases or rent roll for currently unoccupied properties are not required).
- Most recent asset statement verifying IRA assets for purchase and reserves.
- Purchase/Sales contract, signed by the IRA account holder and the administrator. The contract must show the buyer to be in the name of the IRA or LLC.

Contact Us:

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National Investors Mortgage is not an investment advisor, and is not qualified to provide advice on IRA rules, regulations or eligibility requirements. Please consult with your tax, legal, and investment advisors.



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