



Trust Deeds 2.0:
How Experts Find
and Vet Investments



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All information and materials are for **educational purposes only**. All parties are encouraged to consult with their attorneys, accountants and financial advisors before entering any type of investment.

Today's *Agenda*

- ❖ What is a trust deed and how you can profit
- ❖ Finding opportunities
- ❖ What should be included in your due diligence
- ❖ Reading an appraisal
- ❖ Pitfalls to avoid





Meet *Your Host*



Bill Neville



13 Years at Entrust



Educates investors and professionals on tax-preferred retirement accounts



B.S. in Finance from Penn State University



About Entrust



Self-Directed IRA Administrators



Knowledgeable Staff with
CISP Certifications



Monthly Educational Webinars



Annual IRA Academy





About Entrust



\$5B

Assets Under
Administration



45k

Investors
Empowered



40

Years of
Service



1

Point of
Contact



Trust Deed Investing

The Secure Way to retirement

September 2024

Disclaimers

This is not an offer to sell securities. Any person, entity, or organization must first be qualified by the company and read all of the offering documents and attest to reading and fully understanding such documents. This presentation should be construed as informational and not as an advertisement soliciting for any particular purpose. All securities herein discussed have not been registered or approved by any securities regulatory agency in accordance with the securities act of 1933 or any state securities laws.



Topics

- What is a trust deed and how do you profit
- Finding opportunities
- What should be included in your diligence
- Reading an appraisal
- Pitfalls

What is private debt?

- A loan to an individual or other entity from someone other than a financial institution (Promissory Note).
- Can be secured or unsecured.
- Terms can vary greatly
- It is not uncommon to see note rates of 10% – 12% (There is a possibility of fees or profit sharing as well)



Finding Opportunities

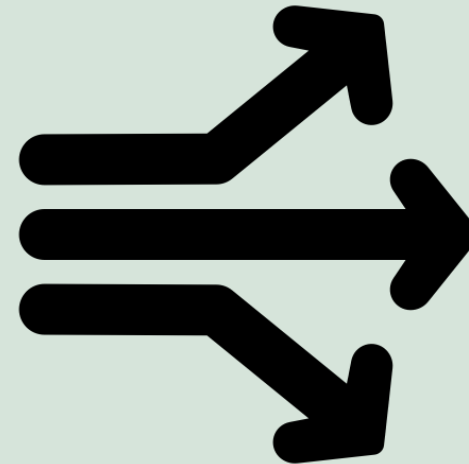
Your borrower finds the real estate deal. You find the borrower.

- Networking
 - Realtors, F&F, REI Groups, Title Companies, Wholesalers
- Seminars
- Advertise
- Mortgage Brokers/Private Loan Brokers



Diligence

- Financials
- Supporting docs
- Credit report
- Title commitment
- Insurance
- Repair estimate
- Appraisal



Appraisal

Comps are everything!!

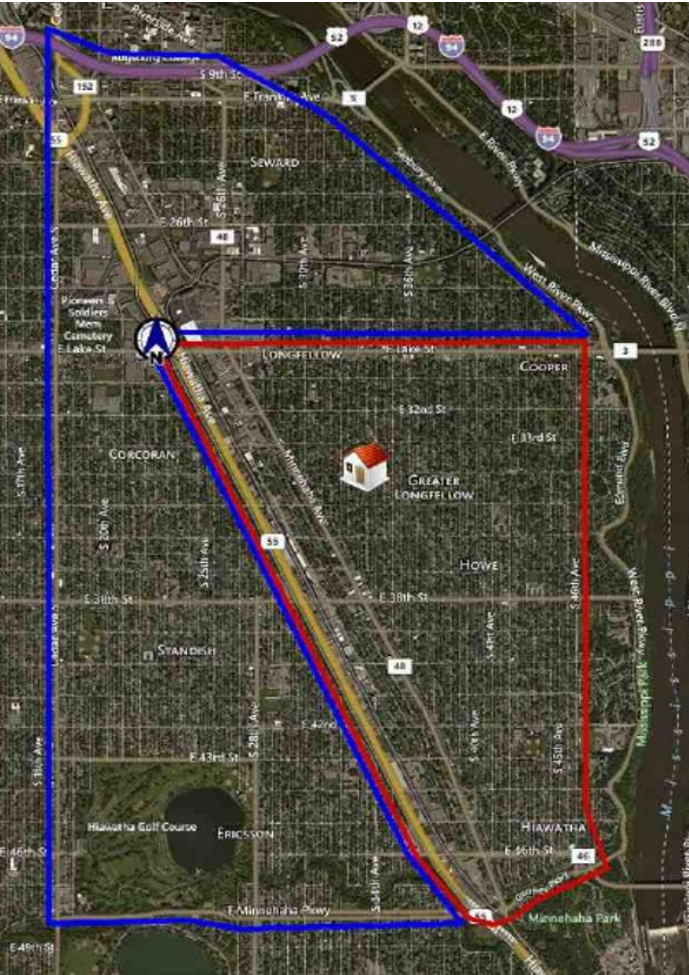
- Location
- Style
- Age
- Condition
- Size

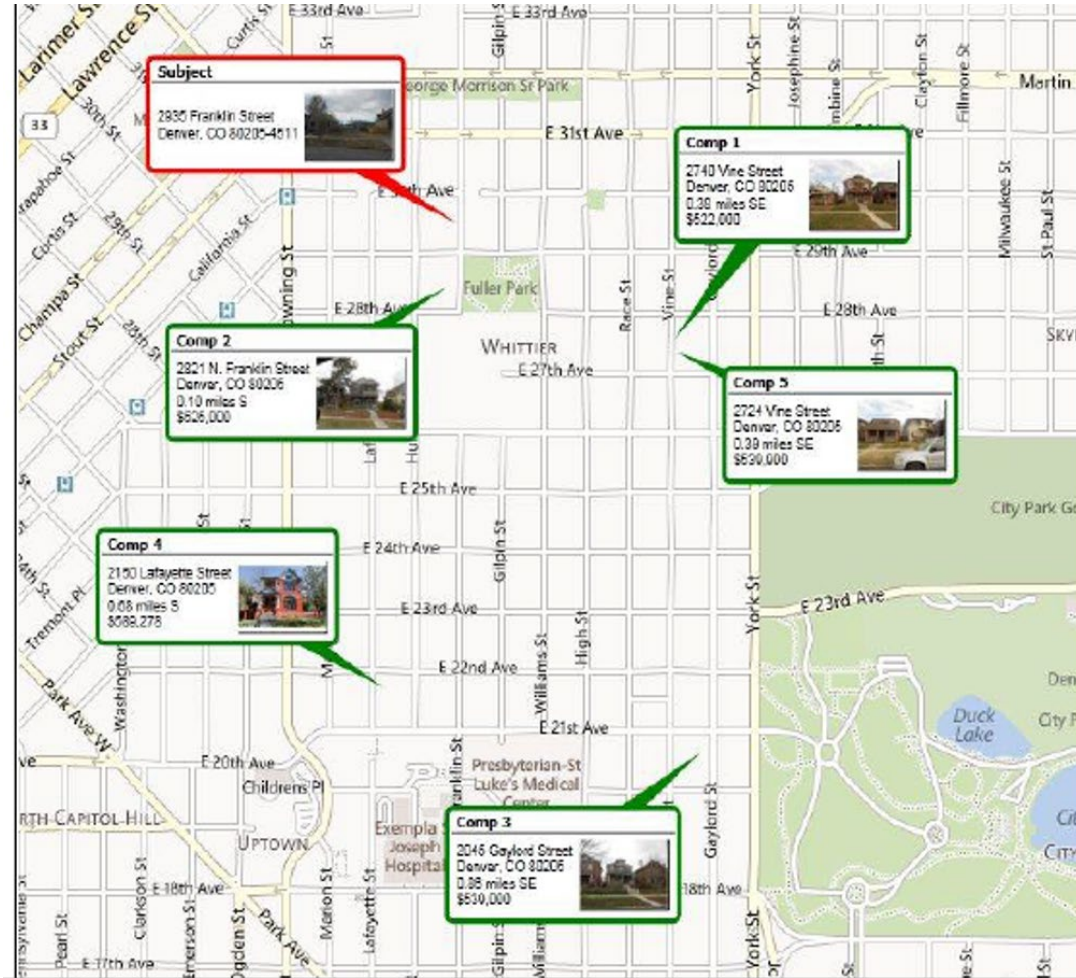
Please do not rely on Zillow

APPRAISAL OF REAL PROPERTY



LOCATION





There are 20 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 410,000 to \$ 2,249,000										
There are 190 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 365,000 to \$ 1,999,000										
FEATURE	SUBJECT			COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3		
3390 South Dexter Street Address Denver, CO 80220				2930 South Birch Street Denver, CO 80220		3210 South Dexter Street Denver, CO 80220		3278 South Glencoe Street Denver, CO 80220		
Proximity to Subject				0.70 miles NW		0.19 miles NE		0.43 miles NE		
Sale Price	\$ 540,000			\$ 652,000		\$ 785,000		\$ 760,000		
Sale Price/Gross Liv. Area	\$ 416.35 sq. ft.			\$ 379.51 sq. ft.		\$ 615.69 sq. ft.		\$ 578.83 sq. ft.		
Data Source(s)				MLS #9324127;DOM 5		MLS #1926234;DOM 4		MLS #3457763;DOM 1		
Verification Source(s)				COUNTY RECORDS/MLS		COUNTY RECORDS/MLS		COUNTY RECORDS/MLS		
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sale or Financing				ArmLth		ArmLth		ArmLth		
Concessions				Conv;3000	-3,000	Cash;0		Conv;0		
Date of Sale/Time				s04/22;c03/22		s05/22;c05/22		s06/22;c05/22		
Location	N;Res;			N;Res;		N;Res;		N;Res;		
Leasehold/Fee Simple	Fee Simple			Fee Simple		Fee Simple		Fee Simple		
Site	6250 sf			7380 sf	0	8276 sf	0	7190 sf	0	
View	N;Res;			N;Res;		N;Res;		N;Res;		
Design (Style)	DT3;Traditional			DT3;Traditional		DT1;Traditional	0	DT1;Traditional	0	
Quality of Construction	Q3			Q4	+10,000	Q3		Q3		
Actual Age	68			71	0	68		69	0	
Condition	C2			C4	+20,000	C2		C2		
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths	+10,000	Total	Bdrms.	Baths
Room Count	6	3	2.0	6	4	2.0	0	6	4	2.0
Gross Living Area 114	1,297 sq. ft.			1,718 sq. ft.		-48,000		1,275 sq. ft.		+2,500
Basement & Finished	481sf481sfin			0sf	+9,600	1275sf1141sfin	-15,900	0sf	+9,600	

Size

TRISON APPROACH	Quality of Construction	Q3			Q4			+10,000	Q3				Q3			
	Actual Age	68			71			0	68				69			0
	Condition	C2			C4			+20,000	C2				C2			
	Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths		Total	Bdrms.	Baths	+10,000	Total	Bdrms.	Baths	
	Room Count	6	3	2.0	6	4	2.0	0	5	3	1.0		6	4	2.0	0
	Gross Living Area 114	1,297 sq. ft.			1,718 sq. ft.			-48,000	1,275 sq. ft.			+2,500	1,313 sq. ft.			-1,800
	Basement & Finished	481sf481sfin			0sf			+9,600	1275sf1141sfin			-15,900	0sf			+9,600
	Rooms Below Grade	1rr1br1.0ba0o						+9,600	1rr1br1.0ba1o			-13,200				+9,600
	Functional Utility	Average			Average				Average				Average			
	Heating/Cooling	GFA/AC			HWBB/None			+2,500	GFA/AC				GFA/AC			
	Energy Efficient Items	Double Pane			Double Pane				Double Pane				Double Pane			
	Garage/Carport	2gd			None			+20,000	1ga			+10,000	2gd			
	Porch/Patio/Deck	Patio,Porch			Patio, Enc Porch			-1,000	Deck			0	Patio, Cov Porch			0
	No Fireplace			1 Fireplace			-1,000	No Fireplace				1 Fireplace			-1,000	
	FF SP Landscape			FF No Landscape			+5,000	FF SP Landscape				FF Landscape			+2,000	

- **Gross Living Area** adjustment @ \$114/SF for above grade size difference. The room count difference, where noted, has been accounted for in this category of adjustment.

- **Basement Area** adjustment @ \$20/SF for below grade size difference.

- **Basement Finish** adjustment @ \$20/SF for finish area difference.

Basements/Bedrooms

Condition	C3			C3				C3				C4			+17,000
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths		Total	Bdrms.	Baths		Total	Bdrms.	Baths	
Room Count	5	2	1.0	6	3	1.0	0	5	2	1.0		6	3	1.0	0
Gross Living Area	1,040 sq.ft.			1,261 sq.ft.			-9,945	990 sq.ft.			0	970 sq.ft.			0
Basement & Finished Rooms Below Grade	1040sf1000sfin			1216sf867sfin			0	990sf676sfin			+4,200	970sf970sfwo			-3,000
	0rr1br1.0ba2o			0rr1br1.0ba1o			0	0rr2br1.0ba1o			0	0rr2br1.0ba1o			0
Functional Utility	Average Utility			Average Utility				Average Utility				Average Utility			
Heating/Cooling	GFA/CA			GFA/CA				GFA/CA				GFA/CA			
Energy Efficient Items	Std @ Price Pt.			Std @ Price Pt.				Std @ Price Pt.				Std @ Price Pt.			
Garage/Carport	2ga2dw			2ga2dw				2ga2dw				2ga2dw			

Why Investors like private debt

High returns
+
Secure

Potential Pitfalls and How to Avoid Them

- Misunderstanding property value
- Risks of junior positions
- Fractionalized notes considerations
- Insurance issues
- Importance of proper servicing

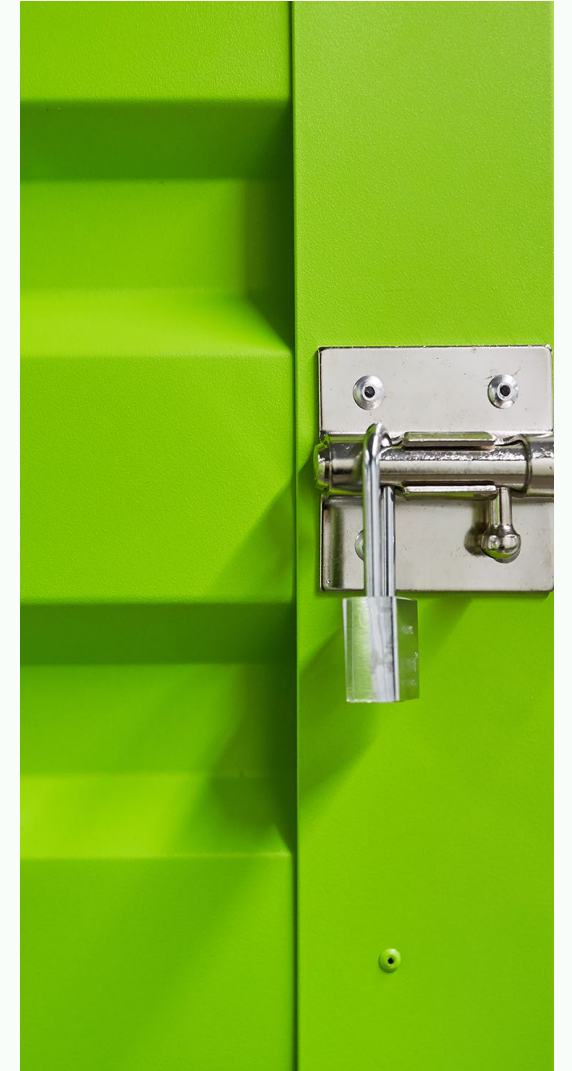


How it Works in an IRA



What is a Self-Directed IRA?

A retirement account in which the individual is in charge of making all investment decisions



What is a Self-Directed IRA?

Greater opportunity for
asset diversification outside
of traditional stocks, bonds,
and mutual funds



What is a Self-Directed IRA?

All securities and investments are held in a retirement account administered by a regulated custodian or trustee, following Internal Revenue Codes

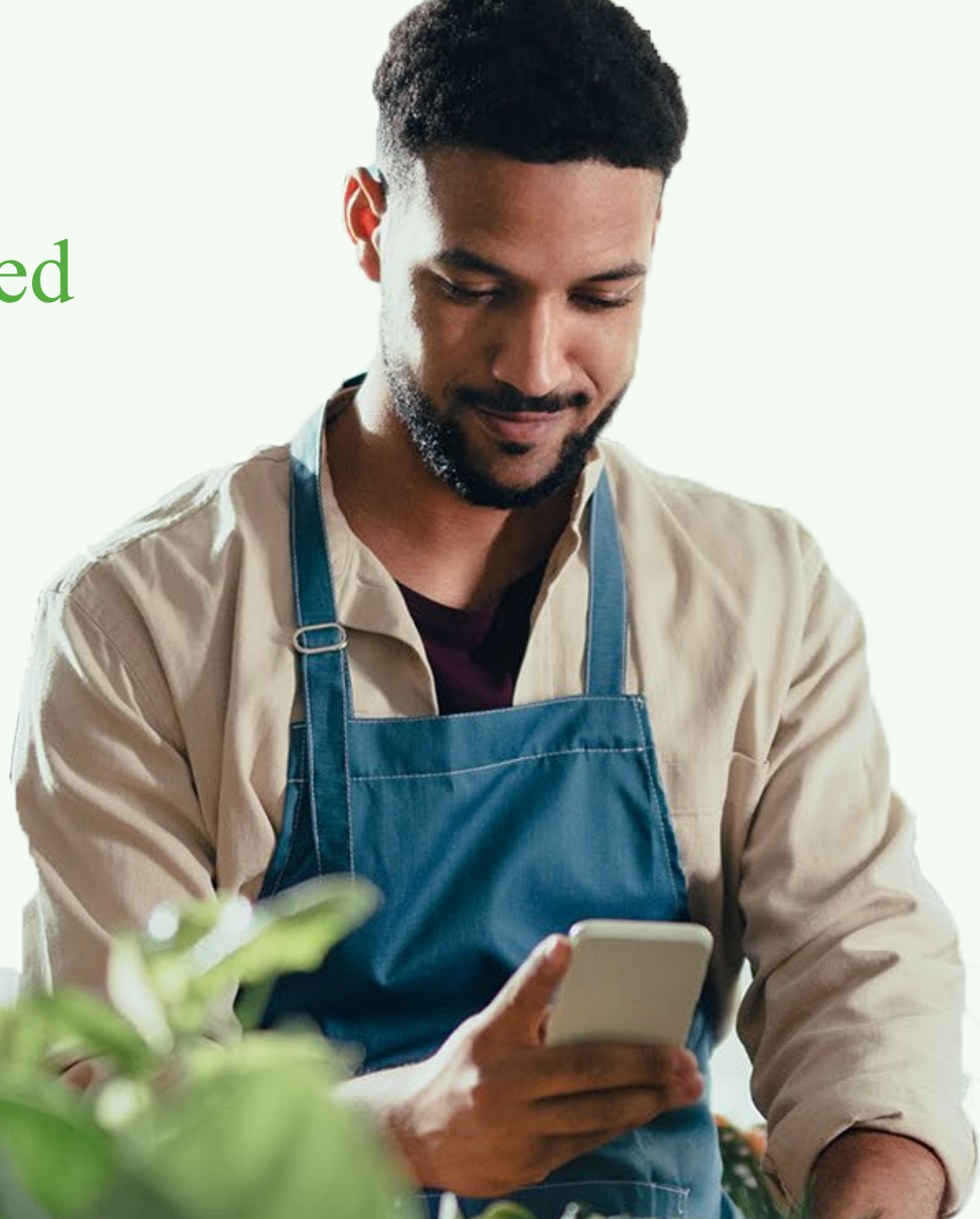


Tax Deferred vs. Tax-Preferred



Tax-Deferred Funding

With Traditional IRAs, you can invest with pre-tax income, allowing you to defer taxes until you withdraw earnings

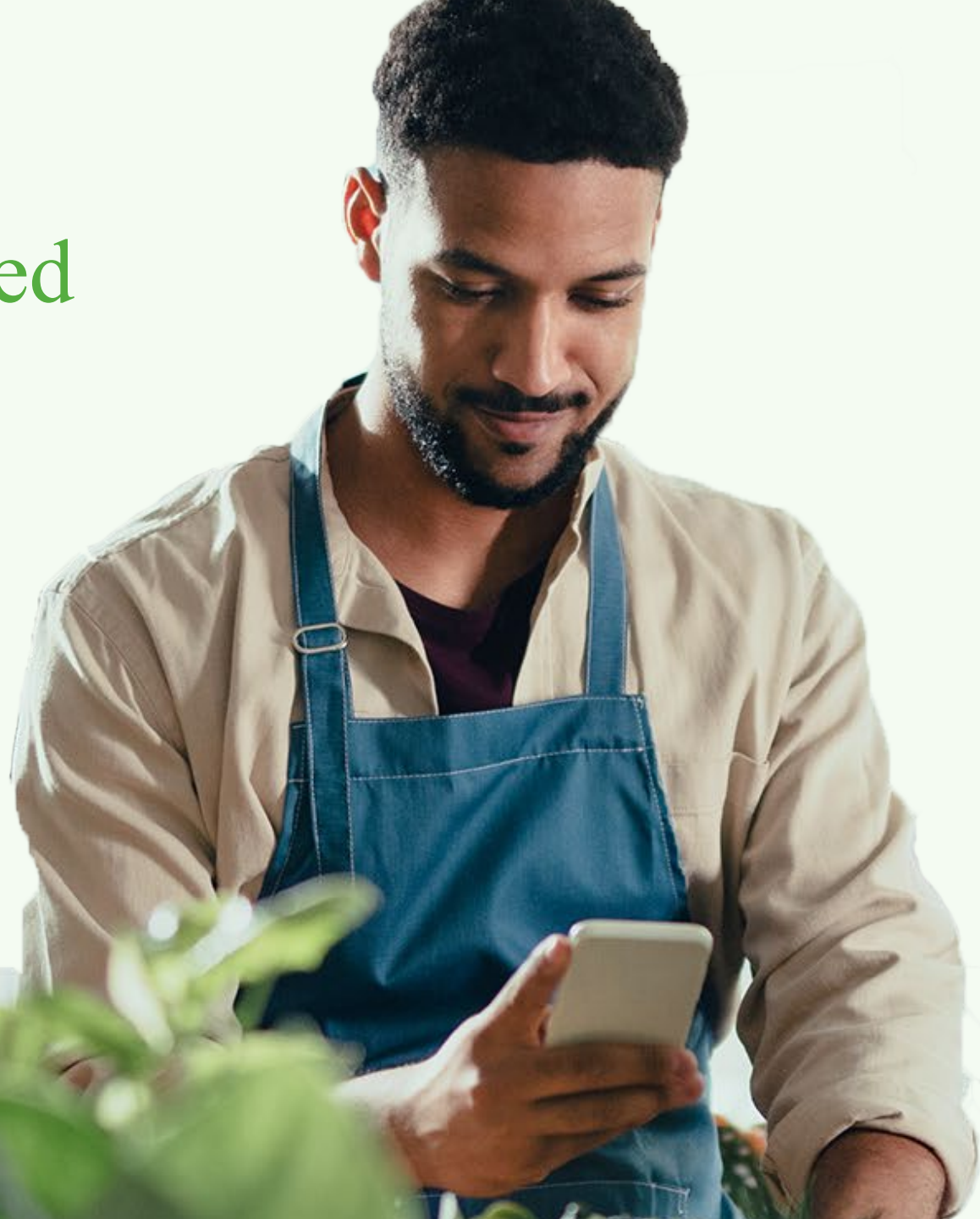


Tax Deferred vs. Tax-Preferred



Tax-Deferred Earnings

With Roth IRAs, you can invest with taxed income, allowing your investment earnings to grow tax free





Getting Started in 3 steps





Getting Started **in 3 steps**



Open an
Entrust Account



Getting Started in 3 steps



**Open an
Entrust Account**

**Fund Your
Account**



Getting Started in 3 steps



**Open an
Entrust Account**

**Fund Your
Account**

**Purchase Your
Asset**

Let's Wrap Up





What's Next?

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From Novice to Pro: How to Invest in Storage Units With Your IRA

Have feedback or new topic requests?

Please let us know in the survey as you leave





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2024 Denver ISS



REAL ESTATE INVESTOR
— SUCCESS SUMMIT —

P  **NE**
FINANCIAL GROUP

The 2024 Denver Real Estate Investor Success Summit is coming up and you do not want to miss it!

Event Information

- Saturday, November 9 at the PPA Event Center (2105 Decatur St, Denver, CO 80211)
- Registration starts at 8 AM and the event kicks off at 8:30 AM

Tickets are \$39 each but bring a friend and use code SEPT2024BOGO to get 2 tickets for the price of one!

Coupon code only valid through 9/30/24



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Question & Answer Session





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“
An **investment in knowledge**
pays the best interest.

- *Benjamin Franklin*

