

# Secured Loan

## Documents Required Prior to Investment Funding

Below is the process for funding your secured loan investment. This asset will be part of your Midland investment portfolio. Any delays or incomplete documentation may result in delays.

### To be supplied by client to Midland:

- **Notes Purchase Authorization**  
Completed and signed by client.  
Details provided should exactly match the promissory note.
- **Private Investment Disclaimer & Indemnity Agreement**  
Completed and signed by client.
- **ORIGINAL Note Signed by Borrower**  
Client must initial each page of the note as "read and approved".  
Midland will be unable to send funds without ORIGINAL signed note.

### If secured with real property, Midland will need:

- **Mortgage Signed by Borrower**  
Client must initial each page of the mortgage as "read and approved".
- **HUD/Settlement Statement**  
Client must initial each page of the settlement statement as "read and approved".
- **Proof of Hazard Insurance**  
Client must initial each page of the hazard insurance as "read and approved".
- **Title Insurance Commitment**  
Client must initial each page of the title insurance as "read and approved". IRA account must be shown as the proposed insured lender. It is the client's responsibility to record the deed properly.

### Lender's name, address and Tax ID listed as owner:

Midland Trust Company As Custodian FBO Client Name and Midland Account #  
P.O. Box 07520 - Fort Myers, FL 33919  
Trust Tax ID: 47-5560347



## 1 ACCOUNT INFORMATION

<b>Name</b> <input type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Mrs. <input type="checkbox"/> Dr. _____	<b>Midland Account Number</b>
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## 2 LOAN DETAILS

<b>What Type of Loan will this be?</b> <input type="checkbox"/> New Note <input type="checkbox"/> Existing Note <input type="checkbox"/> Carry Back from Real Estate Sale*		<b>Percent of Ownership Within IRA?</b> _____	<b>Note Face Value</b>	<b>Dollar Amount to be Funded</b>
<b>Interest Rate</b>	<b>Payment Amount</b>	<b>Frequency of Payments</b> <input type="checkbox"/> Monthly <input type="checkbox"/> Annually <input type="checkbox"/> Other _____	<input type="checkbox"/> Interest Only, or <input type="checkbox"/> Amortized	<b>Maturity Date</b>
<b>Borrower Name</b>		<b>Borrower Social Security Number/Tax ID</b>	<b>Borrower Phone</b>	
<b>Borrower Address</b>				
<small>*Please also submit a Sale Authorization for Real Estate</small>				

## 3 LOAN COLLATERAL

<b>Loan Secured By:</b>	
<b>Real Estate Property Address</b>	
<b>Original Note and Recorded Mortgage</b>	<b>Client Initial</b>
I understand that I am personally responsible for following up to ensure the original Note is sent to Midland or the below indicated Loan Servicer and the Mortgage is recorded in the county of the property securing this loan.	

## 4 LOAN SERVICER

The loan servicer's role is to monitor payments made to the IRA and initiate collection action as needed. Midland IRA does not service loans or monitor the timeliness of payments made to the IRA.  Check here if there will not be a third party loan servicer

<b>Name</b>	<b>Address</b>	<b>Phone Number</b>
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## 5 FUNDING INSTRUCTIONS Please send the funds for purchase via: WIRE CHECK TO BE PROVIDED

<b>For WIRE - Please complete the info below</b> <small>\$30 wire fee applies</small>		<b>For CHECK - Please complete the info below</b> <small>Allow 5-10 days for check clearing Void after 90 days</small>	
<b>Bank Name</b>		<b>Make Check Payable To</b>	
<b>Account Holder Name</b>		<b>Mail Check To</b>	
<b>ABA Routing Number</b>	<b>Account Number</b>	<b>Address</b>	
<b>For Credit To</b>		<b>City, State, Zip</b>	
		<b>Send Check via:</b> <input type="checkbox"/> Regular Mail <input type="checkbox"/> Overnight Mail (\$30) <input type="checkbox"/> Cashier's Check (\$30 + Overnight Fee) <input type="checkbox"/> Hold for pick-up	

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

## 6 SIGNATURE AND ACKNOWLEDGEMENT

I confirm that I am directing Midland IRA, Administrator, to complete this transaction as specified above. I understand that my account is self-directed, and I take complete responsibility for any investment I choose for my account, including the investment specified in this Purchase Authorization. I understand that neither the Administrator nor the Custodian (Midland Trust) sells or endorses any investment products, and that they are not affiliated in any way with any investment provider. I understand that the roles of the Administrator and the Custodian are limited, and their responsibilities do not include investment selection for my account. I acknowledge that neither the Administrator nor the Custodian has provided or assumed responsibility for any tax, legal or investment advice with respect to this investment, and I agree that they will not be liable for any loss which results from my decision to purchase the investment. I understand that neither the Administrator nor the Custodian has reviewed or will review the merits, legitimacy, appropriateness or suitability of this investment, and I certify that I have done my own due diligence investigation prior to instructing the Administrator to make this investment for my account. I understand that neither the Administrator nor the Custodian determines 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 in processing this transaction the Administrator and the Custodian are only acting as my agent, and nothing will be construed as conferring fiduciary status on either the Administrator or the Custodian. I agree that the Administrator and the Custodian will not be liable for any investment losses sustained by me or my account as a result of this transaction. I agree to indemnify and hold harmless the Administrator and the Custodian from any and all claims, damages, liability, actions, costs, expenses (including reasonable attorneys' fees) and any loss to my account as a result of any action taken in connection with this investment transaction or resulting from serving as the Administrator or the Custodian for this investment, including, without limitation, claims, damages, liability, actions and losses asserted by me.

I understand that if this Purchase Authorization and any accompanying documentation are not received as required, or, if received, are unclear in the opinion of the Administrator, or if there is insufficient Undirected Cash in my account to fully comply with my instructions to purchase the investment and to pay all fees, the Administrator may not process this transaction until proper documentation and/or clarification is received, and the Administrator will have no liability for loss of income or appreciation.

I understand that my account is subject to the provisions of Internal Revenue Code (IRC) §4975, which defines certain prohibited transactions. I acknowledge that neither the Administrator nor the Custodian has made or will make any determination as to whether this investment is prohibited under §4975 or under any other federal, state or local law. I certify that making this investment will not constitute a prohibited transaction and that it complies with all applicable federal, state, and local laws, regulations and requirements.

I understand that my account is subject to the provisions of IRC §§511-514 relating to Unrelated Business Taxable Income (UBTI) of tax-exempt organizations.

**Print Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

If this investment generates UBTI, I understand that I will be responsible for preparing or having prepared the required IRS Form 990-T tax return and any other documents that may be required. I understand that neither the Administrator nor the Custodian makes any determination of whether or not investments in my account generate UBTI.

I understand that the assets in my account are required by the IRS to be valued annually as of the end of each calendar year. I agree to provide the prior year end value of this investment by no later than January 10th of each year on a form provided by the Administrator, with substantiation attached to support the value provided.

I understand that with some types of accounts there are rules for Required Minimum Distributions (RMDs) from the account. If I am now subject to the RMD rules in my account, or if I will become subject to those rules during the term of this investment, I represent that I have verified either that the investment will provide income or distributions sufficient to cover each RMD, or that there are other assets in my account or in other accounts that are sufficiently liquid (including cash) from which I will be able to withdraw my RMDs. I understand that failure to take RMDs may result in a tax penalty of 50% of the amount I should have withdrawn.

I understand that all communication regarding this transaction must be in writing and must be signed by me or by my authorized agent on my behalf, and that no oral modification of my instructions will be valid.

I understand and agree that neither the Administrator nor the Custodian bears or assumes any responsibility to notify me or to secure or maintain any fire, casualty, liability or other insurance coverage, including but not limited to title insurance coverage, on this investment or on any property which serves as collateral for this investment. I acknowledge and agree that it is my sole responsibility to decide what insurance is necessary or appropriate for investments in my account, and to direct the Administrator in writing (on a form prescribed by the Administrator) to pay the premiums for any such insurance.

I further understand and agree that neither the Administrator nor the Custodian is responsible for notification or payments of any real estate taxes, homeowners association dues, utilities or other charges with respect to this investment unless I specifically direct the Administrator to pay these amounts in writing (on a form prescribed by the Administrator), and sufficient funds are available to pay these amounts from my account. I acknowledge that it is my responsibility to provide to the Administrator or to ensure that the Administrator has received any and all bills for insurance, taxes, homeowners dues, utilities or other amounts due for this investment. Furthermore, I agree that it is my responsibility to determine that payments have been made by reviewing my account statements.

I understand that no person at the office of the Administrator or the Custodian has the authority to modify any of the foregoing provisions. I certify that I have examined this Purchase Authorization and any accompanying documents or information, and to the best of my knowledge and belief, it is all true, correct and complete.

**Date:** \_\_\_\_\_



## PRIVATE INVESTMENT DISCLAIMER & INDEMNITY AGREEMENT

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

**Midland Account #** \_\_\_\_\_

**Asset Name** \_\_\_\_\_

This Disclaimer and Indemnity Agreement will confirm our mutual understanding and agreement regarding your proposed investment in the above mentioned investment or entity. Please sign this agreement and return it to us.

- 1) **NON-RELIANCE CLAUSE** – AS THE IRA OWNER AND INVESTOR, YOU AGREE THAT MIDLAND IRA, INC (or its subsidiaries or continuing entities) (further known as Midland IRA in this document) HAS NOT GIVEN ANY ADVICE ON THIS INVESTMENT OR ASSET. AS THE INVESTOR YOU HAVE NOT RECEIVED ANY ADVICE FROM MIDLAND IRA ON THIS ASSET/INVESTMENT AND MOST IMPORTANTLY YOU HAVE NOT RELIED ON ANY STATEMENTS MADE BY MIDLAND IRA IN MAKING YOUR INVESTMENT DECISION.
- 2) You understand and agree that Midland IRA, Inc. (or its subsidiaries or continuing entities) (further known as Midland IRA in this document) does not approve investments or actions you personally take or direct Midland IRA to take on behalf for your Account. Midland IRA is strictly a neutral administrator of your Account's assets.
- 3) You understand and agree that Midland IRA does not review and approve the subscription agreement, operating agreement, by-laws, limited or general partnership agreement, or any other similar agreement regarding the purchase or operation of the entity or individual you want to invest with. You are solely responsible for making sure that your investment or entity was not formed or will not operate in a way that does or may lead to a prohibited transaction under Internal Revenue Code Section 4975.
- 4) You understand and agree that it is your responsibility to comply with state usury laws when lending funds from your IRA or an entity in which your IRA is invested. For a complete list of state usury laws, go to: [www.usurylaw.com/state](http://www.usurylaw.com/state)
- 5) You understand that IRA assets are not FDIC insured except for un-invested cash held by Midland IRA up to the current regulator amount. You understand IRA assets and investments can lose value.
- 6) You represent that you have done your own due diligence on the individual investment or company you want to invest in. You are acknowledging that there is risk in any investment and that you may lose all or a portion of your principal. Midland IRA is not responsible for the collection of IRA asset income or payments or recovery.
- 7) You understand and agree that neither Midland IRA nor any of its officers, directors, shareholders or employees are associated in any way with the asset you are investing in. Neither Midland IRA nor any of its officers, directors, shareholders or employees have given you any investment, legal or tax advice pertaining to this investment. Midland IRA will never receive a commission from any investment. It can be industry practice for a promoter or organizer to pay standard IRA administrative fees for their clients.
- 8) You agree to indemnify and hold harmless Midland IRA, its officers, directors, shareholders and employees against any liability associated with your Account's investment in this asset or company.

**We recommend that you read the most recent Alert from the SEC regarding investment risks in Self-Directed IRAs. [www.sec.gov/investor/alerts/sdira.pdf](http://www.sec.gov/investor/alerts/sdira.pdf)**

To signify your agreement with all of the above paragraphs, please sign below, date and return to our office by mail, fax or email. Thank you for your cooperation. We look forward to continuing to serve your retirement account needs.

**Accepted, Understood and Agreed to:**

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date Signed