

Crowdfunding in a Self-Directed IRA

Crowdfunding is a popular way entrepreneurs raise funds to gain capital for start-up ventures, business expansions and other opportunities. The goal is to obtain small amounts of funds from a large pool of people (family, friends, other investors) to amass the capital needed.

In the past, only accredited investors with a certain level of net worth and assets could acquire private stock and equity opportunities. SEC rulings within the JOBS Act now permit non-accredited investors to participate in these offerings.



Crowdfunding for Non-accredited Investors

- Net worth plus income must be less than \$100,000 to invest \$2,000 or 5%, whichever is higher of either net worth or annual income.
- If net worth or income is over \$100,000, up to 10% of the net worth or income, whichever is higher, can be used for crowdfunding investments.

Benefits of Crowdfunding with a Self-directed IRA

- Availability of a myriad of investment options that provide diversity in retirement portfolios.
- Does not require the use of all investment funds on one asset.
- Smaller amounts of funds can be used to invest in many different assets.

Steps to Crowdfund Investing

1. Open a self-directed IRA account with Midland IRA. Plans include traditional and Roth IRAs, SEP, SIMPLE, and individual 401(k) plans, as well as health and education savings plans.
2. Fund the account by making a contribution or transferring funds from another plan to your Midland IRA account.
3. Select your crowdfunding platform and choose your investments.

CROWDFUNDING INVESTMENTS PERMISSIBLE IN SELF-DIRECTED IRAS INCLUDE:

1. Real estate
2. Technology and other start-up ventures
3. Business start-ups and/or expansions

Midland IRA IS NOT A FIDUCIARY. Midland IRA's role as the administrator of self-directed retirement accounts is non-discretionary and/or administrative in nature. The Account holder or his/her authorized representative must direct all investment transactions and choose the investment(s) for the account. Midland IRA has no re-sponsibility or involvement in selecting or evaluating any investment. Nothing contained herein shall be construed as investment, legal, tax or financial advice or as a guarantee, endorsement, or certification of any investments.

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