

Non-Recourse Loans



Available in all 50 states

Who is North American Savings Bank?

North American Savings Bank, F.S.B. has been providing loans to individuals since 1927. As a leader in the mortgage industry, North American offers a variety of mortgage loans and is the **only nationwide Non-Recourse lender for IRA real estate investments**. We have retail lending branches in Missouri 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 North American Savings Bank.

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

Our website offers a list of self-directed IRA administrators who allow non-recourse loans. Please contact one of the administrators for more details. NASB does not represent or endorse any of these companies nor do they represent NASB. Please perform all prudent due diligence before setting up an account. iralending.com

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?

North American Savings 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 45 days from the date we receive your loan application and your purchase contract.

What type of loan programs are available?

NASB offers a 5 year ARM and a 25 year fixed. NASB does not offer an interest only loan for the non-recourse financing.

What types of rental property are eligible for NASB'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, rural properties, 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%.

How can I apply for a Non-Recourse loan?

Visit our website at iralending.com, print and complete the application then fax to 913-339-9530.

Visit our blog, iralendingblog.com for the latest news and updates on Self-Directed IRAs and non-recourse loans.

LOAN OPTIONS

	1-4 Family (50K Min)	Multi-Family (50K Min)
Product	5/1 ARM or 15, 20, or 25-Year Fixed	5/1 ARM or 15, 20-Year Fixed
Max LTV	70% SFR or 60% Condo or 2-4 Units	60%
Max Term	25 Years	20 Years
DSCR*	1.25x	1.3x
*DSCR: Debt Service Coverage Ratio = net operating income / annual debt service. Minimums listed above represent the loan amount.		

NASB offers a unique financing program designed for the non-recourse financing requirements for IRA investments, and the application process is easy. Loan approval is generally within 48 hours of receipt of a full and complete application, and is subject to appraisal and verification of IRA funds for closing.

NASB 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. 1% Origination fee to NASB
2. \$385 Underwriting fee to NASB
3. \$310 Processing fee to NASB
4. \$16 Flood Certification fee
5. \$510-\$595 Appraisal fee (including rent comps) – Due at time of application
6. \$_____ Settlement/Escrow fee
7. \$_____ Title Insurance
8. \$_____ Recording fees
9. \$_____ Mortgage Registration or other state fees (if applicable)
10. \$_____ Prepaid Interest and taxes*
11. \$_____ Initial Hazard Insurance Premium*
12. \$200 Attorney Review Fee

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

Documentation Required for Loan Approval:

1. Completed loan application- visit iralending.com for a copy.
2. Current detailed Rent Roll or copies of signed leases (leases or rent roll for currently unoccupied properties are not required).
3. Most recent asset statement verifying IRA assets for purchase and reserves.
4. 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.
5. Acceptable real estate appraisal for the property to be financed. Appraisal fee required at the time of loan application before NASB will order the real estate appraisal.

Contact Us:

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