



- ✓ Use this guide when investing in a secured note within your PENSCO Trust Account.
- ✓ A secured note is a note secured by some type of collateral, i.e., real property, equipment, private stock, etc..
- ✓ When funding a secured note within your retirement Account, you should exercise the same due diligence as if you were lending it personally. PENSCO Trust acts only as a passive custodian and does not provide investment advice. We require an independent escrow.

Overview

Terms Defined:

- ✓ The "IRA Owner" and "Solo(k) Participant" are referred to as: "Accountholder"
- ✓ "IRA" or "Solo(k) Plan" are referred to as: "Account"

1. The Accountholder must read, approve and sign all documents before forwarding them to PENSCO Trust for the custodial signature. The signed documents will then be returned, along with the funds, to the identified escrow agent for closing.
2. All documents must be vested:
 - For IRAs: PENSCO Trust Company Custodian FBO 'Accountholder Name' IRA 'PENSCO Account #'
 - For Solo(k)s: PENSCO Trust Company Custodian of 'Plan Name' FBO 'Accountholder Name', 'PENSCO Account #'
3. PENSCO Trust Company's Tax ID: 02-0526633
4. Address of Lender: PENSCO Inc., 450 Sansome St., 14th Floor, San Francisco, CA 94111

Required Documentation and Other Information Needed

Secured Note to an Individual or a Business Entity:

1. **Secured Note Authorization:** Authorizes PENSCO Trust to fund the note within your self-directed Account.
2. **Secured Note Servicing Agreement:** PENSCO Trust does not service any notes (i.e., track note payments, handle defaults, foreclosures, etc.). You may use either the note servicer's own agreement or the *Secured Note Servicing Agreement* form provided by PENSCO Trust. Both Accountholder and the note servicer must sign.
3. **Copy of Note:** Make sure the note is vested correctly (see #2 in the Overview above). If it's a multi-beneficiary note (more than one lender) then the note servicer keeps the original documents. If a sole beneficiary note (i.e., the Account is the sole lender), then PENSCO Trust keeps all documents. IRA holders are not permitted by law to hold their IRA assets. Original note is required after funding.

4. Copies of required security agreements:

Note Secured By:

- Real Property →
- Manufactured or Mobile Home →
- Vehicle →
- Equipment →
- Company Shares →
- Participation Agreement/ Mortgage Pool →
- Other Collateral Types →

Required Security Documents (copies acceptable):

- Deed of Trust / Mortgage
- Assignment of Deed of Trust/Mortgage to PENSCO IRA (see vesting instructions)
- Certificate of Ownership
- Reregistration of Title to PENSCO IRA (see vesting instructions)
- Certificate of Ownership
- UCC Filing, any refiling application
- Security Agreement
- Pledge Agreement
- Consent of shareholders
- Participation Agreement
- Applicable Security Agreement

5. **Payment and Funding Instructions:** Funding can be made by either wire or check. For "Investment Name" please indicate the borrower's name.

6. **Escrow Instructions:** Either from the broker or escrow/title company.