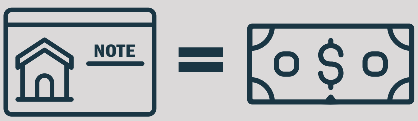
Seller Financing in a 1031 Exchange

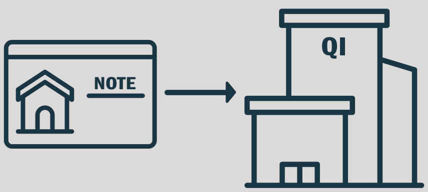
The Seller, Taxpayer in a 1031 Exchange, provides Seller Financing to make the transaction happen

The Seller Financing is documented by a Note and Mortgage/Deed of Trust or a Contract for Deed from the Buyer to the Seller

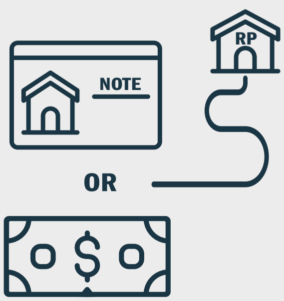


The Note is treated just as cash would be treated in a transaction

- To avoid "actual receipt" the Note is made payable to Accruit LLC as Qualified Intermediary f/b/o _______________ (Client/Taxpayer)



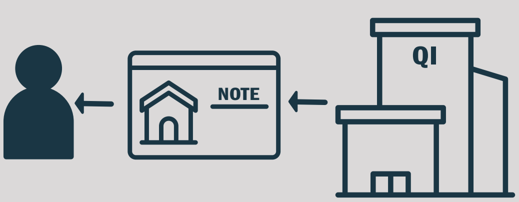
- Mortgage, or Security Instrument, should reflect the same parties as the Note



The Client (Taxpayer) can transfer the Note to the Replacement Property (RP) Seller if he/she is willing to take it as part of purchase price

Alternatively, the Client (Taxpayer) can use their own funds or borrow funds in order to exchange the Note held by the QI for cash

- The QI on behalf of the Client (Taxpayer) uses the cash to acquire the Replacement Property at closing



TAX DEFERRAL!

The QI assigns the Note and Security Instrument to the Client (Taxpayer) and the exchange is complete

The Client (Taxpayer) gets tax deferral on the sale and only reports the interest received over time, but the principal payments are tax deferred

CONTACT US

SHELTER 1031

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