



Home Storage Gold IRA Myth Exposed – Avoid This Fatal Mistake

Can I Legally Self Store Physical Gold Held Within My IRA at Home?

Even if the gold price rises and falls over the years of your investment, physical gold will always have intrinsic value. As a result, many investors believe it makes sense to have some in your alternative IRA investment portfolio. However, the IRS rules on what you can buy and how you can store gold are very particular.

<https://www.youtube.com/watch?v=McO500---co>

Video Highlights:

[0:21] What's misleading about the article, "Gold and Silver IRA: You Hold the Metal"?

[0:40] Creating an LLC to be funded from your IRA is legitimate, but storing gold at home in an IRA is ill-advised.

[1:09] The IRS code says your gold must be held by a bank. What defines a "bank"?

[1:38] Why is Terry further expresses concerned about this article?

[2:05] An IRA-owned LLC may be able to open a safety deposit box in a bank to store precious metals.

[2:52] If you're not careful when reading the article, you may be misled into thinking you can keep the precious metals in your home as part of a gold IRA home storage.

[3:26] Get your copy of The Self Directed IRA Handbook by opening a new account with Sunwest Trust!

[4:07] Tune in again for all the latest information on your self directed IRA!

For more details and to share this video on Precious Metals in your IRA LLC, please visit the links below:

Subscribe to our [YouTube channel](#) and share today's video on [Home Storage Gold IRA](#).

What is True About Buying Precious Metals?

The IRS states that certain precious metals *are* allowed as an IRA investment — coins with a very pure mineral content rather than “collectors’ coins” — American Gold Buffalo coins (non-proof) and American Silver Eagle (proof and non-proof) being some examples. Gold bars and bullion are also permissible purchases, as long as they meet the IRS’s fineness standards: Gold .995%, silver .999%, platinum .9995% and palladium .9995%. Also, they must come from a COMEX, or NYMEX approved refiner. IRS Code Section 408(m)(3)(B) states that bullion and most coins purchased with a self-directed IRA must be placed “in the physical possession of a trustee.”

When buying precious metals with a self-directed IRA, it is usual to have to store them with a third-party custodian, but there is a certain amount of information online that might convince an IRA owner otherwise. While the Internet is an excellent source of information on what you can do with your IRA account, you need to be careful what you read and who you believe, especially when it comes to buying gold and silver. For instance, take a look at an interesting article about buying gold and silver in your IRA, [“You Hold the Metal.”](#)



Is Storing Your Physical Gold at Home Legal in a Gold IRA?

What Is True about Buying and Storing Precious Metals

This article claims you can form an LLC and fund the LLC with your IRA, purchase precious metals, *which is legitimate*. However, according to the article from Perpetual Assets,

“The structure allows the individual to take physical, at-home possession of certain gold and silver coins with IRA funds and it is not a taxable distribution ... The IRA LLC offers segregation and protection in numerous regards. It provides the ability to physically store gold and silver that is owned by your IRA, or like account.”

While it is true that an LLC can have a checkbook IRA account, thus giving its owner control over day-to-day transactions, the online article leads people to believe that you can form an LLC, buy any number of precious metals, and then store them, say, under your mattress. This is not true and is prohibited by the IRS. Therefore, self-storage is out of the question, and it would be considered a distribution if you took physical possession of your metals and stored them improperly.

“An IRA/LLC may obtain a safe deposit box at a financial institution in the name of the LLC and such safe deposit box may store accepted precious metals. Such IRA/LLC-owned safe deposit boxes would *MOST LIKELY* meet the storage requirements of IRC 408(m)(3)(B) for IRAs as the deposit box is at a financial institution (e.g., bank). The IRS, the DOL, or the courts have not addressed this form of storage, but it is a reasonable application of the storage requirements. Storage at the office address of the IRA/LLC would not meet the storage requirement rules for precious metals.” — Mat Sorensen, *The Self-Directed IRA Handbook*

A checkbook IRA will give the owner more autonomy, but it does not eliminate the need for a gold IRA custodian. The [custodian still reports to the IRS](#) on the IRA account holder’s behalf. Therefore, some people might be more likely to try and [bend the IRA rules](#), but they would be taking a huge risk in doing so.

Properly Storing Precious Metals – A Word To The Wise

Everything you do with your IRA, including deciding where to store your precious metals, must comply with the IRA rules established within the Internal Revenue Code 408(m)(3)(B). As with the article in question, not every online presentation is going to be completely forthright with its facts.

These articles may make broad statements without providing a citation as to what you can and can’t do in a gold IRA. Therefore, make sure to read with some skepticism until the facts are double checked against the IRS code and other articles by experienced advisors. Even Wikipedia will not allow editing of its articles without proper citations, so *be vigilant, ask questions and do your due diligence*.

If you based your bullion purchase on the information in the article as mentioned earlier, you might have started an IRA LLC with checkbook control, funded the LLC with your IRA (which, again, is a legitimate), then bought gold bars in your IRA only to store them or self store them at home in the garage. However, come tax time. You could be hit hard by having the bars treated as an early distribution.

Furthermore, given the crime stats available (FBI's Uniform Crime Reporting (UCR) Program), keeping such a valuable asset as gold in the home is perhaps not the wisest choice:

- There were an estimated 327,374 robberies nationwide in 2016.
- The robberies accounted for an estimated \$290 million in losses.
- The estimated robbery rate was 101.9 per 100,000 inhabitants in 2015.

Follow Good IRA Legal Advice

On the other hand, you could have [set up a new IRA account](#) with Sunwest Trust and received a guide called *The Self-Directed IRA Handbook* by Mat Sorensen — an attorney-at-law in Arizona. In his book, Sorensen explains in-depth [how to buy precious metals with your IRA](#).

The Self-Directed IRA Handbook also describes the [kinds of metals you can buy with your IRA](#) and where those metals have to be stored to avoid a prohibited IRA transaction. Armed with the knowledge in the SDIRA Handbook, you could form your IRA LLC, purchased your bullion and watch its value grow while in a safe storage facility.

Sunwest Trust will automatically send you Sorensen's *The Self-Directed IRA Handbook* when you set up a new account with Sunwest Trust along with your welcome package.

Exceptions

In summary, certain precious metals are [eligible IRA investments](#) must be stored with a third-party IRS approved storage facility. There are no exceptions to the gold IRA rules. Even with an IRA LLC, you cannot self-store your assets at home.

If you have a precious metals IRA investment in mind and are unsure of IRS requirements, speak with a CPA or tax attorney. These are the most knowledgeable professionals to consult when it comes to IRS code.

Takeaways:

Precious metals bought with your IRA cannot be held in your possession.

Fact-check articles you read online about ways to invest in your IRA.

When buying gold and silver with your IRA, know and understand the rules.

Summary of Recommended Resources:

Sunwest Trust [Precious Metals IRA Account – How to Buy Physical Gold The Right Way And Avoid Trouble](#)

Investopedia [Analysis: Should You Get A Gold IRA?](#)

Sunwest Trust [Self Directed IRA Rules: Learn Them To Keep Your IRA in Good Standing](#)

Video Transcript:

As I like to do sometimes, and as I told you before, I use Google Alerts, and I get articles that are on the Internet for various keywords. One of the things I got recently was Gold and Silver IRA: You Hold the Metal.

I just want to point out. You need to be careful of what you read on the Internet, and you need to make sure you understand exactly what they're saying. This particular article talks about a little-known idea of starting an LLC and then funding the LLC from your IRA, which is legitimate. It talks about that in the book that we provide to you when you set up a new account, The Self-Directed IRA Handbook. It talks about the particular idea in chapter 13.

Chapter 12 speaks of the kinds of precious metals that you can buy in your IRA and where those metals have to be stored. And so, I just want to point out in that book, in chapter 12, it talks about Internal Revenue Code Section 408(m)(3)(b). It says that, specifically, a bank must hold your gold or your precious metals. The term 'bank' is defined in the code, "including a national or state-chartered bank, credit union as well as a state chartered trust company as defined in IRC section 408N."

The one thing that I'm concerned about is: it leads people to believe that you can start this IRA LLC and then buy metal and potentially put it under your mattress. I don't think that would comply with the internal revenue code.

If you go and look in Chapter 13 of The Self-Directed IRA Handbook, it also talks about something that you might do, as it says:

"An IRA LLC may obtain a safe deposit box at a financial institution in the name of the LLC and such safe deposit box may store acceptable precious metals. The IRA's LLC-owned self-deposit box would most likely meet the storage requirements of IRC Section 408(m)(3)(b) for IRA's as the deposit box is a financial institution, meaning a bank.

The IRS, the DOL or the courts have not addressed this form of storage, but it is a reasonable application of the storage requirements.

Storage at the office address of the IRA LLC would not meet the storage requirement rules for the precious metals.”

So the one thing I wanted to point out, which is the main thing I wanted to say, is if you're not careful and just read this article, it might lead you to believe that you could form an LLC, fund the LLC with your IRA (which again is a legitimate strategy), then you buy metals and bury them in your backyard or put them under your mattress. At least according to Mat Sorensen (and I agree with him), that would not meet the requirements of section 408 of the internal revenue code.

Just be careful. And, as a way for us to help you in guiding you through these complicated rules and stuff, and so that the things that you read on the Internet, you have the resource available to go back and look those up and make sure they're correct, we make available The Self-Directed IRA Handbook was written by Mat Sorenson, who's an attorney-at-law in Arizona.

This is available if you'd like just to email the company. If you put a comment on this video below, we will send you this book. And if you set up a new account with Sunwest Trust, you will automatically receive this book with your welcome package.

Thank you for taking the time to watch Tuesdays at 2 PM today. I hope you will tune in again next week. I hope that you'll take some time to comment, like us on Facebook and then subscribe to this channel so that you'll be sure and get all the latest information that we provide here.



About Terry White

I started my business career after getting my degree in Accounting from the University of New Mexico in 1983. My first job was as a controller for a local title company, and in 1987 I started First Financial Escrow, Inc. Over the years I played a part in several startup companies including First Financial Equities, Inc., First Financial Trust, Inc., First Financial Marketing, Inc. and Asset Ventures, Inc. In 1997 First Financial Escrow, Inc. was able to purchase the escrow accounts from Sunwest Bank and changed its name to Sunwest Escrow. As the market changes, Sunwest has grown and changed along with it. Besides my wife, Sheila, we have three boys, two daughters-in-law, one grandson, another grandson on the way and a future daughter-in-law. Sunwest is my passion, and I enjoy coming to work every day to see what will happen next. I enjoy fly fishing, spending time in Colorado, biking and watching my boys play soccer.