

Benefits of Mortgage Notes and Trust Deeds in an Individual 401k Retirement Portfolio

Sense Financial and Prudent Consulting explain why aside from [investment diversification](#), mortgage notes and/or trust deeds can provide other important benefits to an individual 401k retirement account holder.

Los Angeles, CA (PRWEB) July 02, 2014

Adding [passive income investments](#) to ones individual 401k investment portfolio and picking the right type of investment that provides this kind of income are essential. By doing this, one can provide security and stability in terms of income received by his or her retirement account. Real estate investment through rental income is the popular choice in passive investing, especially these days that most surveys show how rental properties have become in demand. Other than rental property investment, mortgage notes and trust deeds are types of real estate investment that could provide real passive income and a promising future for an individual's retirement account.

J.D Roth quoted, "Passive Income is money that you earn without having to work for it. When you earn interest on a savings account, you are earning money passively; it accrues whether you're working or not." Rental property is a sure source of passive income. However, conscious effort on the part of the investor to learn property management skills is important. Also, the responsibilities of being a landlord could be required from time to time. In this sense, [mortgage notes and trust deed investment](#) could be considered more passive investment options than rental property investments because income is received through interest and less effort is required from the investor.

Below are some of the reasons why investing in mortgage notes or trust deeds are beneficial for an individual 401k account holder:

- Experts in retirement investing would always say that the key to grow an individual 401k or any self directed

retirement accounts is by diversifying its investment vehicles. Mortgage notes and/or trust deeds are good addition to ones retirement portfolio in which passive investments should definitely be included.

- Passive investment allows individual, particularly small business owners, to concentrate on other investments they have in their retirement account as well as their own primary business.

- Compared to rental properties where income is produced only when tenants occupy the space, mortgage notes and trust deeds offer regular income with or without the need to find tenants. The legal contract or [promissory note backed up by real estate collateral](#) dictates the frequency of payments, the interest added, the maturity of the borrowed amount, and other important details.

- Retirement account will continuously perform even if other investments in the account fail to deliver the expected income.

Prudent Consulting is California's leading financial consulting service which connects investors with the best investment opportunities in real estate. The firm strives to help clients succeed in real estate investment and present them the most competitive options in trust deeds, property notes, residential properties and much more, offered by the best investment providers.

For more information about real estate investment opportunities, please visit www.prudentconsulting.net