

DCF EXCHANGE, LLC

DCF INCOME PAYMENTS

Top 10 Frequent Questions



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1) What Are DCF Payments

- DCF Income Payments are Discounted Cash Flows
- Payments are backed by annuities issued in conjunction with structured settlements, and paid by top rated insurance carriers
- Buyers become the new payee of fixed, in force payment streams sold at a discount
- Discount to Seller = Higher Yield to Buyers

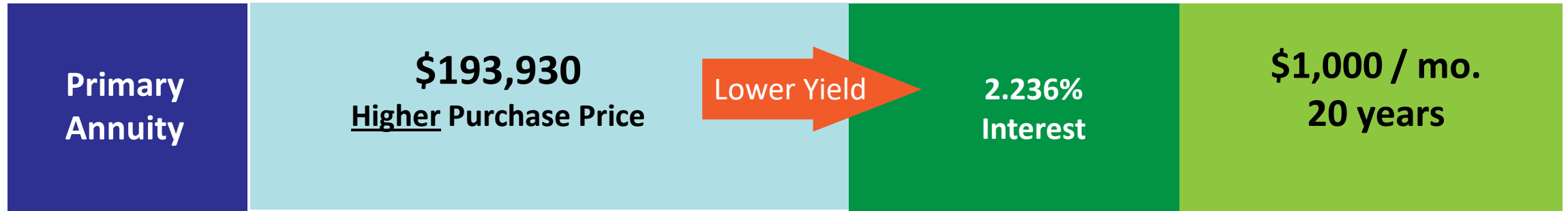
1) Where DCF Payments Come From...

- Times Change, And People Decide to Sell Their Payments
 - You may have heard of factoring companies, like JG Wentworth, Peachtree, etc.
- We buy payments from factoring companies, do all legal review, and resell through advisors nationwide
- Purchasers become the New recipient of these Existing, in-force payment streams backed by annuities from top rated carriers

2) Why Are The Yields Higher?

- People sell their payments at a discount
- Discount to Seller = High Yield For Buyers
- Discount varies depending on the case
- Your yield is typically 1-3% higher than comparable safe money assets like CD's, Fixed Annuities, etc.

2) Why Are The Yields Higher?



DCF Income Payments Offer 10.54% Savings- Over \$20,443 SAVED



*\$1,000 per month period certain 20 years, vs. SMA.
Rates as of April 2020 & subject to change.*

3) Are DCF Income Payments Safe?

- Rigorous and court ordered procedure adopted in 49 of 50 states
- Every transfer must be court approved and explicitly conform to IRS Regulation section 5891
- Every transaction is thoroughly reviewed by outside legal counsel
- We supply full and complete documentation of all contracts and assignments prior to you sending even \$.01.

3) Safety Of Insurance Carriers

MetLife



THE COMPANY YOU KEEP®



**BERKSHIRE
HATHAWAY**

Carrier	A.M. Best	S&P	% of Cases
MetLife	A+	AA-	19.41%
Prudential	A+	AA-	10.81%
Allstate	A+	A+	8.97%
American General	A+	A+	7.69%
Hartford	A-	BBB+	6.78%
Pacific Life	A+	A+	4.95%
Genworth	A	A-	4.76%
New York Life	A++	AA+	4.76%
Symetra	A	A	3.85%
John Hancock	A+	AA-	3.30%
Total			75.27%

4) Do I need to be over 59.5 yrs old to buy?

- No- DCF Income Payments have no restrictions on age of buyers, and no penalty tax on income payments to buyers
- Why? DCF Payments are an existing payment stream, backed by an annuity, and the buyer becomes the new payee.
- The annuity itself does not transact... just the right to the payments

5) Can I Use My IRA To Buy?

- YES!
- Indicate on purchase order if Qualified or Non Qualified
- Open Self Directed IRA prior to reserving a case.
- GoldStar Trust is the only recommended SDIRA custodian
- Transfer funds to SDIRA when court approved

6) Who Is Best Self Directed IRA Custodian?

- GoldStar Trust Company
 - GoldStarTrust.com
- Simple & Easy
- Custom Program For DCF

- Gold Star gets our full endorsement
- Just \$25 to Open and \$65/ year
- No add'l fees to add payment streams to your account
- Free ACH withdrawals



Self-Directed IRA Guide

7) Who Gets Payments If I Die?

- DCF Income Payments are Fixed Payments, Pay To You Or Your Heirs
 - No Loss To Insurance Carrier If You Die, Unlike SPIA
- Be aware of Probate in Your State- Many Buyers Use a Trust
 - “Jane Doe Living Trust”
 - Or “John and Jane Doe Revocable Trust ”
- Consult Your Estate Planner and Purchase Accordingly To Ensure Your Payments Go As Directed

8) Can I Buy Payments For.....

- For Kids/ Grandkids
 - Payments can be made payable however you specify/ direct
 - E.g., grandfather buys long-term lump sum, payable to granddaughter
- For Church/ Charity
 - You can specify any recipient on your purchase order, or, you buy in a trust and trust directs any remainder payments after death to a charity
- For A Family Trust Or For Other Needs
 - You can purchase a payment stream to fund any sort of long term obligation, such as loan payments, life insurance premiums, capital repairs on a family property, college tuition payments, you name it

8) Cont'd- Typical Buyers And Financial Goals....

"I want fixed income of \$5000/month lasting for 10 years, starting in 2021..."

"I want \$1200/ month starting in 3 years and lasting 25 years ..."

What Are Your Goals?



"I'm 40, and want to put \$150,000 from my IRA into a fixed lump sum paying in 20 years ..."

"I'm 70 and need 20 years of monthly income starting right away ..."

9) What About Taxes....

- Structured Settlements are tax free to the original annuitant.... But that doesn't mean they are tax free to you.
- You will not get a 1099 from the insurance carrier but you and your tax preparer will need to pay taxes on interest income.
 - DCF has tax guidance from major accounting firm in closing book
- DCF Income Payments are receivables and are taxed accordingly
 - A portion of each payment is principal, and a portion is interest
 - The exclusion ratio is shown on payments table or, if in IRA it is posted to your SD IRA account

10) Can I Resell My Payments Later If I Have To?

- Yes! With DCF payment streams, you can resell or transfer
- Other transfer methods do not allow this
- Note, while we CAN resell, we can not guarantee what the price will be or how long it'll take to sell.
- Consider the payments to be illiquid and plan on holding to term

11) Bonus- Who is DCF Exchange

- DCF Distributes Discounted Cash Flow Payments Through a Nationwide Financial Advisor Network
- DCF Principals are Experienced in the Market
 - 25+ year Wall Street experience
 - 15+ years Main Street primary and secondary annuity sales
- DCF Turns Over Millions / Month in Payment Streams
- DCF Uses Same Procedures as Large Firms Like JG Wentworth, but Sells Payment Streams Direct To Investors

Ready To Get Started?

Contact Your Advisor &
Get Started With
DCF Income Payments Today

