

## **THE PROCESS FOR A FORWARD 1031 EXCHANGE**

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**gain1031exchangecompany.com**

The process for a straight forward 1031 exchange (reverse exchanges are structured differently) involves seven simple steps:

1. **TAX ADVISOR:** The taxpayer (the individual or business selling property) should consult with a tax advisor to determine if a tax deferred exchange is appropriate and is compatible with overall investment goals.
2. **CONTACT GAIN 1031 EXCHANGE:** The taxpayer contacts Gain 1031 Exchange Company once a closing is scheduled on the relinquished property. Gain 1031 will work with the title company or attorney closing the transaction to prepare exchange documents.
3. **CLOSING ON THE RELINQUISHED PROPERTY:** At or before closing of the relinquished property, the taxpayer working with the title company closer will sign the exchange documents and proceeds will be delivered to Gain 1031. A taxpayer must not close on the relinquished property without having an exchange agreement in place.
4. **IDENTIFICATION DEADLINE:** Within 45 days after the closing of the relinquished property, the taxpayer notifies Gain 1031 in writing (forms provided by Gain 1031) of the replacement property(ies) that the taxpayer intends to acquire.
5. **CONTACT GAIN 1031 EXCHANGE COMPANY:** The taxpayer contacts Gain 1031 when a closing on the replacement property(ies) is scheduled.
6. **ACQUISITION DEADLINE:** The taxpayer closes on the replacement property(ies) within 180 days (or less if the due date of the taxpayer's tax return falls within the 180 days unless an extension is filed) from the closing on the relinquished property. Gain 1031 will prepare documents and wire the exchange funds to the title company or attorney closer.
7. **ENJOY:** The taxpayer files their tax return reporting the exchange and enjoys the benefits of tax deferral.

Please be aware that this information is intended to provide basic information about tax deferred exchanges, and is not a substitute for legal or financial advice. Gain 1031 Exchange Company strongly recommends consulting with a tax or legal advisor before considering an exchange.