Self-Directed IRA and 401(k) Plan Fees and Charges Explained

By
Brett L. Davis
Senior Vice President and Chief Trust Officer
Exeter Trust Company

Introduction to IRA Fees

IRA custodian fees can quietly erode the long-term value of your self-directed retirement account. Yet many self-directed IRA and self-directed 401(k) plan custodians bury their costs and charges in complex fee schedules that are difficult to compare and easy to underestimate. If you plan to hold real estate, promissory notes secured by deeds of trusts or mortgages, private equity or debt funds, or other alternative investments, understanding these trust company costs is essential before you choose a custodian.

This article explains the common fees IRA custodians charge, shows you what to watch out for, and helps you ask the right questions. You will also learn how Exeter Trust Company (ExeterTrust™) delivers premium custody and administrative services with transparent, flat-fee pricing and genuine expertise in real estate related assets.

Here is what you will take away: the IRA fees and services charges that are most common, how the account fair market value fees, asset holding costs and transaction service charges can multiply your IRA costs over time, and why a flat annual IRA fee protects your account value as it grows.

Why Fees Matter More Than You Think

Self-directed accounts let you invest your retirement funds in a broad range of non-traditional assets, generally referred to as alternative assets or “alts” for short. That flexibility is powerful, but it comes with a wide variation in how IRA custodians charge for their custody services.

Two custodians can advertise "low fees" and still cost you dramatically different amounts. The difference often comes down to how the fees are structured. A fee tied to your account value, for example, grows right alongside your investments, so the more successful you are, the more you pay.

Understanding the full picture and comparing custodians on an apples-to-apples basis, helps you protect your long-term returns and make a confident, well-informed decision.

Common Fees Charged by IRA and 401(k) Plan Custodians

IRA Fee models vary widely across the self-directed custody industry. Before you open an account, review each of the following charges carefully.

Set-Up Fees

Many self-directed custodians charge a one-time account establishment or set-up fee. This covers opening your account and processing your initial paperwork. Amounts range widely, and some custodians add separate fees for each type of asset you intend to hold or acquire inside of your self-directed retirement account.

Annual Maintenance Fees

This recurring fee covers ongoing administration and recordkeeping. Some custodians charge a flat annual amount, while others tier the fee based on the number or type of assets held in your IRA.

Market Value or Asset-Based Fees

This is one of the most important charges to understand. Instead of a flat rate, some custodians charge a percentage of your account's total market value. As your investments appreciate, so does your fee, year after year.

Over a long-term holding period, asset-based or market value based pricing can cost you many times more than a flat fee.

Asset Holding Fees

Custodians often charge a separate fee for each asset held in your account. If you own several properties, multiple notes, and an interest in a private debt or equity fund, these per-asset charges can add up quickly.

Transaction Fees

Every purchase, sale, or investment change may trigger a transaction fee. For active investors, or anyone managing a portfolio of real estate and notes, these fees can accumulate throughout the year.

Wire Transfer and Disbursement Fees

Moving money in or out of your account, whether by wire or check, frequently carries its own charge. Funding a real estate closing or distributing rental income can each generate a separate disbursement fee.

Termination Fees

When you close your account, transfer assets to another custodian, or take a full distribution, some custodians charge a termination or account closing fee. This cost is easy to overlook until you decide to move on, and the fees can be onerous in some cases.

Exeter Trust Company: Premium Service, Transparent Flat-Fee Pricing

Exeter Trust Company takes a different, simpler approach. We believe transparent pricing is part of premium service, so you always know exactly what you pay.

Your self-directed IRA or self-directed 401(k) plan, often calls a solo-k, with Exeter Trust Company is just one flat fee of $275.00 per account, per year. That's it. Here is what that flat fee means for you:

- NO set-up fees
- NO market value or asset-based fees
- NO asset holding fees
- NO transaction fees
- NO wire transfer or disbursement fees
- NO termination fees

Because your fee never changes based on your account value, your success stays yours. A portfolio worth $100,000 and a portfolio worth $1,000,000 pay the same $275.00 per year. As your investments grow, your custody costs do not.

This structure gives you clarity and predictability. You can plan around a known annual cost, without worrying about surprise charges every time you fund a closing, collect rental income, or add a new asset.

Genuine Expertise in Real Estate and Alternative Assets

Transparent pricing matters only when it is paired with real capability. Many custodians will hold your alternative assets, but few have deep, hands-on expertise and experience in real estate and real estate related investments. Exeter Trust Company is one of the few that does.

Our specialty emphasis includes:

- Real estate, including income-producing residential and commercial property, net lease (NNN) properties, raw or undeveloped land, and mineral rights
- Promissory notes secured by deeds of trust or mortgages, plus unsecured and convertible notes
- Real Estate Investment Trusts (REITs)

- Tenants-In-Common (TICs) and Delaware Statutory Trusts (DSTs)
- Limited Partnerships (LPs) and Limited Liability Companies (LLCs)
- Private funds, including private equity and private real estate funds
- Tax lien certificates, closely held business entities, and more

We are consultative by design. We explore options with you and your advisors, and we work to keep your retirement plan in compliance with applicable laws, regulations, and rulings. When you call, we pick up the phone.

Backed by Real Regulatory Oversight

Not all IRA service providers are held to the same standard; some are just third-party administrators. Exeter Trust Company is the IRA custodian and is licensed, regulated, and audited by the Wyoming Division of Banking. As a regulated trust company, we undergo periodic regulatory examinations, along with annual CPA audits of both our financial statements and our policies and procedures.

This oversight is an added layer of protection for your retirement funds, and it is something you should confirm with any retirement account administrator you consider.

How to Compare Custodians and Ask the Right Questions

Before you commit, compare custodians side-by-side on the same terms. Use these questions to guide your due diligence:

- What is your complete fee schedule? Ask for every fee in writing, not just the headline number.
- Are your fees flat or based on account value? Project the cost forward as your account market value grows.
- Do you charge per asset, per transaction, or per disbursement? Estimate your annual activity to gauge the true cost.
- Is there a set-up fee or a termination fee? Know your entry and exit costs upfront.
- Are you licensed, regulated, and audited? If so, by whom, and how can you verify it?
- What is your real expertise with the assets I want to hold? Confirm experience and expertise with real estate, notes, and private funds specifically.
- When you factor in every fee, especially market value fees, asset-based holding fees, and per-transaction charges, you can compare each schedule accurately and identify the best long-term value for your situation.

The Bottom Line

Fees are a core part of choosing a self-directed IRA or self-directed 401(k) plan custodian, but they should be judged alongside expertise, experience, insurance and bonding, and regulatory oversight. Asset-based and per-transaction fees can quietly grow over time, while a flat annual fee keeps your costs predictable and your gains intact.

Here is what to do next. Request the full fee schedule from every custodian you are considering, run the numbers forward as your account grows, and confirm both their regulatory standing and their hands-on experience with the assets you plan to hold.

ExeterTrust™ brings all three together: a transparent $275.00 flat annual fee with no hidden charges, genuine expertise in real estate and alternative assets, and the assurance of being licensed, regulated, and audited by the Wyoming Division of Banking.

To learn more or open an account, contact the Exeter Trust Company retirement account specialists. We are ready to answer your questions and help you invest with confidence.