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WHY YOU SHOULD SELL YOUR STRUCTURED SETTLEMENT

APRIL 30, 2019 | [LEAVE A COMMENT](#)



Every year [more than \\$6 billion](#) is issued to pay new structured settlements by factoring companies in the United States.

When life happens, many owners of a structured settlement choose to sell their annuities to cover unexpected costs.

Just like income from structured settlements, selling your structured settlement and annuity payments are tax-free at the local, state, and federal level.

HOW SELLING YOUR STRUCTURED SETTLEMENT CAN BENEFIT YOU

Selling your structured settlement and annuity payments can get you cash fast. Many people use the funds received from the sale to use as a down payment on a home or invest that money in a new business or to go back to school.

Other reasons people might sell their structured settlements or annuity payments are because of company layoffs, paying off loans to be [debt-free](#), liquidating assets, and to pay off life events such as divorce settlements and funeral costs.

When you do sell, you're selling your structured settlement to businesses called factoring companies. These companies are heavily regulated and you'll receive legal representation from them during the transaction. It's highly recommended that you have your own lawyer as well.

OPTIONS FOR SELLING PAYMENTS

PARTIAL PAYMENTS

It's called a partial buyout when a seller sells a portion of their payments. Doing a partial sell means the seller will still get a periodic income without losing tax benefits.

If you need immediate cash – like when your car suddenly breaks down after 14 great years and you need a new one – you can sell a portion of your annuity payments for a lump sum to purchase the vehicle.

ENTIRETY PAYMENTS

Selling the structured settlement at the contract's full-term means you're liquidizing your investment. You won't receive any future income payments, but you'll have access to the entire lump sum.

LUMP SUM PAYMENTS

Annuity owners can opt to sell for a lump sum just like a partial sale.

A lump sum carries out the same tax benefits and guarantees a fixed income from your structured settlement for the remainder of the contract.

You'll likely run into a discount rate when talking with your prospective buyer. This rate is what your buyer sets up, and is calculated by the amount your annuity is worth minus the amount of cash you'll get.

STEPS TO SELL ANNUITY PAYMENTS

1. Decide to Sell
2. Research Reputable Factoring Companies
3. Request a Quote
4. Set Court Date
5. Get Cash

HOW DO I CHOOSE A REPUTABLE FACTORING COMPANY?

A reputable factoring company will guide you through the process of selling. They will not make you listen to some hyped-up sales pitch.

Reputable buyers will also offer their sellers a low discount rate, have positive customer testimonials and reviews on external websites, provide experienced and knowledgeable attorneys for their sellers, and encourage their clients to speak with a financial adviser from the get-go.

RSL Funding is an industry leader in selling [structured settlements](#), annuities, and lottery payments because they get you the most cash.

CLOSING THE DEAL

Because you're dealing with money, selling your structured settlement is a legal process and the transaction must follow both state and federal laws, as part of the Structured Settlement Protection Acts (SSPAs).

During the court hearing, a judge will have to approve the sale before the transfer is completed. Once the paperwork is signed off by all parties, the deal is closed!

Selling structured settlements and annuities can help owners achieve a debt-free life. For more tips on how to live without debt, check out our [toolkit list](#) for more information.

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A vertical rectangular banner with a green-to-blue gradient background. The text is white. At the top, it says "Great Personal Loan rates" in a large, bold font. Below that, it says "Get your custom rate in 2 minutes!". At the bottom left is the SoFi logo, and at the bottom right is a button that says "FIND MY RATE >".

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