I understand you are considering a rule change that would not allow options to be traded in self-directed IRAs.

This is a mistake.

Covered calls (buy stock, short an option against it) are a mainstay for income oriented investors. They are more conservative than buy-and-hold, and have better returns with less risk. Covered calls are the #1 most popular options-based strategy, with 4 out of 5 option traders using them.

Many conservative retirees use covered calls in their self-directed IRAs today. They can pay 5 to 10% per year, which is way more than bonds or cash, and allow them to actually have a livable income. Please do not take away this ability.

Thanks,

Mike Scanlin

PS Studies showing they are risk reducers:

https://www.borntosell.com/covered-call-blog/buy-write-strategy
https://www.borntosell.com/covered-call-blog/buywrite-index
https://www.borntosell.com/covered-call-blog/buy-write-options-strategy