UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number: 000-55601

REDWOOD MORTGAGE INVESTORS IX, LLC
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**26-3541068** **(I.R.S. Employer Identification Number)**
1825 S. Grant Street, Suite 250, San Mateo, CA **(Address of principal executive offices)**	**94402-2678** **(Zip Code)**

(650) 365-5341
(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ YES ☐ NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ YES ☐ NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ YES ☒ NO

Part I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

REDWOOD MORTGAGE INVESTORS IX, LLC
Balance Sheets
March 31, 2016 (unaudited) and December 31, 2015 (audited)

	March 31, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	$ 2,910,835	$ 1,808,839
Loans		
Principal	29,633,693	27,360,138
Advances	20,526	22,731
Accrued interest	216,231	177,209
Loan balances secured by deeds of trust	29,870,450	27,560,078
Loan administrative fees, net	68,058	86,398
Total loans	29,938,508	27,646,476
Total assets	$32,849,343	$29,455,315
LIABILITIES, INVESTORS IN APPLICANT STATUS, AND MEMBERS' CAPITAL		
Liabilities – Accounts payable	$ 2,251	$ 2,664
Investors in applicant status	2,116,929	1,022,865
Members' capital, net	32,717,254	30,171,527
Receivable from manager (formation loan)	(1,987,091)	(1,741,741)
Members' capital, net, less formation loan	30,730,163	28,429,786
Total liabilities, investors in applicant status and members' capital	$32,849,343	$29,455,315

The accompanying notes are an integral part of these financial statements.

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Income
For the Three Months Ended March 31, 2016 and 2015 (unaudited)

	Three Months Ended March 31,	
	2016	2015
Revenues, net		
Interest income	$594,992	$398,467
Late fees	3,254	2,260
Total revenues	598,246	400,727
Operations Expense		
Mortgage servicing fees	17,256	12,160
Asset management fees, net (Note 3)	—	—
Costs from Redwood Mortgage Corp., net (Note 3)	—	36,286
Professional services, net (Note 3)	6,625	643
Other	4,206	1,576
Total operations expense	28,087	50,665
Net income	$570,159	$350,062
Members (99%)	$564,457	$346,561
Manager (1%)	5,702	3,501
	$570,159	$350,062

The accompanying notes are an integral part of these financial statements.

REDWOOD MORTGAGE INVESTORS IX, LLC
Statement of Changes in Members' Capital
For the Three Months Ended March 31, 2016 (unaudited)

	Investors In Applicant Status	Members Capital, net			
		Members' Capital	Manager's Capital	Unallocated Organization and Offering Expenses	Members' Capital, net
Balances at December 31, 2015	$ 1,022,865	31,403,178	47,874	(1,279,525)	30,171,527
Contributions on application	3,639,999	—	—	—	—
Contributions admitted to members' capital	(2,545,935)	2,545,935	2,553	—	2,548,488
Premiums paid on application by RMC	7,700	—	—	—	—
Premiums admitted to members' capital	(7,700)	7,700	—	—	7,700
Net income	—	564,457	5,702	—	570,159
Earnings distributed to members	—	(527,520)	(17,571)	—	(545,091)
Earnings distributed used in DRIP	—	302,515	—	—	302,515
Members' redemptions	—	(232,208)	—	—	(232,208)
Organization and offering expenses	—	—	—	(114,566)	(114,566)
Manager reimbursement	—	—	—	8,730	8,730
Early withdrawal penalties	—	—	—	—	—
Balance at March 31, 2016	$ 2,116,929	34,064,057	38,558	(1,385,361)	32,717,254

The accompanying notes are an integral part of these financial statements.

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Cash Flows
For the Three Months Ended March 31, 2016 and 2015 (unaudited)

	2016	2015
Operations		
Interest received	$ 574,310	$ 409,752
Other loan income	3,304	2,310
Loan administrative fee paid	—	(36,600)
Operations expense	(28,538)	27,093
Cash from operations	549,076	402,555
Investing – loan principal/advances		
Principal collected on loans	3,818,945	1,545,434
Loans originated	(6,092,500)	(3,660,000)
Advances on loans	2,205	(154)
Cash used in loan principal/advances, net	(2,271,350)	(2,114,720)
Financing – members' capital		
Contributions by members	3,650,241	2,183,809
Organization and offering expenses paid, net	(105,837)	(124,679)
Formation loan funding	(245,350)	(152,561)
Formation loan collected	—	8,366
Cash from members' capital	3,299,053	1,914,935
Net cash increase(decrease) before distributions to members	1,576,780	202,770
Distributions to members		
Earnings distributed	(242,576)	(179,438)
Redemptions	(232,208)	(153,474)
Cash distributions to members	(474,784)	(332,912)
Net increase(decrease) in cash	1,101,996	(130,142)
Cash, beginning of period	1,808,839	1,264,314
Cash, end of period	$ 2,910,835	$ 1,134,172

Reconciliation of net income to net cash provided by (used in) operating activities

	2016	2015
Net income	$ 570,159	$ 350,062
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Amortization of loan administrative fees	18,340	31,691
Change in operating assets and liabilities		
Accrued interest	(39,022)	(20,407)
Receivable from affiliate	—	77,347
Loan administrative fees	—	(36,600)
Accounts payable	2,124	—
Other	(2,525)	462
Total adjustments	(21,083)	52,493
Net cash provided by (used in) operating activities	$ 549,076	$ 402,555

The accompanying notes are an integral part of these financial statements.

REDWOOD MORTGAGE INVESTORS IX, LLC
Notes to Financial Statements
March 31, 2016 (unaudited)

NOTE 1 – ORGANIZATION AND GENERAL

In the opinion of the manager, the accompanying unaudited financial statements contain all adjustments, consisting of normal, recurring adjustments, necessary to present fairly the financial information included therein. These financial statements should be read in conjunction with the audited financial statements included in the company's Form 10-K for the fiscal year ended December 31, 2015 filed with the U.S. Securities and Exchange Commission (SEC). The results of operations for the three month period ended March 31, 2016 are not necessarily indicative of the operations results to be expected for the full year.

Redwood Mortgage Investors IX, LLC (RMI IX or the company) is a Delaware limited liability company formed in October 2008 to engage in business as a mortgage lender and investor by making and holding-for-investment mortgage loans secured by California real estate, primarily through first and second deeds of trust.

The company is externally managed. Redwood Mortgage Corp. (RMC) is the manager of the company. The manager is solely responsible for managing the business and affairs of the company, subject to the voting rights of the members on specified matters. The manager acting alone has the power and authority to act for and bind the company. The manager is required to contribute to capital one tenth of one percent (0.1%) of the aggregate capital accounts of the members. The mortgage loans the company funds and/or invests in are arranged and generally are serviced by RMC.

The rights, duties and powers of the members and manager of the company are governed by the company's operating agreement, the Delaware Limited Liability Company Act and the California Revised Uniform Limited Liability Company Act. Members should refer to the company's operating agreement for complete disclosure of its provisions.

Profits and losses are allocated among the members according to their respective capital accounts monthly after one percent (1%) of the profits and losses are allocated to the manager. The monthly results are subject to subsequent adjustment as a result of quarterly and year-end accounting and reporting. Federal and state income taxes are the obligation of the members, if and when taxes apply, other than the annual California franchise tax and any California LLC cash receipts taxes paid by the company.

The ongoing sources of funds for loans are the proceeds from (1) sale of members' units, including units sold by reinvestment of distributions (DRIP), (2) loan payoffs, (3) borrowers' monthly principal and interest payments, and, (4) to a lesser degree and, if obtained, a line of credit. Cash generated from loan payoffs and borrower payments of principal and interest is used for operating expenses, income distributions to members, reimbursements to RMC of origination and offering expenses and unit redemptions. The cash flow, if any, in excess of these uses is re-invested in new loans.

Ongoing public offering of units/ SEC registrations

In December, 2012, the company's Registration Statement on Form S-11 filed with the Securities and Exchange Commission (SEC File No. 333-181953) to offer up to 150,000,000 units ($150,000,000) to the public and 37,500,000 units ($37,500,000) to its members pursuant to the DRIP became effective. The offering of units is ongoing and was extended by filing of a new, third registration statement on Form S-11 (SEC File No. 333-208315) in December 2015. The current, extended offering continues until the earlier of either the effective date of the third registration statement, or June 1, 2016. When the third registration statement is declared effective, the offering will continue for up to three (3) years thereafter.

The units have been registered pursuant to Section 12(g) of the Exchange Act. Such registration of the units, along with the satisfaction of certain other requirements under ERISA, enables the units to qualify as "publicly-offered securities" for purposes of ERISA and regulations issued thereunder. By satisfying those requirements, the underlying assets of the company should not be considered assets of a "benefit plan investor" (as defined under ERISA) by virtue of the investment by such benefit plan investor in the units.

NOTE 1 – ORGANIZATION AND GENERAL (continued)

Distribution policy

Cash available for distribution at the end of each calendar month is allocated ninety-nine percent (99%) to the members and one percent (1%) to the manager. Cash available for distribution means cash flow from operations (excluding repayments for loan principal and other capital transaction proceeds) less amounts set aside for creation or restoration of reserves. The manager may withhold from cash available for distribution otherwise distributable to the members with respect to any period the respective amounts of organization and offering expenses allocated to the members for the applicable period pursuant to the company's reimbursement and allocation of organization and offering expenses policy.

Per the terms of the company's operating agreement, cash available for distribution allocated to the members is allocated among the members in proportion to their percentage interests (except with respect to differences in the amounts of organization and offering expenses allocated to the respective members during the applicable period) and in proportion to the number of days during the applicable month that they owned such percentage interests.

Distributions allocable to members, other than those participating in the distribution reinvestment plan (DRIP), are distributed to them in cash at the end of each calendar month. The manager's allocable share of cash available for distribution is also distributed not more frequently than with cash distributions to members. Cash available for distribution allocable to members who participate in the DRIP is credited to their respective capital accounts at the end of each calendar month.

To determine the amount of cash to be distributed in any specific month, the company relies in part on its annual forecast of profits, which takes into account the difference between the forecasted and actual results in the prior year and the requirement to maintain a cash reserve.

Distribution reinvestment plan

The DRIP provision of the operating agreement permits members to elect to have all or a portion of their monthly distributions reinvested in additional units. Members may withdraw from the DRIP with written notice.

Liquidity and unit redemption program

No public trading market exists for the units and none is likely to develop. Thus, there is no certainty the units can be sold at a price equal to the stated value of the capital account. In order to provide liquidity, the company adopted a unit redemption program that provides for a member to redeem all or part of their units, subject to certain limitations.

After the one-year period, a member may redeem all or part of their units, subject to certain limitations. The price paid for redeemed units will be based on the lesser of the purchase price paid by the redeeming member or the member's capital account balance as of the date of each redemption payment. Redemption value will be calculated as follows:

- After one year: 92% of purchase price or the capital account balance, whichever is less;
- After two years: 94% of purchase price or the capital account balance, whichever is less;
- After three years: 96% of purchase price or the capital account balance, whichever is less;
- After four years: 98% of purchase price or the capital account balance, whichever is less;
- After five years: 100% of purchase price or the capital account balance, whichever is less.

The company redeems units quarterly, subject to certain limitations as provided for in the operating agreement.

<u>NOTE 1 – ORGANIZATION AND GENERAL</u> (continued)

Liquidity and unit redemption program (continued)

The number of units that may be redeemed per quarter per individual member is subject to a maximum of the greater of 100,000 units or 25% of the member's units outstanding. For redemption requests requiring more than one quarter to fully redeem, the percentage discount amount that, if any, applies when the redemption payments begin continues to apply throughout the redemption period and applies to all units covered by such redemption request regardless of when the final redemption payment is made.

The company has not established a cash reserve from which to fund redemptions. The company's capacity to redeem units upon request is limited by the availability of cash and the company's cash flow. The company will not, in any calendar year, redeem more than five percent (5%) of the weighted average number of units outstanding during the twelve-month period immediately prior to the date of the redemption.

Lending and investment guidelines, objectives and criteria

The company's loans generally have shorter maturity terms than typical mortgages. In the event a borrower is unable to repay in full the principal owing on the loan at maturity, the company may consider extending the term through a loan modification or may foreclose and take back the property for sale.

Generally, interest rates on the company's mortgage loans are not affected by market movements in interest rates. If, as expected, we continue to make primarily fixed rate loans and interest rates were to rise, a possible result would be lower prepayments of the company's loans. This increase in the duration of the time loans are on the books may reduce overall liquidity, which itself may reduce the partnership's investment into loans at higher interest rates. Conversely, if interest rates were to decline, we could see a significant increase in borrower prepayments. If we then invest in new loans at lower rates of interest, a lower yield to partners would possibly result.

RMI IX's primary investment objectives are to:

- Yield a favorable rate of return from the company's business of making or investing in loans,
- Preserve and protect the company's capital by making and/or investing in loans secured by California real estate, preferably income-producing properties geographically situated in the San Francisco Bay Area and the coastal metropolitan regions of Southern California, and,
- Generate and distribute net cash flow from these mortgage lending and investing activities.

The company generally funds loans:

- Having monthly payments of interest only or of principal and interest at fixed rates, calculated on a 30-year amortization basis, and,
- Having maturities of 5 years or less, not to exceed 15 years.

The cash flow and the income generated by the real property securing the loan factor into the credit decisions, as does the general creditworthiness, experience and reputation of the borrower. However, for loans secured by real property, other than owner-occupied personal residences, such considerations are subordinate to a determination that the value of the real property is sufficient, in and of itself, as a source of repayment. The amount of the company's loan combined with the outstanding debt and claims secured by a senior deed of trust on the real property, if any, generally is not to exceed a percentage of the appraised value of the property (the "loan to value ratio", or LTV) specified in the lending guidelines.

NOTE 1 – ORGANIZATION AND GENERAL (continued)

Unit sales commissions paid to broker-dealers/formation loan

Commissions for units sales to be paid to broker-dealers (B/D sales commissions) are paid by RMC and are not paid directly by the company out of offering proceeds. Instead, the company advances to RMC amounts sufficient to pay the B/D sales commissions and premiums to be paid to investors in connection with unsolicited orders up to seven percent (7%) of offering proceeds. The receivable arising from the advances is unsecured, and non-interest bearing and is referred to as the "formation loan."

Reimbursement and allocation of organization and offering expenses

The manager is reimbursed for, or the company may pay directly, organization and offering expenses (or O&O expenses) incurred in connection with the organization of the company or offering of the units including, without limitation, attorneys' fees, accounting fees, printing costs and other selling expenses (other than sales commissions) in a total amount not exceeding 4.5% of the original purchase price of all units (other than DRIP units) sold in all offerings (hereafter, the "maximum O&O expenses"), and the manager pays any O&O expenses in excess of the maximum O&O expenses. For each calendar quarter or portion thereof after December 31, 2015 that a member holds units (other than DRIP units) and for a maximum of forty such quarters, a portion of the O&O expenses borne by the company is allocated to and debited from that member's capital account in an annual amount equal to 0.45% of the member's original purchase price for those units, in equal quarterly installments of 0.1125% each commencing with the later of the first calendar quarter of 2016 or the first full calendar quarter after a member's purchase of units, and continuing through the quarter in which such units are redeemed. If at any time the aggregate O&O expenses actually paid or reimbursed by the company since inception are less than the maximum O&O expenses, the company shall first reimburse the manager for any O&O expenses previously borne by it so long as it does not result in the company bearing more than the maximum O&O expenses, and any savings thereafter remaining shall be equitably allocated among (and serve to reduce any subsequent such cost allocations to) those members who have not yet received forty quarterly allocations of O&O expenses, as determined in the good faith judgment of the managers. Any O&O expenses with respect to a member's units that remain unallocated upon redemption of such units shall be reimbursed to the company by the manager.

Term of the Company

The term of the company will continue until October 8, 2028, unless sooner terminated as provided in the operating agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

Management estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions about the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Such estimates relate principally to the determination of the allowance for loan losses, including, when applicable, the valuation of impaired loans (which itself requires determining the fair value of the collateral), and the valuation of real estate held for sale and held as investment, at acquisition and subsequently. Actual results could differ significantly from these estimates.

-Fair value estimates

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

Fair values of assets and liabilities are determined based on the fair-value hierarchy established in GAAP. The hierarchy is comprised of three levels of inputs to be used:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly in active markets and quoted prices for identical assets or liabilities that are not active, and inputs other than quoted prices that are observable or inputs derived from or corroborated by market data.
- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the company’s own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the company’s own data.

The fair value of the collateral is determined by exercise of judgment based on management’s experience informed by appraisals (by licensed appraisers), brokers’ opinion of values and publicly available information on in-market transactions. Appraisals of commercial real property generally present three approaches to estimating value: 1) market comparables or sales approach; 2) cost to replace; and 3) capitalized cash flows or investment approach. These approaches may or may not result in a common, single value. The market-comparables approach may yield several different values depending on certain basic assumptions, such as, determining highest and best use (which may or may not be the current use); determining the condition (e.g., as-is, when-completed or for land when-entitled); and determining the unit of value (e.g., as a series of individual unit sales or as a bulk disposition).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management estimates (continued)

Management has the requisite familiarity with the real estate markets it lends in generally and of the properties lent on specifically to analyze sales-comparables and assess their suitability/applicability. Management is acquainted with market participants – investors, developers, brokers, lenders – that are useful, relevant secondary sources of data and information regarding valuation and valuation variability. These secondary sources may have familiarity with and perspectives on pending transactions, successful strategies to optimize value and the history and details of specific properties – on and off the market – that enhance the process and analysis that is particularly and principally germane to establishing value in distressed markets and/or property types.

Collateral fair values are reviewed quarterly and the protective equity for each loan is computed. As used herein, "protective equity" is the arithmetic difference between the fair value of the collateral, net of any senior liens, and the loan balance, where "loan balance" is the sum of the unpaid principal, advances and the recorded interest thereon. This computation is done for each loan (whether impaired or performing), and while loans secured by collateral of similar property type are grouped, there is enough distinction and variation in the collateral that a loan-by-loan, collateral-by-collateral analysis is appropriate.

Cash and cash equivalents

The company considers all highly liquid financial instruments with maturities of three months or less at the time of purchase to be cash equivalents. Periodically, company cash balances in banks exceed federally insured limits.

Loans and interest income

Loans generally are stated at the unpaid principal balance (principal). Management has discretion to pay amounts (advances) to third parties on behalf of borrowers to protect the company's interest in the loan. Advances include, but are not limited to, the payment of interest and principal on a senior lien to prevent foreclosure by the senior lien holder, property taxes, insurance premiums and attorney fees. Advances generally are stated at the amounts paid out on the borrower's behalf and any accrued interest on amounts paid out, until repaid by the borrower.

The company may fund a specific loan origination net of an interest reserve to insure timely interest payments at the inception (one to two years) of the loan. As monthly interest payments become due, the company funds the payments into the affiliated trust account. In the event of an early loan payoff, any unapplied interest reserves would be first applied to any accrued but unpaid interest and then as a reduction to the principal.

If events and or changes in circumstances cause management to have serious doubts about the collectability of the payments of interest and principal in accordance with the loan agreement, a loan may be designated as impaired. Impaired loans are included in management's periodic analysis of recoverability. Any subsequent payments on impaired loans are applied to late fees, then to the accrued interest, then to advances, and lastly to principal.

From time to time, the company negotiates and enters into loan modifications with borrowers whose loans are delinquent. In the normal course of the company's operations, loans that mature may be renewed at then current market rates and terms for new loans. Such renewals are not designated as impaired, unless the renewed loan was previously designated as impaired.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans and interest income

Interest is accrued daily based on the principal of the loans. An impaired loan continues to accrue as long as the loan is in the process of collection and is considered to be well-secured. Loans are placed on non-accrual status at the earlier of management's determination that the primary source of repayment will come from the foreclosure and subsequent sale of the collateral securing the loan (which usually occurs when a notice of sale is filed) or when the loan is no longer considered well-secured. When a loan is placed on non-accrual status, the accrual of interest is discontinued; however, previously recorded interest is not reversed. A loan may return to accrual status when all delinquent interest and principal payments become current in accordance with the terms of the loan agreement.

Loan administration fees are capitalized and amortized over the life of the loan on a straight-line method which approximates the effective interest method.

Allowance for loan losses

Loans and the related accrued interest and advances are analyzed on a periodic basis for ultimate recoverability. Delinquencies are identified and followed as part of the loan system. Delinquencies are determined based upon contractual terms. For impaired loans, a provision is made for loan losses to adjust the allowance for loan losses to an amount considered by management to be adequate, with due consideration to collateral values, such that the net carrying amount (unpaid principal balance, plus advances, plus accrued interest less the specific allowance) is reduced to the present value of future cash flows discounted at the loan's effective interest rate, or, if a loan is collateral dependent, to the estimated fair value of the related collateral, net of any senior loans, and net of any costs to sell in arriving at net realizable value if planned disposition of the asset securing a loan is by way of sale.

The fair value estimates are derived from information available in the real estate markets including similar property, and may require the experience and judgment of third parties such as commercial real estate appraisers and brokers.

Loans determined not to be individually impaired are grouped by the property type of the underlying collateral, and for each loan and for the total by property type, the amount of protective equity or amount of exposure to loss is computed.

Based on its knowledge of the borrowers and their historical (and expected) performance, and the exposure to loss as indicated in the analysis, management estimates an appropriate reserve by property type for probable credit losses in the portfolio. Because the company is an asset-based lender, except as to owner-occupied residences, and because specific regions, neighborhoods and even properties within the same neighborhoods vary significantly as to real estate values and transaction activity, general market trends, which may be indicative of a change in the risk of a loss, and a borrower's creditworthiness are secondary to the condition of the property, the property type and the neighborhood/region in which the property is located, and do not enter substantially into the determination of the amount of the non-specific (i.e., general) reserves

The company charges off uncollectible loans and related receivables directly to the allowance account once it is determined the full amount is not collectible.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Real estate owned (REO)

Real estate owned (REO) is property acquired in full or partial settlement of loan obligations generally through foreclosure, and is recorded at acquisition at the lower of the amount owed on the loan (legal basis), plus any senior indebtedness, or at the property's net realizable value, which is the fair value less estimated costs to sell, as applicable. The fair value estimates are derived from information available in the real estate markets, including similar property, and often require the experience and judgment of third parties such as commercial real estate appraisers and brokers. The estimates figure materially in calculating the value of the property at acquisition, the level of charge to the allowance for loan losses and any subsequent valuation reserves. After acquisition, costs incurred relating to the development and improvement of property are capitalized to the extent they do not cause the recorded value to exceed the net realizable value, whereas costs relating to holding and disposition of the property are expensed as incurred. After acquisition, REO is analyzed periodically for changes in fair values and any subsequent write down is charged to operations expenses. Any recovery in the fair value subsequent to such a write down is recorded and is not to exceed the value recorded at acquisition. Recognition of gains on the sale of real estate is dependent upon the transaction meeting certain criteria related to the nature of the property and the terms of the sale, including potential seller financing.

Recently issued accounting pronouncements

There are no recently effective or issued but not yet effective accounting pronouncements which would have a material effect on the company's reported financial position or results of operations.

NOTE 3 – MANAGER AND OTHER RELATED PARTIES

RMC's allocated one percent (1%) of the profits and losses was $5,702 and $3,501 for the three months ended March 31, 2016 and 2015, respectively.

The manager, at its sole discretion, provided financial support in the form of fee waivers and cost actions that improved net income and the return to investors in both 2016 and 2015. Total support provided, as detailed below, was approximately $235,000 and $78,000 for the three months ended March 31, 2016 and 2015, respectively.

The fee waivers and cost actions were not made for the purpose of providing the company with sufficient funds to satisfy withdrawal requests, nor to meet any required level of distributions, as the company has no such required level of distributions. RMC does not use any specific criteria in determining the exact amount of fees to be waived and/or costs to be absorbed. Any decision to waive fees and/or to absorb costs, and the amount (if any) to be waived or absorbed, is made by RMC in its sole discretion

NOTE 3 – MANAGER AND OTHER RELATED PARTIES (continued)

Formation loan

Formation loan transactions are presented in the following table at March 31, 2016.

	Three months ended	Since Inception
Balance, January 1	$1,741,741	$ —
Formation loan advances to RMC	245,350	2,443,832
Payments received from RMC	—	(445,123)
Early withdrawal penalties applied	—	(11,618)
Balance, March 31	$1,987,091	$ 1,987,091
Subscription proceeds since inception		$34,806,878
Formation loan advance rate		7%

The future minimum payments on the formation loan are presented in the following table as of March 31, 2016.

2016	$ 174,174
2017	174,174
2018	174,174
2019	174,174
2020	174,174
Thereafter	1,116,221
Total	$1,987,091

The annual payments on the formation loan are one-tenth of the principal balance outstanding at December 31 of the prior year. Upon termination of the offering, the principal balance outstanding will be paid over 10 years, in equal annual installments. The formation loan is forgiven if the manager is removed and RMC is no longer receiving payments for services rendered.

The following commissions and fees are paid by the borrowers.

-Brokerage commissions, loan originations

For fees in connection with the review, selection, evaluation, negotiation and extension of loans, RMC may collect a loan brokerage commission that is expected to range from approximately 2% to 5% of the principal amount of each loan made during the year. Total loan brokerage commissions in any year are limited to an amount not to exceed 4% of the total company assets at the beginning of the year. The loan brokerage commissions are paid by the borrowers, and thus, are not an expense of the company. These fees totaled $132,088 and $27,925 for the three months ended, March 31, 2016 and 2015, respectively.

NOTE 3 – MANAGER AND OTHER RELATED PARTIES (continued)

-Other fees

RMC receives fees for processing, notary, document preparation, credit investigation, reconveyance and other mortgage related fees. The amounts received are customary for comparable services in the geographical area where the property securing the loan is located, payable solely by the borrower and not by the company. These fees totaled $22,249 and $4,322 for the three months ended March 31, 2016 and 2015, respectively.

The following fees are paid by the company.

-Loan administrative fees

RMC is entitled to receive a loan administrative fee in an amount up to 1% of the principal amount of each new loan originated or acquired on the company's behalf by RMC for services rendered in connection with the selection and underwriting of potential loans. Such fees are payable by the company upon the closing or acquisition of each loan. The loan administration fees paid by the company to RMC were $0 and $36,600 for the three months ended, March 31, 2016 and 2015, respectively. In August 2015 RMC, at its sole discretion, began waiving loan administrative fees. Loan administrative fees waived for the three months ending March 31, 2016 were approximately $60,925. There is no assurance RMC will waive these fees in the future.

-Mortgage servicing fees

RMC earns mortgage servicing fees from the company of up to one-quarter of one percent (0.25%) annually of the unpaid principal balance of the loan portfolio or such lesser amount as is reasonable and customary in the geographic area where the property securing the mortgage is located. RMC is entitled to receive these fees regardless of whether specific mortgage payments are collected. The mortgage servicing fees are accrued monthly on all loans. Remittance to RMC is made monthly unless the loan has been assigned a specific loss reserve, at which point remittance is deferred until the specific loss reserve is no longer required, or the property has been acquired by the company. To enhance the earnings of the company, RMC, in its sole discretion, may elect to accept less than the maximum amount of the mortgage servicing fee. An increase or decrease in this fee within the limits set by the operating agreement directly impacts the yield to the members. Mortgage servicing fees incurred and paid were $17,256 and $12,160 for the three months ended March 31, 2016 and 2015, respectively. RMC did not waive any mortgage servicing fees during the three months ended March 31, 2016 and 2015.

-Asset management fees

RMC is entitled to receive a monthly asset management fee for managing the company's portfolio and operations in an amount up to three-quarters of one percent (0.75%) annually of the portion of the capital originally committed to investment in mortgages, not including leverage, and including up to two percent (2%) of working capital reserves. This amount is recomputed annually by subtracting from the then fair value of the company's loans plus working capital reserves, an amount equal to the outstanding debt.

RMC, at its sole discretion, may elect to accept less than the maximum amount of the asset management fee. An increase or decrease in this fee within the limits set by the operating agreement directly impacts the yield to the members. There is no assurance RMC will decrease or waive these fees in the future.

NOTE 3 – MANAGER AND OTHER RELATED PARTIES (continued)

-Asset management fees (continued)

Asset management fees paid to RMC are presented in the following table for the three months ended March 31.

	2016	2015
Maximum chargeable by RMC	$ 60,107	$ 44,149
Waived by RMC	(60,107)	(44,149)
Charged	$ —	$ —

-Costs through RMC

RMC, per the operating agreement, may request reimbursement by the company for operations expense incurred on behalf of the company, including without limitation, accounting and audit fees, legal fees and expenses, postage and preparation of reports to members and out-of-pocket general and administration expenses. Certain costs (e.g. postage) can be allocated specifically to the company. Other costs are allocated on a pro-rata basis (e.g. by the company's percentage of total capital of all mortgage funds managed by RMC). Payroll and consulting fees are broken out first based on activity, and then allocated to the company on a pro-rata basis based on percentage of capital to the total capital of all mortgage funds. The decision to request reimbursement of any qualifying charges is made by RMC at its sole discretion. For the three months ended March 31, 2016 and 2015, costs incurred by RMC, for which reimbursement could have been requested, were $58,459 and $36,286, respectively. For the three months ended March 31, 2016 and 2015, $0 and $36,286 of fees were collected.

In addition, RMC, at its sole discretion, may elect to reimburse the company for professional services (primarily audit and tax expense). An increase or decrease in reimbursements by RMC directly impacts the yield to the members. RMC reimbursed the company for professional services of $55,389 and $33,531 for the three months ended, March 31, 2016 and 2015, respectively.

NOTE 3 – MANAGER AND OTHER RELATED PARTIES (continued)

Reimbursement and allocation of organization and offering expenses

Organization and offering expenses (O & O expenses) are summarized in the following table for the three months ended March 31, 2016 and 2015.

	2016	2015
Balance, January 1	$ 1,279,525	$ 953,271
O&O expenses reimbursed to RMC	114,566	124,679
Early withdrawal penalties applied (1)	—	(201)
O&O expenses allocated	—	—
O&O expenses reimbursed by manager (2)	(8,730)	—
Balance, March 31	$ 1,385,361	$ 1,077,749
Gross proceeds admitted	$32,689,949	$23,954,735
Percent reimbursed to RMC	4.50%	4.50%
O & O expenses incurred by RMC, RMI IX inception to date	$ 4,355,425	$ 3,175,384
O & O expenses incurred by RMC and remaining to be reimbursed to RMC contingent upon future sales of units	$ 2,884,378	$ 2,097,635

(1) Early withdrawal penalties collected are applied to the next installment of principal due under the formation loan and to reduce the amount owed RMC for O&O expenses. The amounts credited will be determined by the ratio between the amount of the formation loan and the amount of offering costs incurred by the company.
(2) The manager reimburses the company for any unallocated O&O expenses on units redeemed.

NOTE 4 – LOANS

Loans generally are funded at a fixed interest rate with a loan term of up to five years. Loans acquired are generally done so within the first six months of origination, and purchased at the current par value, which approximates fair value. As of March 31, 2016, 78 of the company's 81 loans (representing 99% of the aggregate principal of the company's loan portfolio) have a loan term of five years or less from loan inception. The remaining loans have terms longer than five years. Substantially all loans are written without a prepayment penalty provision. As of March 31, 2016, 20 loans outstanding (representing 31% of the aggregate principal balance of the company's loan portfolio) provide for monthly payments of interest only, with the principal due in full at maturity. The remaining loans require monthly payments of principal and interest, typically calculated on a 30-year amortization, with the remaining principal balance due at maturity.

Secured loans unpaid principal balance (principal)

Secured loan transactions are summarized in the following table for the three months ended March 31.

	2016	2015
Principal, January 1	$27,360,138	$19,185,660
Loans Funded	—	—
Loans acquired from affiliates	6,092,500	3,660,000
Principal payments received	(3,818,945)	(1,545,434)
Principal, March 31	$29,633,693	$21,300,226

NOTE 4 – LOANS (continued)

Loan characteristics

Secured loans had the characteristics presented in the following table.

	March 31, 2016	December 31, 2015
Number of secured loans	81	75
Secured loans – principal	$29,633,693	$27,360,138
Secured loans – lowest interest rate (fixed)	7.5%	7.5%
Secured loans – highest interest rate (fixed)	10.0%	10.0%
Average secured loan – principal	$ 365,848	$ 364,801
Average principal as percent of total principal	1.2%	1.3%
Average principal as percent of members' capital	1.2%	1.3%
Average principal as percent of total assets	1.1%	1.2%
Largest secured loan – principal	$ 1,200,000	$ 1,200,000
Largest principal as percent of total principal	4.0%	4.4%
Largest principal as percent of members' capital	3.9%	4.2%
Largest principal as percent of total assets	3.7%	4.1%
Smallest secured loan – principal	$ 38,002	$ 45,906
Smallest principal as percent of total principal	0.1%	0.2%
Smallest principal as percent of members' capital	0.1%	0.2%
Smallest principal as percent of total assets	0.1%	0.2%
Number of counties where security is located (all California)	17	17
Largest percentage of principal in one county	28.1%	32.3%
Number of secured loans in foreclosure	1	1
Secured loans in foreclosure – principal	$ 191,411	$ 191,772
Number of secured loans with an interest reserve	—	—
Interest reserves	$ —	$ —

As of March 31, 2016, the company's largest loan with a principal balance of $1,200,000 represented 4.0% of outstanding secured loans and 3.7% of company assets. The loan is secured by a residential property located in San Francisco, California, bears an interest rate of 8.5% per annum and matures on July 1, 2016. The loan listed as in foreclosure is current in terms of loan payments, and is expected to perform in accordance with the note.

NOTE 4 – LOANS (continued)

Lien position

Secured loans had the lien positions presented in the following table.

	March 31, 2016			December 31, 2015		
	Loans	Principal	Percent	Loans	Principal	Percent
First trust deeds	66	$24,796,222	84%	59	$21,204,614	77%
Second trust deeds	15	4,837,471	16	16	6,155,524	23
Total secured loans	81	29,633,693	100%	75	27,360,138	100%
Liens due other lenders at loan closing		9,124,335			9,564,255	
Total debt		$38,758,028			$36,924,393	
Appraised property value at loan closing		$76,081,840			$71,836,840	
Percent of total debt to appraised values (LTV) at loan closing[1]		54.1%			54.8%	

(1) Based on appraised values and liens due other lenders at loan closing. The weighted-average loan-to-value (LTV) computation above does not take into account subsequent increases or decreases in property values following the loan closing nor does it include decreases or increases of the amount owing on senior liens to other lenders.

Property type

Secured loans summarized by property type are presented in the following table.

	March 31, 2016			December 31, 2015		
	Loans	Principal	Percent	Loans	Principal	Percent
Single family[2]	62	$20,527,138	69%	58	$19,664,462	72%
Multi-family	5	2,806,815	10	4	2,266,402	8
Commercial	14	6,299,740	21	13	5,429,274	20
Total secured loan balance	81	$29,633,693	100%	75	$27,360,138	100%

(2) Single family property type as of March 31, 2016 consists of seven loans with principal of $2,434,838 that are owner occupied and 55 loans with principal of $18,092,300 that are non-owner occupied. At December 31, 2015, single family property consisted of six loans with principal of $2,098,628 that were owner occupied and 52 loans with principal of $13,193,373 that were non-owner occupied.

NOTE 4 – LOANS (continued)

Delinquency

Secured loans summarized by payment delinquency are presented in the following table.

	March 31, 2016		December 31, 2015	
	Loans	Amount	Loans	Amount
Past Due				
30-89 days	2	$ 640,600	1	$ 318,020
90-179 days	—	—	—	—
180 or more days	—	—	—	—
Total past due	2	640,600	1	318,020
Current	79	28,993,093	74	27,042,118
Total secured loan balance	81	$29,633,693	75	$27,360,138

Modifications and troubled debt restructurings

There were no loan modifications made during the three months ended March 31, 2016, and no modifications were in effect as of March 31, 2016 or December 31, 2015.

Loans in non-accrual status

At March 31, 2016 and December 31, 2015, there were no loans designated in non-accrual status.

Impaired loans/allowance for loan losses

At March 31, 2016 and December 31, 2015, the company had not designated any loans as impaired and had not recorded an allowance for loan losses, as all loans were deemed to have protective equity such that collection is reasonably assured for amounts owing.

Scheduled maturities

Secured loans are scheduled to mature as presented in the following table.

Scheduled maturities, as of March 31, 2016	Loans	Principal	Percent
2016(3)	15	$ 7,129,374	24%
2017	17	6,770,394	22
2018	15	5,345,913	18
2019	14	4,340,619	14
2020	15	4,049,103	14
2021	3	1,837,331	6
Thereafter	1	62,002	1
Total future maturities	80	29,534,736	99
Matured as of March 31, 2016(4)	1	98,957	1
Total secured loan balance	81	$29,633,693	100%

(3) Loans maturing in 2016 from April 1 to December 31.
(4) Loan matured in March of 2016 and was in the process of being renewed at the quarter end.

NOTE 4 – LOANS (continued)

Scheduled maturities (continued)

Loans may be repaid or refinanced before, at or after the contractual maturity date. On matured loans, the company may continue to accept payments while pursuing collection of amounts owed from borrowers. Therefore, the above tabulation for scheduled maturities is not a forecast of future cash receipts.

For the three months ended March 31, 2016, there were no renewals made.

Distribution of loans within California

The distribution of secured loans outstanding by California counties is presented in the following table.

	March 31, 2016		December 31, 2015	
	Principal	Percent	Principal	Percent
San Francisco Bay Area				
Alameda	$ 5,523,481	18.6%	$ 5,121,849	18.7%
San Francisco	3,178,200	10.7	3,885,098	14.2
San Mateo	2,752,331	9.3	3,057,222	11.2
Santa Clara	2,683,758	9.0	1,383,633	4.9
Contra Costa	1,901,850	6.4	1,303,036	4.7
Solano	824,549	2.8	—	—
Marin	379,021	1.3	379,758	1.5
Sonoma	38,002	0.1	45,906	0.2
	17,281,192	58.2	15,176,502	55.4
Other Northern California				
Monterey	888,174	3.0	559,304	2.1
Placer	358,441	1.2	359,118	1.3
Yolo	171,294	0.6	174,927	0.6
San Joaquin	159,245	0.5	159,533	0.6
Sacramento	—	—	214,607	0.8
	1,577,154	5.3	1,467,489	5.4
Northern California Total	18,858,346	63.5	16,643,991	60.8
Los Angeles & Coastal				
Los Angeles	8,311,025	28.1	8,841,419	32.3
San Diego	819,022	2.8	593,019	2.2
Orange	747,263	2.5	747,708	2.7
	9,877,310	33.4	10,182,146	37.2
Other Southern California				
Riverside	762,266	2.6	397,973	1.5
San Bernardino	135,771	0.5	136,028	0.5
	898,037	3.1	534,001	2.0
Southern California Total	10,775,347	36.5	10,716,147	39.2
Total Secured Loans	$29,633,693	100.0%	$27,360,138	100.0%

NOTE 4 – LOANS (continued)

Commitments/loan disbursements/construction and rehabilitation loans

The company may make construction loans that are not fully disbursed at loan inception. Construction loans are determined by the manager to be those loans made to borrowers for the construction of entirely new structures or dwellings, whether residential, commercial or multi-family properties. The company will approve and fund the construction loan up to a maximum loan balance. Disbursements will be made periodically as phases of the construction are completed or at such other times as the loan documents may require. Undisbursed construction funds will be held in escrow pending disbursement. Upon project completion, construction loans are reclassified as permanent loans. Funding of construction loans is limited to 10% of the loan portfolio. At March 31, 2016, the company had no construction loans outstanding.

The company may also make rehabilitation loans. A rehabilitation loan will be approved up to a maximum principal balance and, at loan inception, will be either fully or partially disbursed. If fully disbursed, a rehabilitation escrow account is established and advanced periodically as phases of the rehabilitation are completed or at such other times as the loan documents may require. If not fully disbursed, the rehabilitation loan will be funded from available cash balances and future cash receipts. The company does not maintain a separate cash reserve to fund undisbursed rehabilitation loan obligations. Rehabilitation loan proceeds are generally used to acquire and remodel single family homes for future sale or rental. Upon project completion, rehabilitation loans are reclassified as permanent loans. Funding of rehabilitation loans is limited to 15% of the loan portfolio. At March 31, 2016, the company had no rehabilitation loans outstanding.

Fair Value

The company does not record its loans at fair value on a recurring basis. Loans designated impaired (i.e., that are collateral dependent) are measured at fair value on a non-recurring basis. The company did not have any loans designated impaired at March 31, 2016 or December 31, 2015.

- *Secured loans, performing (i.e., not designated as impaired) (Level 2)* - Each loan is reviewed quarterly for its delinquency, LTV adjusted for the most recent valuation of the underlying collateral, remaining term to maturity, borrower's payment history and other factors. Also considered is the limited resale market for the loans. Most companies or individuals making similar loans as the company intend to hold the loans until maturity as the average contractual term of the loans (and the historical experience of the time the loan is outstanding due to pre-payments) is shorter than conventional mortgages. As there are no prepayment penalties to be collected, loan buyers may be hesitant to risk paying above par. Due to these factors, sales of the loans are infrequent, because an active market does not exist. The recorded amount of the performing loans (i.e., the loan balance) is deemed to approximate the fair value, although the intrinsic value of the loans would reflect a premium due to the interest to be received.
- *Secured loans, designated impaired (Level 2)* - Secured loans designated impaired are deemed collateral dependent, and the fair value of the loan is the lesser of the fair value of the collateral or the enforceable amount owing under the note. The fair value of the collateral is determined by exercise of judgment based on management's experience informed by appraisals (by licensed appraisers), brokers' opinion of values and publicly available information on in-market transactions (Level 2 inputs).

The following methods and assumptions are used to determine the fair value of the collateral securing a loan.

> *Single family* – Management's preferred method for determining the fair market value of the company's single-family residential assets is the sale comparison (sale comps) method. Management primarily obtains sale comps through its subscription to the RealQuest service, but also uses free online services such as Zillow.com and other available resources to supplement this data. Sale comps are reviewed for similarity to the subject property, examining features such as proximity to subject, number of bedrooms and bathrooms, square footage, sale date, condition and year built.

NOTE 4 – LOANS (continued)

Fair Value (continued)

If applicable sale comps are not available or deemed unreliable, management will seek additional information in the form of brokers' opinions of value or appraisals.

Multi-family residential – Management's preferred method for determining the aggregate retail value of the company's multifamily units is the sale comparison method. Sale comps are reviewed for similarity to the subject property, examining features such as proximity to subject, rental income, number of units, composition of units by the number of bedrooms and bathrooms, square footage, condition, amenities and year built.

Where adequate sale comps are not available, management will seek additional information in the form of brokers' opinions of value or appraisals.

Management's secondary method for valuing multifamily assets as income-producing rental operations is the direct capitalization method. In order to determine market cap rates for properties of the same class and location as the subject, management refers to published data from reliable third-party sources such as the CBRE Cap Rate Survey. Management applies the appropriate cap rate to the subject's most recent available annual net operating income to determine the property's value as an income-producing project. When reliable net operating income information is not available or the project is under development or is under-performing to market, management will seek additional information and analysis to determine the cost to improve and the intrinsic fair value.

Commercial buildings – Where commercial rental income information is available, management's preferred method for determining the fair value of the company's commercial real estate assets is the direct capitalization method. In order to determine market cap rates for properties of the same class and location as the subject, management refers to reputable third-party sources such as the CBRE Cap Rate Survey. Management then applies the appropriate cap rate to the subject's most recent available annual net operating income to determine the property's value as an income-producing commercial rental project. When reliable net operating income information is not available or the project is under development or is under-performing to market, management will seek additional information and analysis to determine the cost to improve and the intrinsic fair value.

Management supplements the direct capitalization method with additional information in the form of a sale comparison analysis (where adequate sale comps are available), brokers' opinion of value, or appraisal.

Commercial land – Commercial land has many variations/uses, thus requiring management to employ a variety of methods depending upon the unique characteristics of the subject land. Management may rely on information in the form of a sale comparison analysis (where adequate sale comps are available), brokers' opinion of value, or appraisal.

NOTE 5 – COMMITMENTS AND CONTINGENCIES, OTHER THAN LOAN COMMITMENTS AND ORGANIZATION AND OFFERING COSTS

Legal proceedings

In the normal course of business, the company may become involved in various legal proceedings such as assignment of rents, bankruptcy proceedings, appointment of receivers, unlawful detainers, judicial foreclosure, etc. to enforce the provisions of the deeds of trust, collect the debt owed under the promissory notes or protect or recoup its investment from the real property secured by the deeds of trust and to resolve disputes between borrowers, lenders, lien holders and mechanics. None of these actions typically would be of any material importance. As of March 31, 2016, the company was not involved in any legal proceedings other than those that would be considered part of the normal course of business.

Commitments

The company had no contractual obligations, except to reimburse RMC for O&O expenses.

NOTE 6 – SUBSEQUENT EVENTS

None.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the unaudited financial statements and notes thereto, which are included in Item 1 of this report on Form 10-Q, as well as the audited financial statements and the notes thereto, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the company’s Annual Report on Form 10-K for the year ended December 31, 2015, filed with the U.S. Securities and Exchange Commission. The results of operations for the three month period ended March 31, 2016 are not necessarily indicative of the operations results to be expected for the full year.

Forward-Looking Statements

Certain statements in this Report on Form 10-Q which are not historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (or the Exchange Act), including statements regarding the company’s expectations, hopes, intentions, beliefs and strategies regarding the future. Forward-looking statements, which are based on various assumptions (some of which are beyond our control), may be identified by reference to a future period or periods or by use of forward-looking terminology, such as “may,” “will,” “believe,” “expect,” “anticipate,” “continue,” “possible” or similar terms or variations on those terms or the negative of those terms. Forward-looking statements include statements regarding trends in the California real estate market, future interest rates and economic conditions and their effect on the company and its assets, estimates as to the allowance for loan losses, estimates of future redemptions of units, future funding of loans by the company, and beliefs relating to how the company will be affected by current economic conditions and trends in the financial and credit markets. Actual results may be materially different from what is projected by such forward-looking statements. Factors that might cause such a difference include, but are not limited to, the following:

- changes in economic conditions and interest rates,
- the impact of competition and competitive pricing for mortgage loans,
- downturns in the California real estate markets which affect the manager’s and our ability to find suitable loans in a weaker economy where there is less activity in the real estate market,
- our ability to grow our mortgage lending business,
- the manager’s ability to make and arrange for loans that fit our investment criteria,
- the concentration of credit risks to which we are exposed,
- increases in payment delinquencies and defaults on our mortgage loans, and
- changes in government regulation and legislative actions affecting our business.

All forward-looking statements and reasons why results may differ included in this Form 10-Q are made as of the date hereof, and we assume no obligation to update any such forward-looking statement or reason why actual results may differ.

Overview

Redwood Mortgage Investors IX, LLC (or we, RMI IX or the company) is a Delaware limited liability company formed in October 2008 to engage in business as a mortgage lender and investor by making and holding-for-investment mortgage loans secured by California real estate, primarily through first and second deeds of trust.

See Note 1 (Organization and General) to the financial statements included in Part I, Item 1 of this report on Form 10-Q for additional detail on the organization and operations of RMI IX which detail is incorporated by this reference into this Item 2.

Ongoing public offering of units/ SEC Registrations

In December, 2012, the company's Registration Statement on Form S-11 filed with the Securities and Exchange Commission (SEC File No. 333-181953) to offer up to 150,000,000 units ($150,000,000) to the public and 37,500,000 units ($37,500,000) to its members pursuant to the DRIP became effective. The offering of units is ongoing and was extended by filing of a new, third registration statement on Form S-11 (SEC File No. 333-208315) in December 2015. The current, extended offering continues until the earlier of either the effective date of the third registration statement or June 1, 2016. When the third registration statement is declared effective, the offering will continue for up to three (3) years thereafter.

The units have been registered pursuant to Section 12(g) of the Exchange Act. Such registration of the units, along with the satisfaction of certain other requirements under ERISA, enables the units to qualify as "publicly-offered securities" for purposes of ERISA and regulations issued thereunder. By satisfying those requirements, the underlying assets of the company should not be considered assets of a "benefit plan investor" (as defined under ERISA) by virtue of the investment by such benefit plan investor in the units.

The following summarizes the proceeds from sales of units, from inception (October 5, 2009) through March 31, 2016.

	Proceeds
Gross proceeds admitted from investors	$32,689,949
From electing members under our distribution reinvestment plan	3,181,681
From premiums paid by RMC	156,604[(1)]
Total proceeds from unit sales	$36,028,234

(1) If a member acquired units through an unsolicited sale, the member's capital account is credited with their capital contribution plus a premium paid by RMC equal to the amount of the sales commissions that otherwise would have been paid to a broker-dealer by RMC. This amount is reported in the year paid as taxable income to the member.

The proceeds from the sales of the units will not be segregated but will be commingled with the company's cash. The ongoing sources of funds for loans are the proceeds from (1) sale of units, including units sold by reinvestment of distributions, (2) loan payoffs, (3) borrowers' monthly principal and interest payments, and (4) to a lesser degree and, if obtained, a line of credit. Cash generated from loan payoffs and borrower payments of principal and interest is used for operating expenses, income distributions to members, reimbursements to RMC of organization and offering expenses, and unit redemptions. The cash flow, if any, in excess of these uses is reinvested in new loans.

Critical Accounting Policies

See Note 2 (Summary of Significant Accounting Policies) to the financial statements included in Part I, Item 1 of this report on Form 10-Q for a detailed presentation of critical accounting policies, which presentation is incorporated by this reference into this Item 2.

Manager and Other Related Parties

See Note 1 (Organization and General) and Note 3 (Manager and Other Related Parties) to the financial statements included in Part I, Item 1 of this report for a detailed presentation of the company activities for which related parties are compensated and related transactions, including the formation loan to RMC, which presentation is incorporated by this reference into this Item 2.

Results of Operations

General Economic Conditions

All of our mortgage loans are secured by California real estate. Our secured-loan investment activity and the value of the real estate securing our loans is significantly dependent on economic activity and employment conditions in the state. Wells Fargo's Economics Group periodically provides timely, relevant information and analysis in its commentary and reports. Highlights from recently issued reports are presented below.

In the publication “California Employment Conditions” February 2016, the Wells Fargo Economics Group notes:

> California continues to see strong overall job growth. Nonfarm payrolls added 39,900 jobs in February on a seasonally-adjusted basis. The increase more than offsets January’s surprising 4,000-job drop and leaves the year-to-year gain near its recent average of 2.8 percent. California’s unemployment rate fell 0.2 percentage points in February to 5.5 percent. While the jobless rate remains above the national rate, it has fallen faster over the past year, declining by 1.2 percentage points compared to a 0.6 percentage-point drop nationwide. The gap between the two unemployment rates has narrowed by 2.3 percentage points over the past 5 years.
>
> From an overall perspective, job growth still looks exceptionally strong in California, with a net gain of 450,000 new jobs added over the past 12 months. As good as the latest employment figures are, however, they may be near the high water mark for California. Hiring in the state’s technology sector, which has been the fastest growing part of the economy, has moderated in recent months. A larger proportion of the new jobs being created are coming from the leisure & hospitality sector and construction, which is booming in the state’s larger metropolitan areas. The state’s important motion picture industry is also doing well, adding 7,700 jobs over the past year.
>
> The slowdown in the tech sector bears watching. Professional & technical services and the information sector have added 301,000 jobs since January 2010, accounting for 14.2 percent of all new jobs added statewide during this period. These highly paid positions have also helped drive hiring in other areas, as the tech sector is widely believed to have an exceptionally large multiplier. Hiring appears to have moderated in most of the fastest growing subcategories. Professional & technical services, which includes computer systems design and scientific research & development, lost 4,300 jobs in February. Employment in this sector has been essentially flat for the past three months. Seasonally-adjusted data are not available for the subcomponents of this series but the year-to-year gains for both industries have slowed over the past year.
>
> Southern California accounted for the bulk of California’s job gains in February, with 21,400 jobs added to nonfarm payrolls in Los Angeles and Anaheim-Orange County adding 3,600 jobs during the month. On a year-to-year basis, the Los Angeles-Long Beach-Anaheim metropolitan area added 133,600 new jobs, which was second only to New York-Newark-Jersey City. The continued strength in Southern California reflects the recent upswing in hiring in the region’s motion picture business as well as continued strong gains in tourism and construction. By contrast, metropolitan areas where the tech sector is more dominant, such as San Francisco, San Jose and San Diego, all saw more modest gains. San Francisco actually posted a slight job loss in February, with payrolls falling for the second time in the past four months. San Jose added 700 jobs during February and San Diego added 1,800 jobs.
>
> San Diego’s economy has expanded rapidly over the past several years, with job growth outpacing the national average since 2012. The local economy benefits from a well-diversified employment base that includes life sciences, telecommunications technology, wearable devices, and healthcare. The U.S. Navy and Marine Corps also maintain a huge presence in the region and provide some stability to the economy. San Diego surpassed its prerecession employment peak back in late 2013, six months before the state (Figure 3). The service sector has been the principal driver of growth, with professional & business services and education & health services producing some of the strongest growth. The two sectors rose 2.8 percent and 4.5 percent over the past year, respectively. Construction has also gotten back on track. The only industry to show weakness on an annual basis has been information (Figure 4), which has been true in many areas across the nation. Most of the losses in this sector have not been in the technology industry per se, but rather have come in legacy industries such as newspapers and landline telecommunications.
>
> San Diego’s biotechnology and life science industries have played a key role in the area’s recent expansion. San Diego’s biotech cluster is one of the largest and most prosperous in the nation, as the region is home to many world-renowned research facilities, including the La Jolla Cancer Research Center, the Scripps Research Institution, the Salk Institute for Biological Studies and the University of California at San Diego. Employment in the research & biotechnology subsector continues to grow rapidly, rising 4.6 percent year-to-year through the third quarter of last year, which is the most recent data available. San Diego has the third-highest concentration of professions in the scientific research & development services sector, trailing only Trenton and Boulder. Moreover, the region continues to attract scores of new companies. OncoSec Medical Inc., a biotech company developing DNA-based cancer immunotherapies, recently opened a new 34,000-square foot headquarters and research facility in San Diego.
>
> Tourism is another key area of strength. Over 30 million visitors flock to San Diego each year for its ideal weather, coastal beaches and attractions, including the San Diego Zoo, SeaWorld, Old Town San Diego, Mission Bay, the Wild Animal Park and LEGOLAND San Diego. Hiring in the tourist sector has risen 4.0 percent over the year.

Performance highlights

Members' capital, net of O&O expenses, at March 31, 2016, was approximately $32,679,000, an increase of $10,620,000 since March 31, 2015. The company is continuing to increase the number of FINRA registered broker-dealer firms and their associated representatives that can sell our units and focusing on increasing the states in which our units can be offered.

In turn, our investment in mortgage loans is increasing steadily as we strive to be fully invested. Mortgage loan balances grew to approximately $29,634,000 at March 31, 2016, an increase of approximately $8,334,000 since March 31, 2015.

Net income for the three months ended March 31, 2016 and 2015 was $570,159 and $350,062, respectively. Revenue from the interest on loans for the three months ended March 31, 2016 increased by approximately $197,000 over the same period in 2015, due to the growth of the secured loan portfolio. Operations expense for the three months ended March 31, 2016 decreased by approximately $23,000, over the same period in 2015, due primarily to an increase in manager reimbursements and waived fees. In all periods presented, the manager, at its sole discretion, provided significant support to the company which affects the net income results.

Key Performance Indicators

The table below shows key performance indicators at and for the three months ended March 31.

	2016	2015	2014
Members' capital, gross – end of period balance	$34,064,057	24,525,148	18,144,032
Members' capital, gross – average balance	$32,733,618	23,123,000	17,753,000
Secured loans – end of period balance	$29,633,693	21,300,226	15,005,845
Secured loans – average daily balance	$28,103,384	19,965,000	15,192,000
Interest on loans, gross	$ 613,332	430,159	346,686
Portfolio interest rate(1)	8.6%	8.7%	9.3%
Effective yield rate(2)	8.6%	8.6%	9.1%
Amortization of loan administrative fees, net	$ 18,339	31,691	31,509
Percent of average daily balance(3)	0.3%	0.6%	0.8%
Interest on loans, net	$ 594,992	398,467	315,177
Percent of average daily balance(3)	8.5%	8.0%	8.3%
Provision for loan losses	$ —	—	—
Percent of average daily balance(3)	—	—	—
Total operations expense	$ 28,087	50,665	114,598
Net Income	$ 570,159	350,062	201,846
Percent of average members' capital(4)(5)	6.9%	6.0%	4.5%
Member Distributions	$ 527,520	387,250	297,916
Percent	6.5%	6.5%	6.5%
Member Redemptions	$ 232,208	153,474	—

(1) Stated note interest rate, weighted daily average
(2) Yield rate of interest on loans, annualized
(3) Percent of secured loans – average daily balance, annualized
(4) Percent of members' capital, gross – average balance, annualized
(5) Percent based on the net income available to members (excluding 1% allocated to manager)

Members' capital, gross – end of period balance

The March 31 end of period gross members' capital balance for 2016 of $34,064,057, was an increase of approximately 39% ($9.5 million) over 2015's $24,525,148. The increase was due to new member sales and participation in our distribution reinvestment plan (DRIP), which were partially offset by redemptions.

Units redeemed by month in the first quarter are presented in the following table.

2016 Q1	Price per unit(1)	Units redeemed
January	$ 1	—
February	$ 1	—
March	$ 1	$ 232,208
Total		$ 232,208

(1) The unit redemption program is ongoing and available to members beginning one year after the purchase of the units. The maximum number of units that may be redeemed in any year and the maximum amount of redemption available in any period to members are subject to certain limitations.

The table below shows distributions reinvested by members under the distribution reinvestment plan, cash distributions to members, the total distributions to members, and the percent of members' capital electing cash distribution for the three months ended March 31, 2016 and 2015, respectively.

	2016	2015
Reinvesting	$302,515	$218,749
Distributing	225,005	168,501
Total	$527,520	$387,250
Percent of members' capital, electing distribution	43%	44%

Net cash provided by (used in) operations, net income and distributions to members, for the three months ended March 31, 2016, are summarized in the following table:

Quarter	Net Cash Provided By (Used In) Operations	Net Income Available To Members	Distributions To Members (1)	Percent Of Distributions Paid From Net Cash Provided By (Used In) Operations	Percent Of Net Income Covering Total Distributions (2)
2016 Q1	$ 549,076	$ 564,457	$ 527,520	104%	107%

(1) Includes distributions reinvested pursuant to our distribution reinvestment plan (DRIP).

(2) Net income includes support provided by the manager during the period of $235,000. For the quarter ending March 31, 2015, percent of net income covering total distributions was 90%, which included support from the manager of $78,000. For the year 2015, the percent of net income covering total distributions was 101%, with $634,000 of support provided by the manager.

Secured loans – end-of-period balance

The March 31 end of period secured loan balance for 2016 of $29,633,693 was an increase of approximately 39% ($8.3 million) over 2015's $21,300,226. The increase in the balance of the secured loan portfolio are due to increased members' capital available for lending and increased investment in California real estate markets, which expands the market for new loans. Secured loans as a percent of members' capital (based on average daily balances) was 86% for the three months ended March 31, 2016 and 2015.

As of March 31, 2016, 78 of the company's 81 loans (representing 99% of the aggregate principal of the company's loan portfolio) had a loan term of five years or less from loan inception. The remaining loans had terms longer than five years. Substantially all loans are written without a prepayment penalty provision. As of March 31, 2016, 20 loans outstanding (representing 31% of the aggregate principal balance of the company's loan portfolio) provided for monthly payments of interest only, with the principal due in full at maturity. The remaining loans required monthly payments of principal and interest, typically calculated on a 30-year amortization, with the remaining principal balance due at maturity.

We have sought to exercise strong discipline in underwriting loan applications and lending against collateral at amounts that create a mortgage portfolio that has substantial protective equity as indicated by the overall conservative weighted average loan-to-value ratio (LTV) which at March 31, 2016 was approximately 54%. Thus, per the appraisal-based valuations at the time of loan inception, borrowers have, in the aggregate, equity of 46% in the property, and we as lender have lent in the aggregate 54% (including other senior liens on the property) against the properties we hold as collateral for the repayment of our loans.

See Note 4 (Loans) to the financial statements included in Part I, Item 1 of this report for detailed presentations on the secured loan portfolio and on the allowance for loan losses, which presentations are incorporated by this reference into this Item 2.

Analysis and discussion of income/(loss) from operations 2016 v. 2015

Significant changes to income or expense areas for the three month period ended March 31, 2016 compared to the same period in 2015 are summarized in the following table.

	Interest Income	Provision/ Allowance For Loan Losses	Late Fees	Operations Expense	Net Income
For the three months ended					
March 31, 2016	$594,992	—	3,254	28,087	570,159
March 31, 2015	398,467	—	2,260	50,665	350,062
Change	$196,525	—	994	(22,578)	220,097
Change					
Loan Balance Increase	$174,633	—	—	5,096	169,537
Loan Portfolio Effective Yield Rate	21,892	—	—	—	21,892
Late Fees	—	—	994	—	994
Capital Balance Increase	—	—	—	38,130	(38,130)
Managers Fees Waived	—	—	—	(74,416)	74,416
Expense Recognition Timing	—	—	—	5,982	(5,982)
Other	—	—	—	2,630	(2,630)
Change	$196,525	—	994	(22,578)	220,097

Interest income

Interest on loans, net increased $196,525 (49%) for the three months ended March 31, 2016, compared to the same period in 2015 due to growth of the secured loan portfolio. The portfolio's strong payment history to date has resulted in no loans being designated as non-accrual.

Provision for loan losses/allowance for loan losses

At March 31, 2016, the company had not recorded an allowance for loan losses as no loans were designated as impaired, and all loans had protective equity such that at March 31, 2016, collection was deemed probable for amounts owing. There were no loans past due more than 90 days at March 31, 2016.

Operations Expense

Significant changes to operating expense areas for the three month period ended March 31, 2016 compared to the same period in 2015 are summarized in the following table.

	Mortgage Servicing Fees	Asset Management Fees	Costs Through RMC	Professional Services	Other	Total
For the three months ended						
March 31, 2016	$17,256	—	—	6,625	4,206	28,087
March 31, 2015	12,160	—	36,286	643	1,576	50,665
Change	$ 5,096	—	(36,286)	5,982	2,630	(22,578)
Change						
Loan Balance Increase	$ 5,096	—	—	—	—	5,096
Capital Balance Increase	—	15,957	22,173	—	—	38,130
Managers Fees Waived	—	(15,957)	(58,459)	—	—	(74,416)
Professional Service Timing	—	—	—	5,982	—	5,982
Other	—	—	—	—	2,630	2,630
Change	$ 5,096	—	(36,286)	5,982	2,630	(22,578)

– Mortgage servicing fees

The increase in mortgage servicing fees of $5,096 for the three months ended March 31, 2016, compared to the same period in 2015 was consistent with the increase in the secured loan portfolio.

– Asset management fees

Total asset management fees chargeable increased by $15,957 for the three months ended March 31, 2016, compared to the same period in 2015 due to the increase in members capital, and was offset by an increase in fees waived by RMC, at its sole discretion. There is no assurance RMC will waive its right to receive such fees in future periods.

– Costs through RMC

Costs incurred by RMC, for which reimbursement could have been requested increased by $22,173 for the three months ended March 31, 2016, compared to the same period in 2015 primarily due to the increases in members capital and the secured loan portfolio. This was offset by an increase in the amount waived by RMC, at its sole discretion, of $58,549 for the three months ended March 31, 2016 compared to the same period in 2015. There is no assurance RMC will waive its right to receive such reimbursements in future periods.

– Professional services

Professional fees consists primarily of legal, audit and tax expenses. The increase in professional services for the three months ended March 31, 2015, was due primarily to manager reimbursements and expense recognition timing.

Liquidity and Capital Resources

The ongoing sources of funds for loans are the proceeds from (1) sale of units, including units sold by reinvestment of distributions, (2) loan payoffs, (3) borrowers' monthly principal and interest payments, and, (4) to a lesser degree and, if obtained, a line of credit. Cash generated from loan payoffs and borrower payments of principal and interest is used for operating expenses, income distributions to members, reimbursements to RMC of origination and offering expenses and unit redemptions in the next 12 months. The cash flow, if any, in excess of these uses is re-invested in new loans.

Cash Receipts and disbursements

Cash receipts and disbursements by business activity are presented in the following table for the three months ended March 31.

	2016	2015
Loan principal/advances/interest		
Principal & advances collected	$ 3,821,150	$ 1,545,280
Interest received, net	574,310	373,152
Other loan income	3,304	2,310
Loan funding	(6,092,500)	(3,660,000)
Cash – loans, net	(1,693,736)	(1,739,258)
Operations expense	(28,538)	27,093
Members' capital		
Gross subscription proceeds	3,650,240	2,183,809
Organization and offering costs, net	(105,837)	(124,679)
Formation loan, net	(245,350)	(144,195)
Distributions and redemptions, net	(474,784)	(332,912)
Cash – members' capital, net	2,824,269	1,582,023
Net change in cash	$ 1,101,995	$ (130,142)

Contractual obligations

At March 31, 2016 the company had no contractual obligations, except to reimburse RMC for O&O expenses. See Note 3 (Manager and Other Related Parties) to the financial statements included in Part I, Item 1 of this report for detailed presentations of the company activities for which related parties are compensated and related transactions, which presentations are incorporated by this reference into this Item 2.

At March 31, 2016 the company had no construction or rehabilitation loans outstanding.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not included because the company is a smaller reporting company.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The company carried out an evaluation, under the supervision and with the participation of the manager of the effectiveness of the design and operation of the company's disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, the manager concluded the company's disclosure controls and procedures were effective.

Changes to Internal Control Over Financial Reporting

There have not been any changes in internal control over financial reporting (as such term is defined in Rules 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the manager's or company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. **Legal Proceedings**

In the normal course of business, the company may become involved in various legal proceedings such as assignment of rents, bankruptcy proceedings, appointment of receivers, unlawful detainers, judicial foreclosure, etc. to enforce the provisions of the deeds of trust, collect the debt owed under the promissory notes or protect or recoup its investment from the real property secured by the deeds of trust and to resolve disputes between borrowers, lenders, lien holders and mechanics. None of these actions typically would be of any material importance. As of the date hereof, the company was not involved in any legal proceedings other than those that would be considered part of the normal course of business.

ITEM 1A. **Risk Factors**

There have been no material changes to the risk factors set forth in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2015.

ITEM 2. **Unregistered Sales of Equity Securities and Use of Proceeds**

Recent Sales of Unregistered Securities

There were no sales of securities by the company which were not registered under the Securities Act of 1933.

Use of Proceeds from Registered Securities

In December, 2012, the company's Registration Statement on Form S-11 filed with the Securities and Exchange Commission (SEC File No. 333-181953) to offer up to 150,000,000 units ($150,000,000) to the public and 37,500,000 units ($37,500,000) to its members pursuant to the DRIP became effective. The 2012 filing enabled us to continue the offer to sell units that commenced in an initial public offering with the filing of a Registration Statement on Form S-11 in June 2008 (SEC File No. 333-155428). The offering of units is ongoing and was extended by filing a new, third registration statement on Form S-11 (SEC File No. 333-208315) in December 2015. The current offering continues until the earlier of either the effective date of the third registration statement or June 1, 2016. When the third registration statement is declared effective, the offering will continue for up to three (3) years thereafter.

The units have been registered pursuant to Section 12(g) of the Exchange Act. Such registration of the units, along with the satisfaction of certain other requirements under ERISA, enables the units to qualify as "publicly-offered securities" for purposes of ERISA and regulations issued thereunder. By satisfying those requirements, the underlying assets of the company should not be considered assets of a "benefit plan investor" (as defined under ERISA) by virtue of the investment by such benefit plan investor in the units.

The following summarizes the proceeds from sales of units, from inception (October 5, 2009) through March 31, 2016.

	Proceeds
Gross proceeds admitted from investors	$32,689,949
From electing members under our distribution reinvestment plan	3,181,681
From premiums paid by RMC	156,604[(1)]
Total proceeds from unit sales	$36,028,234

(1) If a member acquired units through an unsolicited sale, the member's capital account is credited with its capital contribution plus a premium paid by RMC equal to the amount of the sales commissions that otherwise would have been paid to a broker-dealer by RMC. This amount is reported in the year paid as taxable income to the member.

Units redeemed by month in the first quarter are presented in the following table.

2016 Q1	Price per unit[(2)]	Units redeemed
January	$ 1	—
February	$ 1	—
March	$ 1	$ 232,208
Total		$ 232,208

(2) The unit redemption program is ongoing and available to members beginning one year after the purchase of the units. The maximum number of units that may be redeemed in any year and the maximum amount of redemption available in any period to members are subject to certain limitations.

The proceeds from the sales of the units will not be segregated but will be commingled with the company's cash. The ongoing sources of funds for loans are the proceeds from (1) sale of units, including units sold by reinvestment of distributions, (2) loan payoffs, (3) borrowers' monthly principal and interest payments, and (4) to a lesser degree and, if obtained, a line of credit. Cash generated from loan payoffs and borrower payments of principal and interest is used for operating expenses, reimbursements to RMC of organization and offering expenses, and unit redemptions. The cash flow, if any, in excess of these uses is reinvested in new loans.

ITEM 3. **Defaults Upon Senior Securities**

Not Applicable.

ITEM 4. **Mine Safety Disclosures**

Not Applicable.

ITEM 5. **Other Information**

None.

ITEM 6. **Exhibits**

Exhibit No.	Description of Exhibits
3.1	Ninth Amended and Restated Limited Liability Company Operating Agreement (incorporated by reference to Exhibit 3.1 to the company's pre-effective amendment no. 1 to the registration statement on Form S-11 filed with the SEC on April 20, 2016 (file no. 333-208315))
31.1	Certification of Manager pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Manager pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REDWOOD MORTGAGE INVESTORS IX, LLC
(Registrant)

Date: May 16, 2016

By: **Redwood Mortgage Corp., Manager**

By: /s/ Michael R. Burwell
Name: Michael R. Burwell
Title: President, Secretary and Treasurer
(On behalf of the registrant, and in the capacity of principal financial officer)

EXHIBIT INDEX

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101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 31.1

PRESIDENT'S CERTIFICATION

I, Michael R. Burwell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Redwood Mortgage Investors IX, LLC, a Delaware limited liability company (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the Registrant and have:
   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Michael R. Burwell
Michael R. Burwell, President,
(principal executive officer and principal financial officer)
Redwood Mortgage Corp.,
Manager

May 16, 2016

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Redwood Mortgage Investors IX, LLC (the “company”) on Form 10-Q for the period ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, I, Michael R. Burwell, certify that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company at the dates and for the periods indicated.

A signed original of this written statement required by Section 906 has been provided to Redwood Mortgage Investors IX, LLC and will be retained by Redwood Mortgage Investors IX, LLC and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Michael R. Burwell
Michael R. Burwell, President,
(principal executive officer and principal financial officer)
Redwood Mortgage Corp.,
Manager

May 16, 2016