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, 2022

☐ **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	**26-3541068**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
177 Bovet Road, Suite 520, San Mateo, CA	**94402**
(Address of principal executive offices)	**(Zip Code)**

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
none		

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 every Interactive Data File required to be submitted 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 such files). ☒ YES ☐ NO

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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, 2022 (unaudited) and December 31, 2021 (audited)
($ in thousands)

ASSETS	March 31, 2022	December 31, 2021
Cash, in banks	$ 9,013	$ 1,033
Loan payments in trust	12	67
Loans held for sale	5,910	—
Loans		
Principal	64,293	81,097
Advances	16	17
Accrued interest	466	529
Prepaid interest	(540)	(643)
Loan balances secured by deeds of trust	64,235	81,000
Allowance for loan losses	(55)	(55)
Loan balances secured by deeds of trust, net	64,180	80,945
Debt issuance costs, net	57	14
Prepaid expenses	13	25
Receivable from related parties	13	—
Total assets	$ 79,198	$ 82,084
LIABILITIES AND MEMBERS' CAPITAL		
Liabilities		
Accounts payable and accrued liabilities	$ 75	$ 75
Payable to related parties	3	101
Line of credit	7,000	8,480
Total liabilities	7,078	8,656
Commitments and contingencies (Note 6)		
Members' capital, net	75,385	76,816
Receivable from manager (formation loan)	(3,265)	(3,388)
Members' capital, net of formation loan	72,120	73,428
Total liabilities and members' capital	$ 79,198	$ 82,084

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

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Income
For the Three Months Ended March 31, 2022 and 2021 (unaudited)
($ in thousands)

	Three Months Ended March 31,	
	2022	**2021**
Revenue		
Interest income	$ 1,621	$ 1,680
Interest expense	(82)	(136)
Net interest income	1,539	1,544
Late fees	14	9
Total revenue, net	1,553	1,553
Provision for (recovery of) loan losses	—	—
Operations expense		
Mortgage servicing fees to related party	50	52
Asset management fees to related party	138	141
Costs from Redwood Mortgage Corp., net (Note 3)	86	65
Professional services	263	233
Other	—	11
Total operations expense	537	502
Net income	$ 1,016	$ 1,051
Net income		
Members (99%)	$ 1,006	$ 1,041
Manager (1%)	10	10
	$ 1,016	$ 1,051

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

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Changes in Members' Capital

For the Three Months Ended March 31, 2022 (unaudited)
($ in thousands)

	Members' Capital	Manager's Capital	Unallocated Organization and Offering Expenses	Members' Capital, net
Balance at December 31, 2021	$ 78,192	$ 82	$ (1,458)	$ 76,816
Net income	1,006	10	—	1,016
Earnings distributed to members	(1,071)	(10)	—	(1,081)
Earnings distributed used in DRIP	527	—	—	527
Members' redemptions	(1,927)	—	—	(1,927)
Organization and offering expenses allocated	(73)	—	73	—
Organization and offering expenses repaid by RMC	—	—	34	34
Balance at March 31, 2022	$ 76,654	$ 82	$ (1,351)	$ 75,385

For the Three Months Ended March 31, 2021 (unaudited)
($ in thousands)

	Members' Capital	Manager's Capital	Unallocated Organization and Offering Expenses	Members' Capital, net
Balance at December 31, 2020	$ 80,801	$ 182	$ (1,858)	$ 79,125
Net income	1,041	10	—	1,051
Earnings distributed to members	(1,126)	—	—	(1,126)
Earnings distributed used in DRIP	574	—	—	574
Members' redemptions	(927)	—	—	(927)
Organization and offering expenses allocated	(77)	—	77	—
Organization and offering expenses repaid by RMC	—	—	18	18
Early withdrawal penalties	—	—	4	4
Balance at March 31, 2021	$ 80,286	$ 192	$ (1,759)	$ 78,719

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

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Cash Flows
For the Three Months Ended March 31, 2022 and 2021 (unaudited)
($ in thousands)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operations		
Interest income received	$ 1,581	$ 1,525
Interest expense paid	(93)	(117)
Late fees and other loan income	22	66
Operations expense	(610)	(407)
Total cash provided by operations	900	1,067
Investing – loans		
Loans funded	(1,000)	(6,191)
Principal collected	11,941	7,314
Loan transferred from related mortgage fund	—	(4,672)
Loans transferred to related mortgage funds	—	868
Loans sold to non-affiliate	—	1,590
Advances made on loans	1	1
Total cash provided by (used in) investing	10,942	(1,090)
Financing		
Members' capital		
Distributions to members		
Earnings distributed, net of DRIP	(554)	(552)
Redemptions, net of early withdrawal penalties	(1,925)	(918)
Total distributions to members	(2,479)	(1,470)
Organization and offering expenses received, net	34	18
Early withdrawal penalties	(3)	—
Formation loan collected	123	119
Cash used in members' capital	(2,325)	(1,333)
Line of credit		
Advances	7,000	1,530
Repayments	(8,480)	(1,530)
Debt issuance costs	(57)	—
Cash used in line of credit	(1,537)	—
Total cash used in financing	(3,862)	(1,333)
Net increase (decrease) in cash	7,980	(1,356)
Cash, beginning of period	1,033	2,299
Cash, end of period	$ 9,013	$ 943

Non-cash financing activities for the three months ended March 31, 2022 and 2021 includes earnings distributed to the dividend reinvestment plan of $527,000 and $574,000, respectively. Non-cash investing activity for the three months ended March 31, 2022 includes $5,910,000 for loans transferred to held for sale. There were no loans transferred to held for sale for the three months ended March 31, 2021.

Non-cash financing activity for the three months ended March 31, 2021 also includes early withdrawal penalties of approximately $8,000 which reduced members' capital by approximately $4,000 as these amounts were applied to unallocated organizational and offering expenses and the formation loan in the amount of approximately $4,000.

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

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Cash Flows
For the Three Months Ended March 31, 2022 and 2021 (unaudited)
($ in thousands)

Reconciliation of net income to total cash provided by operations	**Three Months Ended March 31, 2022**	**2021**
Net income	$ 1,016	$ 1,051
Adjustments to reconcile net income to net cash provided by operations		
Amortization of debt issuance costs	14	14
Change in operating assets and liabilities		
Loan payments in trust	8	56
Accrued interest	63	(155)
Prepaid interest	(103)	—
Prepaid expenses	13	—
Receivable from related party	(13)	(19)
Accounts payable and accrued liabilities	—	116
Payable to related parties	(98)	4
Total adjustments	(116)	16
Total cash provided by operations	$ 900	$ 1,067

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

NOTE 1 – ORGANIZATION AND GENERAL

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 by Redwood Mortgage Corp. (“RMC” or “the manager”). RMC provides the personnel and services necessary for the company to conduct its business as the company has no employees of its own. The mortgage loans the company funds and invests in are arranged and generally are serviced by RMC.

In the opinion of management of RMC, the accompanying unaudited financial statements contain all adjustments, consisting of normal, recurring adjustments, necessary to present fairly the financial information included therein. These unaudited financial statements should be read in conjunction with the audited financial statements included in the company’s Form 10-K for the year ended December 31, 2021, filed with the U.S. Securities and Exchange Commission (SEC). The results of operations for the three months ended March 31, 2022 are not necessarily indicative of the operating results to be expected for the full year.

The rights, duties and powers of the members and manager of the company are governed by the Ninth Amended and Restated Limited Liability Company Operating Agreement of RMI IX (the “Operating Agreement”), as amended by the Second Amendment to the Operating Agreement, the Delaware Limited Liability Company Act and the California Revised Uniform Limited Liability Company Act.

Members representing a majority of the outstanding units may, without the concurrence of the managers, vote to: (i) dissolve the company, (ii) amend the Operating Agreement, subject to certain limitations, (iii) approve or disapprove the sale of all or substantially all of the assets of the company or (iv) remove or replace one or all of the managers. Where there is only one manager, a majority in interest of the members is required to elect a new manager to continue the company business after a manager ceases to be a manager due to its withdrawal.

The following is a summary of certain provisions of the Operating Agreement and is qualified in its entirety by the terms of the Operating Agreement. Members should refer to the Operating Agreement for complete disclosure of its provisions.

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. RMC is entitled to one percent (1%) of the profits and losses of the company and to fees and reimbursements of qualifying costs as specified in the Operating Agreement.

The company’s primary investment objectives are to:

- yield a favorable rate of return from the company’s business of making and/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 cash flow from these mortgage lending and investing activities.

Net income (or loss) is allocated among the members according to their respective capital accounts after one percent (1%) of the net income (or loss) is allocated to the manager.

The company’s net income, cash available for distribution, and net-distribution rate fluctuates depending on:

- loan origination volume and the balance of capital available to lend;
- the current and future interest rates negotiated with borrowers;
- line of credit advances, repayments and the interest rate thereon;
- loan sales to unaffiliated third parties, and any gains received thereon;
- the amount of fees and cost reimbursements to RMC;
- the timing and amount of other operating expenses, including expenses for professional services;
- the timing and amount of payments from RMC on the formation loan; and,
- fee and/or cost reimbursements waived, if any, from RMC.

Federal and state income taxes are the obligation of the members, other than the annual California franchise tax and the California LLC gross receipts tax. The tax basis in the net assets of the company differs from book basis by the amount of the allowance for loan losses.

The ongoing sources of funds for loans are the proceeds (net of redemption of members' capital and operating expenses) from:

- loan payoffs;
- borrowers' monthly principal and interest payments;
- line of credit advances;
- loan sales to unaffiliated third parties;
- payments from RMC on the outstanding balance of the formation loan; and
- sale of units to members participating in the dividend reinvestment plan.

The company intends to hold until maturity the loans in which it invests and does not presently intend to invest in mortgage loans primarily for the purpose of reselling such loans in the ordinary course of business; however, the company may sell mortgage loans (or fractional interests therein) when the manager determines that it appears to be advantageous for the company to do so, based upon then current interest rates, the length of time that the loan has been held by the company, the company's credit risk and concentration risk and the overall investment objectives of the company. Loans sold to third parties may be sold for par, at a premium or, in the case of non-performing or under performing loans, at a discount. Company loans may be sold to third parties or to the manager or its related mortgage funds; however, any loan sold to the manager or a related mortgage fund will be sold for a purchase price equal to the greater of (i) the par value of the loan or (ii) the fair market value of the loan. The manager will not receive commissions or broker fees with respect to loan sales conducted for the company; however, selling loans will increase members' capital available for investing in new loans for which the manager will earn brokerage fees and other forms of compensation.

The company's business is neither dependent on any one, nor concentrated with a few, major borrowers, investors, or lenders.

Distribution policy/Distribution reinvestment plan (DRIP)

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 otherwise distributable to the members with respect to any period the respective amounts of O&O expenses allocated to the members' accounts for the applicable period pursuant to the company's reimbursement to RMC and allocation to members' accounts of O&O expenses. The amount otherwise distributable, less the respective amounts of O&O expenses allocated to members, is the net distribution. Per the terms of the Operating Agreement, cash available for distribution to the members is allocated among the members in proportion to their percentage interests (except with respect to differences in the amounts of O&O 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.

See Note 3 (Manager and Other Related Parties) to the financial statements for a detailed discussion on the allocation of O&O expenses to members' accounts.

Cash available for distributions allocable to members who have elected to receive distributions is disbursed at the end of each calendar month. The manager's allocable share of cash available for distribution is also distributed not more frequently than cash distributions to members.

The distribution reinvestment plan (DRIP) provision of the Operating Agreement permits members to elect to have all or a portion of their monthly distributions reinvested in the purchase of additional units. Cash available for distributions allocable to members who have elected to participate in the DRIP is distributed and reinvested in units at each month end.

In May 2019, the company filed a Registration Statement on Form S-3 with the SEC (SEC File No. 333-231333) that went effective May 9, 2019, to offer up to 15,000,000 units ($15,000,000) to members of record as of April 30, 2019 who had previously elected to participate in the DRIP or who later provide written notice to the manager electing to participate in the DRIP, in those states in which approval has been obtained. As of March 31, 2022, the aggregate gross proceeds from sales of units to members under the company's DRIP pursuant to the May 2019 Form S-3 Registration Statement is approximately $6,660,000.

Liquidity and unit redemption program

There are substantial restrictions on transferability of units, and there is no established public trading and/or secondary market for the units and none is expected to develop. In order to provide liquidity to members, the Operating Agreement includes a unit redemption program, whereby a member may redeem all or part of their units, subject to certain limitations.

The price paid for redeemed units is 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 – for other than DRIP units - is calculated based on the period from date of purchase as follows: after one year 92% of the purchase price or of the capital balance, whichever is less; after two years 94%; after three years 96%; after four years 98%; and after five years 100%.

The company redeems units quarterly, subject to certain limitations as provided for in the Operating Agreement. The maximum number of units which may be redeemed per quarter per individual member shall not exceed the greater of (i) 100,000 units, or (ii) 25% of the member's total outstanding units. For redemption requests requiring more than one quarter to fully redeem, the percentage discount amount if any, that 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 manager also has the right, in its sole discretion, at any time, to reject any request for redemption, or to suspend or terminate the acceptance of new redemption requests without prior notice, or to terminate, suspend or amend the unit redemption program upon 30-day notice.

Pursuant to the Operating Agreement, 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; however, the manager may, but is not required to, waive this limitation if it deems it in the best interest of the company. In the event unit withdrawal requests exceed 5% in any calendar year, and are held by the company, units will be redeemed in the order of priority provided in the Operating Agreement. The manager may, in its sole discretion, waive any applicable holding periods or penalties in the event of the death of a member or other exigent circumstances or if the manager believes such wavier is in the best interests of the company.

Manager's interest

If a manager is removed, withdrawn or terminated, the company will pay to the manager all amounts then accrued and due to the manager. Additionally, the company will terminate the manager's interest in the company's profits, losses, distributions and capital by payment of an amount in cash equal to the then-present fair value of such interest.

Term of the company

The initial term of the company was scheduled to terminate October 8, 2028, unless sooner terminated as provided in the Operating Agreement or extended by majority vote of the members. In November of 2021, RMC submitted to a vote of the members a proposal to amend the Operating Agreement to extend the term of the company and the term for the repayment of the formation loan to December 31, 2038. On March 11, 2022, following RMC's receipt of approval votes from members holding more than 53% of the total outstanding percentage interests in the Company, RMC's board of directors approved the adoption of the Second Amendment to the Operating Agreement, dated March 11, 2022, extending the stated company term through December 31, 2038. As a result, the term of the Company will terminate on December 31, 2038 unless: (i) the term is further extended by RMC with the affirmative consent of a majority interest of the members; or (ii) the Company is earlier terminated pursuant to the Operating Agreement or by operation of law.

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 involve significant level of uncertainty and have had or are reasonably likely to have a material impact on the company's financial condition or results of operations. Such estimates relate principally to the determination of the allowance for loan losses, including, when applicable, the valuation of non-performing secured loans (which itself requires determining the fair value of the collateral), and the valuation of real estate owned, at acquisition and subsequently (RMI IX has not acquired REO since it commenced operations in 2009). Actual results could differ materially from these estimates.

Fair value estimates

GAAP defines fair value as the 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 real property 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 income 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, including the consideration of adjustments made for any attributes specific to the real property.

Management has the requisite familiarity with the real estate markets it lends in and of the specific properties lent on 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.

Cash in banks

Certain of the company's cash balances in banks exceed federally insured limits of $250,000. The bank or banks in which funds are deposited are reviewed periodically for their general creditworthiness/investment grade credit rating. (See Note 5 (Line of Credit) for compensating balance arrangements).

Loans and interest income

Performing loans are carried at amortized cost which is generally equal to 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. For performing loans, interest is accrued daily on the principal plus advances, if any.

Non-performing loans (i.e., loans with a payment in arears) less than 180 days delinquent continue to recognize interest income as long as the loan is in the process of collection and is considered to be well-secured. Non-performing loans are placed on non-accrual status if 180 days delinquent or earlier if management determines 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 for accounting purposes only; 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. Late fees are recognized in the period received.

The company may fund a specific loan net of an interest reserve (one to two years) to insure timely interest payments at the inception of the loan. Any interest reserve is amortized over the period that the amount is prepaid. 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.

In the normal course of the company's operating activities, performing loans that are maturing or have matured may be renewed at then current market rates of interest and terms for new loans.

From time to time, the manager negotiates and enters into loan modifications with borrowers whose loans are delinquent (non-performing). If a borrower is experiencing financial difficulties and a loan modification were to result in an economic concession to the borrower (i.e., a significant delay or reduction in cash flows compared to the original note), the modification is deemed a troubled debt restructuring (TDR).

The company funds loans with the intent to hold the loans until maturity. From time to time the company may sell certain loans when the manager determines it to be in the best interest of the company. Loans are classified as held-for-sale once a decision has been made to sell loans and the loans held-for-sale have been identified. Loans classified as held for sale are carried at the lower of cost or fair value.

Pursuant to California regulatory requirements, borrower payments are deposited into a trust account established by RMC with an independent bank (and are presented on the balance sheet as "Loan payments in trust"). Funds are disbursed to the company as collected which can range from same day for wire transfers and up to two weeks after deposit for checks.

Allowance for loan losses

Loans and the related accrued interest and advances (i.e., the loan balance) are analyzed on a periodic basis for ultimate recoverability. Collateral fair values are reviewed quarterly and the protective equity for each loan is computed. As used herein, “protective equity” is the dollar amount by which the net realizable value (i.e., fair value less the cost to sell) of the collateral, net of any senior liens exceeds the loan balance, where “loan balance” is the sum of the unpaid principal, advances and the recorded interest thereon.

If based upon current information and events, it is deemed probable the company will not collect substantially all amounts due according to the contractual terms of the original loan agreement, then a loan is designated as impaired. An insignificant delay or insignificant shortfall in the amount of payments does not constitute non-performance with the contractual terms of the original loan agreement if the manager expects to collect the amounts due including interest accrued at the contractual interest rate for the period of delay. In determining the probability that the borrower will not substantially perform according to the terms of the original loan agreement, the manager considers the following:

- payment status – if payments are in arrears 90+ days (typically 3 payments past due) loans are designated impaired unless resolution of the delinquency is forthcoming without significant delay;
- bankruptcy – if the borrower files bankruptcy, the loan is designated impaired;
- notice of sale – if the company files a notice of sale, the loan is designated impaired.

Payments on loans designated as impaired are applied in the following order: late fees, accrued interest, advances, and lastly to principal.

For loans that are deemed collateral dependent for repayment, a provision for loan losses is recorded to adjust the allowance for loan losses (principal and/or recorded interest) in an amount such that the net carrying amount (unpaid principal plus recorded interest, less the specific allowance) is reduced to the lower of the loan balance or the estimated fair value of the related collateral, net of any costs to sell and net of any senior debt and claims.

The company charges off uncollectible loans and related receivables directly to the allowance account once it is determined the full amount is not collectible. Any amounts collected after a charge off is deemed a recovery of loan losses. If the loan goes to foreclosure, an updated appraisal is ordered and the recorded investment in the loan is adjusted to the net realizable value of the REO to be acquired. The adjustment is made to the specific reserve in the allowance for loan losses by a charge or a credit to the provision for loan losses.

Real estate owned ("REO")

Real estate owned, or REO, is property acquired in full or partial settlement of loan obligations generally through foreclosure and is recorded at acquisition 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. 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 or losses 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.

Debt issuance costs

Debt issuance costs are the fees and commissions incurred in the course of obtaining a line of credit for services from banks, law firms and other professionals and are amortized on a straight-line basis, which approximates the interest method, as interest expense over the term of the line of credit.

Recently issued accounting pronouncements

- *Accounting and Financial reporting for Expected Credit Losses*

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update ("ASU") that significantly changes how entities will account for credit losses for most financial assets that are not measured at fair value through net income. The new standard will supersede currently in effect guidance and applies to all entities. Entities will be required to use a current expected credit loss ("CECL") model to estimate credit impairment. This estimate will be forward-looking, meaning management will be required to use not only historical trends and current conditions, but must also consider forecasts about future economic conditions to determine the expected credit loss over the remaining life of an instrument. This will be a significant change from the current incurred credit loss model, and generally may result in allowances being recognized in earlier periods than under the current credit loss model. The ASU is effective for smaller reporting companies for interim and annual reporting periods in 2023.

RMI IX invests in real estate secured loans made with the expectation that the possibility of credit losses is remote as a result of substantial protective equity provided by the underlying collateral. The real estate secured programs and low loan-to-value ratios have caused the company to expect that the adoption of the CECL model from the incurred loss models presently in use as to credit loss recognition will likely not materially impact the reported results of operations or financial position. However, the impact, if any, upon adoption will be dependent upon the facts and circumstances relating to the company's loans at that date.

NOTE 3 – MANAGER AND OTHER RELATED PARTIES

The Operating Agreement provides for compensation to the manager and for the reimbursement of qualifying costs as detailed below. RMC is entitled to 1% of the net income or loss of the company. RMC - at its sole discretion - collected less than the maximum allowable reimbursement of qualifying costs attributable to RMI IX (Costs from RMC on the Statements of Income), which increased the net income, cash available for distribution, and the net-distribution rate. The cost-reimbursement waivers in the three months ended March 31, 2022 and 2021, by RMC were not made for the purpose of providing RMI IX with sufficient funds to satisfy any required level of distributions, as the Operating Agreement has no such required level of distributions, nor to meet withdrawal requests.

Mortgage servicing fees

The manager is entitled to receive a servicing fee of up to one-quarter of one percent (0.25%) annually of secured loan principal. 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 securing the loan has been acquired by the company.

Asset management fees

The manager is entitled to receive a monthly asset management fee for managing RMI IX's assets, liabilities, 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.

Costs from RMC

The manager is entitled to request reimbursement for operations expense incurred on behalf of RMI IX, including without limitation, RMC's personnel and non-personnel costs incurred for qualifying business activities, including investor services, accounting, tax and data processing, postage and out-of-pocket general and administration expenses. Qualifying personnel/compensation costs and consulting fees are tracked by business activity, and then costs of qualifying activities are allocated to RMI IX pro-rata based on the percentage of RMI IX's members' capital to the total capital of all related mortgage funds managed by RMC. Certain other non-personnel, qualifying costs such as postage and out-of-pocket general and administrative expenses can be tracked by RMC as specifically attributable to RMI IX; other non-personnel, qualifying costs (e.g., RMC's accounting and audit fees, legal fees and expenses, occupancy, and insurance premiums) are allocated pro-rata based on the percentage of RMI's members' capital to total capital of the related mortgage funds managed by RMC.

The amount of qualifying costs attributable to RMI IX incurred by RMC was approximately $187,000 and $146,000 in the three months ended March 31, 2022 and 2021, respectively. The reimbursement of costs waived by RMC was approximately $101,000 and $81,000 in the three months ended March 31, 2022 and 2021, respectively. Total costs reimbursed to RMC by RMI IX were approximately $86,000 and $65,000 in the three months ended March 31, 2022 and 2021, respectively.

Loan administrative fees

The manager is entitled to receive a loan administrative fee of up to one percent (1%) of the principal amount of each new loan funded or acquired for services rendered in connection with the selection and underwriting of loans payable upon the closing or acquisition of each loan. Since August 2015, RMC, at its sole discretion, has waived loan administrative fees on new originations. The total amount of loan administrative fees chargeable was approximately $10,000 and $62,000 in the three months ended March 31, 2022 and 2021, respectively.

Commissions and fees paid by the borrowers to RMC

- *Brokerage commissions, loan originations*

For fees in connection with the review, selection, evaluation and negotiation of loans (including extensions), RMC may collect a loan brokerage commission that is expected to range from approximately 1.5% to 5% of the principal amount of each loan made during the year. Total loan brokerage commissions are limited to an amount not to exceed 4% of the total company assets per year. The loan brokerage commissions are paid by the borrowers to RMC, and thus are not an expense of the company. Loan brokerage commissions paid by the borrowers to RMC approximated $13,000 and $161,000 for three months ended March 31, 2022 and 2021, respectively.

- *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.

Formation loan

Commissions for unit sales to new members paid to broker-dealers (“B/D sales commissions”) and premiums paid to certain investors upon the purchase of units were paid by RMC and were not paid directly by RMI IX out of unit-sales proceeds. Instead, RMI IX advanced to RMC amounts sufficient to pay the B/D sales commissions and premiums to be paid to investors. Such advances in total were not to exceed 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.” When offerings of units to new members ended on April 30, 2019, such advances totaled $5,627,000, of which $3,265,000 remains outstanding at March 31, 2022.

Formation loan transactions for the three months ended March 31, 2022 and 2021 are presented in the following table ($ in thousands).

	2022	2021
Balance, January 1	$ 3,388	$ 3,812
Payments received from RMC	(123)	(119)
Early withdrawal penalties applied	—	(4)
Balance, March 31	$ 3,265	$ 3,689

In March 2022 the Operating Agreement was amended to extend the term for the repayment of the formation loan to December 2038 to coincide with the extended term of the company. In accordance with the amended Operating Agreement, the formation loan balance is repayable by RMC in annual installments of approximately $208,000 which may be paid by RMC either in full on December 31st of each calendar year during the term of the company (each, an “Annual Payment Date”) or in four equal quarterly installments beginning on the Annual Payment Date and continuing thereafter on the last day of each calendar quarter in the following year. Any amount of the formation loan balance remaining unpaid on the last day of the company term, is payable in full on that date. The primary source of repayment of the formation loan are the loan brokerage commissions earned by RMC. The formation loan is forgiven if the manager is removed and RMC is no longer receiving payments for services rendered. As such, the formation loan is presented as contra equity.

Redemptions of members' capital

Redemptions of members' capital for the three months ended March 31, 2022 and 2021 are presented in the following table ($ in thousands).

Redemptions	2022	2021
Without penalty	$ 1,816	$ 750
With penalty	111	177
Total	$ 1,927	$ 927
Early withdrawal penalties	$ 3	$ 8

At March 31, 2022, scheduled redemptions of members' capital were $1.8 million, substantially all of which is payable in 2022. None of the scheduled redemptions at March 31, 2022 were subject to early withdrawal penalties.

Organization and offering expenses

The manager was reimbursed for O&O expenses incurred in connection with the organization of the company and the offering of the units of membership interest 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"). RMC paid the O&O expenses in excess of the maximum O&O expenses.

The O&O expenses incurred by RMI IX are allocated to the members as follows - For each of forty (40) calendar quarters or portion thereof after December 31, 2015 that a member holds units (other than DRIP units), the O&O expenses incurred by RMI IX are 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.

Unallocated O&O transactions for the three months ended March 31, 2022 and 2021 are summarized in the following table ($ in thousands).

	2022	2021
Balance, January 1	$ 1,458	$ 1,858
O&O expenses allocated	(73)	(77)
O&O expenses paid by RMC(1)	(34)	(18)
Early withdrawal penalties applied (2)	—	(4)
Balance, March 31	$ 1,351	$ 1,759

(1) RMC is obligated per the Operating Agreement to repay RMI IX for the amount of unallocated O&O expenses attributed to a member's capital account if the member redeems prior to the 40 quarterly allocations. RMC estimated its future obligation to repay unallocated O&O expenses on scheduled redemptions as of March 31, 2022, to be approximately $21,000.

(2) Beginning in 2022, RMC discontinued the specific allocation of early withdrawal penalties it received to the formation loan and to the amount owed for unallocated O&O expenses on redeeming-members' accounts. Prior to 2022, the O&O expenses component of early withdrawal penalties were applied as a reduction to O&O expenses to be repaid by RMC to members' capital on scheduled redemptions. The amounts credited were determined by the ratio between the amount of the formation loan and the amount of offering costs incurred by the company. The change in 2022 has no net effect on the amounts paid by RMC to RMI IX.

Other related party transactions

- *Payable to/receivable from related parties*

From time to time, in the normal course of business operations, the company may have payables to and/or receivables from related parties. At March 31, 2022, the payable to related party balance of $3,000 consisted of accounts payable to a related mortgage fund. At March 31, 2022 the receivable from related party balance of $13,000 consisted of accounts receivable from the manager of $68,000, which was partially offset by a payable due to the manager of $55,000. The related party transactions were settled by April 29, 2022.

At December 31, 2021, the payable to related parties balance of approximately $101,000 consisted of accounts payable to the manager of $168,000, which was partially offset by a receivable due from the manager of $67,000. The receivable was received from the manager and the payable was paid to the manager in March 2022.

- *Loan transactions with related parties*

In the ordinary course of business, performing loans may be transferred by executed assignment, in-part or in-full, between the RMC managed mortgage funds at par which approximates market value. No loans were transferred to or from related mortgage funds in the three months ended March 31, 2022.

In the three months ended March 31, 2021, a related mortgage fund transferred to RMI IX five performing loans with aggregate principal of approximately $4,672,000 in-full at par value which approximates fair value. RMI IX paid cash for the loans and the related mortgage fund has no continuing obligation or involvement with the loans.

In the three months ended March 31, 2021, RMI IX transferred to two related mortgage funds two performing loans with aggregate principal of approximately $868,000 in-full at par value, which approximates fair value. The related mortgage fund paid cash for the loans and RMI IX has no continuing obligation or involvement with the loans.

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 are purchased at par value, which approximates fair value. See Note 3 (Manager and Other Related Parties) for a description of loans transferred by executed assignments between the related mortgage funds.

As of March 31, 2022, 41 loans outstanding (representing 98% of the aggregate principal of the company's loan portfolio) have a loan term of five years or less. The remaining loans have terms longer than five years. Substantially all loans are written without a prepayment penalty provision.

As of March 31, 2022, 23 loans outstanding (representing 34% of the aggregate principal of the company's loan portfolio) provide for monthly payments of principal and interest, typically calculated on a 30-year amortization, with the remaining principal due at maturity. The remaining loans provide for monthly payments of interest only, with the principal due at maturity.

Secured loans unpaid principal balance (principal)

Secured loan transactions for the three months ended March 31, 2022 are summarized in the following table ($ in thousands).

	2022
Principal, beginning of period	$ 81,097
Loans funded	1,000
Principal collected[(1)]	(11,894)
Loans transferred to held for sale[(2)]	(5,910)
Principal, March 31	$ 64,293

(1) Includes principal collected and held in trust at March 31, 2022 of approximately $1,000 offset by principal collected and held in trust at December 31, 2021 of approximately $48,000 which was disbursed to the company in January 2022.

(2) As of March 31, 2022, two loans are classified as held for sale. All loans held for sale are performing and in first lien position. No loss has been recorded upon reclassification to held for sale as the fair value is in excess of the cost. The loans held for sale at March 31, 2022 are expected to be sold in May 2022.

During the three months ended March 31, 2022, the company renewed three maturing (or matured) loans with aggregated principal of approximately $2,958,000, which are not included in the transactions shown in the table above. The loans have an average extension period of approximately 10 months. The loans were current and deemed well collateralized (i.e., the LTV at the time of renewal was within lending guidelines).

The company funds loans with the intent to hold the loans until maturity, although from time to time the company may sell certain loans when the manager determines it to be in the best interest of the company. During the three months ended March 31, 2022, no loans were sold.

Pursuant to California regulatory requirements, borrower payments are deposited into a trust account established by RMC with an independent bank (and are presented on the balance sheet as "Loan payments in trust"). Funds are disbursed to the company as collected which can range from same day for wire transfers and up to two weeks after deposit for checks. Loan payments in trust at March 31, 2022, were disbursed to the company's account by April 12, 2022. Loan payments in trust at December 31, 2021 were disbursed to the company's account by January 15, 2022.

Loan characteristics

Secured loans had the characteristics presented in the following table ($ in thousands).

	March 31, 2022	December 31, 2021
Number of secured loans	44	54
Secured loans – principal	$ 64,293	$ 81,097
Secured loans – lowest interest rate (fixed)	6.8%	6.8%
Secured loans – highest interest rate (fixed)	10.0%	10.0%
Average secured loan – principal	$ 1,461	$ 1,502
Average principal as percent of total principal	2.3%	1.9%
Average principal as percent of members' capital, net	1.9%	2.0%
Average principal as percent of total assets	1.8%	1.8%
Largest secured loan – principal	$ 6,750	$ 6,750
Largest principal as percent of total principal	10.5%	8.3%
Largest principal as percent of members' capital, net	9.0%	8.8%
Largest principal as percent of total assets	8.5%	8.2%
Smallest secured loan – principal	$ 147	$ 148
Smallest principal as percent of total principal	0.2%	0.2%
Smallest principal as percent of members' capital, net	0.2%	0.2%
Smallest principal as percent of total assets	0.2%	0.2%
Number of California counties where security is located	11	12
Largest percentage of principal in one California county	31.7%	32.1%
Number of secured loans with prepaid interest	1	2
Prepaid interest	$ 540	$ 643

As of March 31, 2022, there were two loans with principal balances in excess of 10% of the total outstanding principal balance. The company's largest loan with principal of $6,750,000 is secured by a multi-family property located in San Francisco County, bears an interest rate of 7.25% and matures on May 1, 2023. The second loan, with principal of approximately $6,735,000 is secured by an office located in Santa Clara County, bears an interest rate of 8.25% and matures on October 1, 2022. As of March 31, 2022, both loans were performing and in first lien position.

As of March 31, 2022, the company had no commitments to lend outstanding and had no construction or rehabilitation loans outstanding.

Lien position

At funding, secured loans had the lien positions presented in the following table ($ in thousands).

	March 31, 2022			December 31, 2021		
	Loans	Principal	Percent	Loans	Principal	Percent
First trust deeds	31	$ 54,646	85%	38	$ 69,327	85%
Second trust deeds	13	9,647	15	16	11,770	15
Total principal, secured loans	44	64,293	100%	54	81,097	100%
Liens due other lenders at loan closing		25,587			31,338	
Total debt		$ 89,880			$ 112,435	
Appraised property value at loan closing		$ 173,848			$ 215,683	
Percent of total debt to appraised values (LTV) at loan closing[3]		58.4%			58.0%	

(3) 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 on senior liens to other lenders.

Property type

Secured loans summarized by property type are presented in the following table ($ in thousands).

	March 31, 2022			December 31, 2021		
	Loans	Principal	Percent	Loans	Principal	Percent
Single family[4]	20	$ 20,609	32%	25	$ 24,236	30%
Commercial	14	28,751	45	19	41,923	52
Multi-family	9	13,433	21	9	13,438	16
Land	1	1,500	2	1	1,500	2
Total principal, secured loans	44	$ 64,293	100%	54	$ 81,097	100%

(4) Single family property type as of March 31, 2022 consists of 6 loans with principal of approximately $4,304,000 that are owner occupied and 14 loans with principal of approximately $16,305,000 that are non-owner occupied. At December 31, 2021, single family property type consisted of 7 loans with principal of approximately $4,619,000 that are owner occupied and 18 loans with principal of approximately $19,617,000 that are non-owner occupied.

Distribution of loans within California

The distribution of secured loans within California by counties is presented in the following table ($ in thousands).

	March 31, 2022		December 31, 2021	
	Principal	Percent	Principal	Percent
San Francisco Bay Area[5]				
Santa Clara	$ 15,034	23.4%	$ 26,064	32.1%
San Francisco	20,362	31.7	22,919	28.3
San Mateo	3,858	6.0	4,985	6.1
Alameda	4,082	6.3	5,637	7.0
Contra Costa	1,666	2.6	668	0.8
	45,002	70.0	60,273	74.3
Other Northern California				
Placer	1,500	2.3	1,500	1.8
Tehama	405	0.6	405	0.5
Butte	291	0.5	292	0.4
	2,196	3.4	2,197	2.7
Northern California Total	47,198	73.4	62,470	77.0
Los Angeles & Coastal				
Los Angeles	3,618	5.6	3,621	4.5
San Diego	6,042	9.4	6,043	7.5
Orange	7,435	11.6	8,444	10.4
	17,095	26.6	18,108	22.4
Other Southern California				
San Bernardino	—	—	519	0.6
	—	0.0	519	0.6
Southern California Total	17,095	26.6	18,627	23.0
Total principal, secured loans	$ 64,293	100.0%	$ 81,097	100.0%

(5) Includes Silicon Valley

Scheduled maturities

Secured loans scheduled to mature in periods as of and after March 31, 2022 , are presented in the following table ($ in thousands).

	Loans	Principal	Percent
2022[6]	14	$ 22,470	35%
2023	17	28,383	44
2024	3	5,299	8
2025	4	2,501	4
2026	—	—	—
Thereafter	2	1,212	2
Total scheduled maturities	40	59,865	93
Matured as of March 31, 2022[7]	4	4,428	7
Total principal, secured loans	44	$ 64,293	100%

(6) Loans scheduled to mature in 2022 after March 31.
(7) All loans matured as of March 31, 2022 were designated as impaired, and two were in non-accrual status.

Scheduled maturities are presented based on the most recent in-effect agreement with the borrower, including forbearance agreements. As a result, matured loans at March 31, 2022, for the scheduled maturities table above may differ from the same captions in the tables of delinquencies and payment in arears presented below that do not consider forbearance agreements. For matured loans, the company may continue to accept payments while pursuing collection of principal or while negotiating an extension of the loan's maturity date.

It is the company's experience that the timing of future cash receipts from secured loans will differ from scheduled maturities. Loans may be repaid or renewed before, at or after the contractual maturity date.

Delinquency/Non-performing secured loans

Secured loans summarized by payment-delinquency status are presented in the following table ($ in thousands).

	March 31, 2022		December 31, 2021	
	Loans	Principal	Loans	Principal
Current	38	$ 58,691	47	$ 72,116
Past Due				
30-89 days	2	1,174	4	7,165
90-179 days	2	3,200	1	930
180 or more days	2	1,228	2	886
Total past due	6	5,602	7	8,981
Total principal, secured loans	44	$ 64,293	54	$ 81,097

At March 31, 2022 and December 31, 2021, there was one loan with a forbearance agreement in effect with principal of $990,000, included in the table above as 30-89 days past due. As of March 31, 2022, the loan was designated impaired and in non-accrual status. No impairment write down has been recorded on the loan.

No loan forbearance agreements or payment modifications were made during the three months ended March 31, 2022, and none were in effect at December 31, 2021, that would be deemed troubled debt restructurings.

At March 31, 2022, and December 31, 2021, the company had no loan payment modification/workout agreements with borrowers.

Non-performing secured loans at March 31, 2022, and December 31, 2021, had principal payments in arrears totaling $4,429,000 (6 loans) and $2,285,000 (7 loans), respectively and interest payments in arrears totaling $88,000 and $125,000, respectively. Payments in arrears for non-performing secured loans (i.e., monthly interest and principal payments past due 30 or more days) at March 31, 2022 and December 31, 2021, are presented in the following tables ($ in thousands).

	Loans		Principal		Interest(8)		
At March 31, 2022	**Past maturity**	**Monthly payments**	**Past maturity**	**Monthly payments**	**Past maturity**	**Monthly payments**	**Total payments in arrears**
Past due							
30-89 days (1-3 payments)	—	1	$ —	$ 1	$ —	$ 3	$ 4
90-179 days (4-6 payments)	2	—	3,200	—	37	—	3,237
180 or more days (more than 6 payments)	2	1	1,228	—	—	48	1,276
Total past due	4	2	$ 4,428	$ 1	$ 37	$ 51	$ 4,517

(8) Interest includes foregone interest of approximately $48,000 on non-accrual loans for monthly payments in arrears. March 2022 interest is due April 1, 2022 and is not included in the payments in arrears at March 31, 2022.

	Loans		Principal		Interest(9)		
At December 31, 2021	**Past maturity**	**Monthly payments**	**Past maturity**	**Monthly payments**	**Past maturity**	**Monthly payments**	**Total payments in arrears**
Past due							
30-89 days (1-3 payments)	1	2	$ 1,050	$ 1	$ —	$ 33	$ 1,084
90-179 days (4-6 payments)	1	—	930	—	—	—	930
180 or more days (more than 6 payments)	1	2	300	4	—	92	396
Total past due	3	4	$ 2,280	$ 5	$ —	$ 125	$ 2,410

(9) Interest includes foregone interest of approximately $63,000 on non-accrual loans with monthly payments in arrears. December 2021 interest is due January 1, 2022 and is not included in the payments in arrears at December 31, 2021.

Delinquency/Loans in non-accrual status

Secured loans in non-accrual status are summarized in the following table ($ in thousands).

	March 31, 2022	December 31, 2021
Number of loans	3	2
Principal	$ 2,218	$ 1,576
Advances	2	1
Accrued interest	8	35
Total recorded investment	$ 2,228	$ 1,612
Foregone interest	$ 55	$ 67

Non-performing loans are placed on non-accrual status the 1st of the following month after it is 180 days delinquent or earlier if management determines 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 for accounting purposes only (i.e., foregone interest in the table above); however, previously recorded interest is not reversed. Once the payments are made current, interest income is recognized.

At March 31, 2022, there were no loans which were 90 or more days past due and not in non-accrual status.

At December 31, 2021, two loans with aggregate principal of $1,230,000 were 90 days or more days past due and were not in non-accrual status.

Provision/allowance for loan losses and impaired loans

Generally, the company has not recorded an allowance for loan losses as all loans have protective equity such that collection is deemed probable for all recorded amounts due on the loan. From time to time, the manager may deem it in the best interest of the company to agree to concessions to borrowers to facilitate a sale of collateral or refinance transactions primarily for secured loans in second lien position.

There was no activity in the allowance for loan losses for the three months ended March 31, 2022 and 2021. The balance of the allowance for loan losses at March 31, 2022 and 2021 was $55,000.

Loans designated impaired are presented in the following table ($ in thousands).

	March 31, 2022	December 31, 2021
Number of loans	5	4
Principal	$ 5,418	$ 2,806
Recorded investment[10]	5,489	2,852
Impaired loans without allowance	5,489	2,852
Impaired loans with allowance	—	—
Allowance for loan losses, impaired loans	—	—
Weighted average LTV at origination	44.0%	49.5%

(10) Recorded investment is the sum of the principal, advances, and accrued interest receivable for financial reporting purposes.

Loans designated impaired had an average recorded investment, interest income recognized and interest income received in cash for the three months ended March 31, 2022 and the year ended December 31, 2021, as presented in the following table ($ in thousands).

	March 31, 2022	December 31, 2021
Average recorded investment	$ 4,170	$ 5,374
Interest income recognized	100	167
Interest income received in cash	67	170

Fair Value

The following methods and assumptions are used when estimating fair value of secured loans.

Secured loans, performing and non-performing not designated as impaired (Level 3) - 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. Due to the nature of the company's loans and borrowers, the fair value of loan balances secured by deeds of trust approximates the recorded amount (per the financial statements) due to the following:

- are of shorter terms at origination than commercial real estate loans by institutional lenders and conventional single-family home mortgage lenders;
- are written without a prepayment penalty causing uncertainty/a lack of predictability as to the expected duration of the loan; and
- have limited marketability and are not yet sellable into an established secondary market.

Secured loans, designated impaired (Level 3) - The fair value of secured loans designated impaired is the lesser of the fair value of the collateral or the enforceable amount of the note. Secured loans designated impaired are collateral dependent because it is expected that the primary source of repayment will not be from the borrower but rather from the collateral. The fair value of the collateral is determined on a nonrecurring basis 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 3 inputs). When the fair value of the collateral exceeds the enforceable amount of the note, the borrower is likely to redeem the note. Accordingly, third party market participants would generally pay the fair value of the collateral, but no more than the enforceable amount of the note.

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 its single-family residential assets is the sale comparison method. Management primarily obtains sale comps via 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 and adjusted 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.

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 its multifamily units is the sale comparison method. Sale comps are typically provided in appraisals, or by realtors who specialize in multi-family residential properties. Sales 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.

Management's secondary method for valuing its 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 adequate sale comps are not available or 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 and/or management will seek additional information in the form of brokers' opinion of value or appraisals.

Commercial - Management's preferred method for determining the fair value of its commercial buildings is the sale comparison method. Sale comps are typically provided in appraisals, or by realtors who specialize in commercial properties. 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, common areas, and year built.

Management's secondary method for valuing its commercial buildings 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 adequate sale comps are not available or 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 and/or management will seek additional information in the form of brokers' opinion of value or appraisals.

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, including a determination of its highest and best use. 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 – LINE OF CREDIT

Activity involving the line of credit during the three months ended March 31, 2022 and 2021 is presented in the following table ($ in thousands).

	2022	2021
Balance, January 1,	$ 8,480	$ 10,000
Draws	7,000	1,530
Repayments	(8,480)	(1,530)
Balance, March 31,	$ 7,000	$ 10,000
Line of credit - average daily balance	$ 5,485	$ 9,800

In March 2020, RMI IX entered into a revolving line of credit and term loan agreement with Western Alliance Bank (bank) which is governed by the terms of the Business Loan Agreement (Revolving Line of Credit and Term Loan Agreement) between the bank and company (original credit agreement), as amended and modified by the First Loan Modification Agreement made effective March 4, 2022 (the "modification agreement" and together with the original credit agreement, the "credit agreement"). The company can borrow up to a maximum principal of $10 million under the credit agreement subject to a borrowing base calculation set forth in the credit agreement and the amounts advanced under the credit agreement are secured by a first priority security interest in the notes and deeds of trust of the pledged loans in the borrowing base. The maturity date under the original credit agreement was scheduled to occur in March 2022; however, under the modification agreement, the maturity date for the line of credit was extended through March 13, 2024 when all amounts outstanding are then due. Under the credit agreement, the company has the option prior to the end of the extended maturity date to convert the then outstanding principal balance on the line of credit to a two-year term loan - for a fee of one-quarter of one percent (0.25%) – thereby extending the maturity date to March 2026.

Prior to the March 4, 2022 modification agreement, interest on the outstanding principal was payable monthly and accrued at the per annum rate of the greater of (i) five percent (5%) or (ii) the sum of the one-month LIBOR rate plus three and one-quarter percent (3.25%). The March 4, 2022 modification agreement, however, replaced LIBOR as the reference rate under the credit agreement with the 30-day American Interbank Offered Rate Term -30 Index published for loans in United States Dollars by the American Financial Exchange (Ameribor). Following the modification agreement, interest on the outstanding principal under the credit line is payable monthly and accrues at the annual rate that is the greater of: (i) the Ameribor Rate plus three and one-quarter percent (3.25%) and (ii) five percent (5.0%).

If the company does not maintain the required compensating balance with a minimum daily average of $1.0 million for the calendar quarter, the interest rate automatically increases by one-quarter of one percent (0.25%) above that rate which would otherwise be applicable for the next calendar quarter retroactive to the beginning of the calendar quarter in which the compensating balance is not maintained. At March 31, 2022, the interest rate was five percent (5%).

For each calendar quarter during which the aggregate average daily outstanding principal is less than fifty percent (50%) of the maximum principal of $10 million, there is a quarterly unused line fee equal to one-half of one percent (0.50%) per annum of the average daily difference between the average principal outstanding and fifty percent (50%) of the maximum principal of $10 million ($5,000,000).

The loan proceeds are to be used exclusively to fund secured loans. The credit agreement provides for customary financial and borrowing base reporting by the company to the bank and specifies that the company shall maintain (i) minimum tangible net worth of $50 million, net of amounts due from related companies; (ii) debt service coverage ratio at all times of not less than 2.00 to 1.00; and (iii) loan payment delinquency of less than ten percent (10.0%) at calendar quarter-end, calculated as the principal of loans with payments over 61-days past due as determined by the bank's guidance, less loan loss allowances, divided by total principal of the company's loans. The credit agreement provides that in the event the credit payment delinquency rate exceeds 10.0% as of the end of any quarter, the bank will cease to make any further advances but agrees not to accelerate repayment of the loan.

At March 31, 2022 and December 31, 2021, aggregate principal of pledged loans was approximately $23,772,000 and $20,472,000, respectively, with a maximum allowed advance thereon of approximately $10,000,000, subject to the borrowing base calculation.

The debt issuance costs from the original credit agreement were fully amortized in March 2022. Debt issuance costs of approximately $57,000 from the modification agreement are being amortized over the term of the modification agreement. Amortized debt issuance costs included in interest expense approximated $14,000 for the three months ended March 31, 2022 and 2021.

NOTE 6 – COMMITMENTS AND CONTINGENCIES, OTHER THAN LOAN COMMITMENTS

Commitments

Note 3 (Manager and Other Related Parties) presents a detailed discussion of the company's contractual obligations to RMC and scheduled redemptions of members' capital at March 31, 2022.

Legal proceedings

As of March 31, 2022, the company is not involved in any legal proceedings other than those that would be considered part of the normal course of business. In the normal course of its business, the company may become involved in legal proceedings (such as assignment of rents, bankruptcy proceedings, appointment of receivers, unlawful detainers, judicial foreclosure, etc.) to collect the debt owed under the promissory notes, to enforce the provisions of the deeds of trust, to protect its interest in the real property subject to the deeds of trust and to resolve disputes with borrowers, lenders, lien holders and mechanics. None of these actions, in and of themselves, typically would be of any material financial impact to the net income or balance sheet of the company.

NOTE 7 – SUBSEQUENT EVENTS

Promissory note receivable from related party (RMI VIII)

On April 15, 2022, the company loaned $1,000,000 to Redwood Mortgage Investors VIII, a related party ("RMI VIII"). This amount was utilized by RMI VIII to fund a mortgage loan made by RMI VIII in the amount of $3,500,000, which mortgage loan was secured by a deed of trust encumbering a real property consisting of six (6) tenancy-in-common units (each, a "TIC Unit"). At the time the RMI VIII mortgage loan was made, one of the TIC Units was in contract for sale with a scheduled closing date of April 18, 2022 and the mortgage loan borrower had agreed to utilize the net proceeds of the sale of the TIC Unit to pay down the mortgage loan in exchange for a partial release of the deed of trust securing the mortgage loan ("Release Proceeds"). The note evidencing the loan by the company to RMI VIII accrued interest at the same rate of 7.75% as the mortgage loan and the company's loan to RMI VIII was secured by a pledge of all payments received by RMI VIII under the mortgage loan, including the Release Proceeds. The note matures on April 30, 2022. The Release Proceeds were received by RMI VIII on April 18, 2022 and thereafter all principal and interest due to the company under its note from RMI VIII was paid in full.

In May 2022, one loan with principal of $970,000 was sold to an unaffiliated investor. The company recognized a gain of approximately $9,000 net of commissions to and transaction costs from third parties.

The manager evaluated events occurring subsequent to March 31, 2022 and determined that there were no other events or transactions occurring during this reporting period that require recognition or disclosure in the unaudited financial statements.

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, 2021, filed with the U.S. Securities and Exchange Commission (or SEC). The results of operations for the three months ended March 31, 2022 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 (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (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; forecasts of future sales and redemptions of units, forecasts of future funding of loans; loan payoffs and the possibility of future loan sales (and the gain thereon, net of expenses) to third parties, if any; forecasts of future financial support by the manager including the eventual elimination of financial support; future fluctuations in the net distribution rate; 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 therefore, you should not place undue reliance on forward-looking statements, which reflect our view only as of the date hereof.

Factors that might cause such a difference include, but are not limited to, the following:

- changes in economic conditions, interest rates, and/or changes in California real estate markets;
- the impact of competition and competitive pricing for mortgage loans;
- the manager's ability to make and arrange for loans that fit our investment criteria;
- whether we will have any future loan sales to unaffiliated third parties, and if we do, the gain, net of expenses, and the volume/timing of loan sales to unaffiliated third parties, which to date have provided only immaterial gains to us;
- the concentration of credit risks to which we are exposed;
- increases in payment delinquencies and defaults on our mortgage loans;
- the timing and dollar amount of the decreasing financial support from the manager and the corresponding impact on the net distribution rate to members;
- changes in government regulation and legislative actions affecting our business; and,
- the impact of global unrest and economic instability which has an adverse effect on US markets and economic conditions, including inflationary pressures on interest rates.

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 unless required by law.

Overview

Redwood Mortgage Investors IX, LLC ("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 loans secured by California real estate, primarily through first and second deeds of trust. The company is externally managed. Redwood Mortgage Corp. ("RMC" or "the manager") is the manager of the company. See 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's activities for which related parties are compensated and for other related party transactions.

Cash generated from loan payoffs and borrower payments of principal and interest is used for operating expenses, distributions to members and unit redemptions. The cash flow, if any, in excess of these uses plus the cash from sale of DRIP units and advances on the line of credit is reinvested in new loans.

Redemptions are made once a quarter, on the last business day of the quarter. 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 company will not:

- in any calendar year, redeem more than 5%; or
- in any calendar quarter, redeem more than 1.25% of the weighted average number of units outstanding during the twelve (12) month period immediately prior to the date of the redemption.

In addition, the manager may, in its sole discretion, further limit the percentage of the total members' units that may be redeemed or may adjust the timing of scheduled redemptions (including deferring withdrawals indefinitely), to the extent that such redemption would cause the company to be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code or any Treasury Regulations promulgated thereunder (determined without reference to Code Section 469(i)). The manager is also granted the right, in its sole discretion, at any time, to reject any request for redemption, or to suspend or terminate the acceptance of new redemption requests without prior notice, or to terminate, suspend or amend the unit redemption program upon 30-day notice.

In the event that redemption requests in excess of the foregoing limitations are received by the manager, such redemption requests will be honored in the following order of priority:

- first, to redemptions upon the death of a member; and
- next, to other redemption requests until all requests for redemption have been met.

All redemption requests shall be honored on a pro rata basis, based on the amount of redemption requests received in the preceding quarter plus unfulfilled redemption requests that the company was unable to honor in prior quarter(s).

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

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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 owned, at acquisition and subsequently. Actual results could differ significantly from these estimates.

Accounting policies are an integral part of our financial statements. For a summary of our critical accounting policies, see "Critical Accounting Policies" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K for the year ended December 31, 2021.

There have been no material changes to our critical accounting policies since our annual report on Form 10-K.

Results of Operations

The following discussion describes our results of operations for the three months ended March 31, 2022. While the COVID-19 pandemic has not had a material adverse effect on our reported results, we are actively monitoring the impact of COVID-19, which may negatively impact our business, financial condition, liquidity and results of operations for subsequent periods.

General economic and real estate market conditions – California

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 dependent significantly on economic activity and employment conditions in California. Wells Fargo's Economics Group periodically provides timely, relevant information and analysis in its reports and commentary regarding California's employment and economic conditions. Highlights from recently issued reports from Wells Fargo Securities Economics Group are presented below.

In the publication "California Employment Conditions - March 2022" dated April 15, 2022:

California's Recovery is Gaining Momentum

Summary

California Leads the Nation in Job Growth

- California once again led the nation in terms of nonfarm employment growth, with employers adding 60,200 net new jobs over March. While this past month's gain is considerably less than the 135,400 jobs added back in February, job growth clearly remains on a strong trajectory.
- California nonfarm payrolls have grown in 13 of the past 14 months, rising by a cumulative 1,380,100 jobs.
- Job growth remains extraordinarily broad based, both across industries and across the state's major metropolitan areas.
- For the second month in a row, all 11 major industry categories either added jobs or employment was unchanged. The leisure & hospitality sector (+14,800) added the largest number of jobs over March, while employment in the mining & logging sector was unchanged.
- Professional & business services added 10,400 jobs in March, with 8,700 of those jobs coming in professional, scientific & technical services. While normally gains in this category are led by the tech sector, most of March's increase appears to have come from accounting, tax preparation & bookkeeping services.
- Tech jobs account for the bulk of job growth over the past year, with scientific research & development services (+20,900), tech consulting (+16,900), and computer systems design (+11,700) accounting for close to 60% of the 83,800 jobs over the past year.
- Employers in information services, another tech-centric category, added just 200 jobs in March. Information services added 44,000 jobs over the past year, with roughly three-quarters of that increase coming in the motion picture & sound recording business. The balance of the rest of the jobs added in this sector over the past year were in data processing, data hosting & social media.
- Job growth was evident across nearly all of California's metropolitan areas in March. Sacramento posted the largest job gain, with 6,300 jobs added during the month. Southern California also posted strong gains, with Los Angeles (+5,700), San Diego (+5,600), Anaheim (+5,000) and the Inland Empire (+4,900) all posting strong gains during the month.
- California's unemployment rate tumbled 0.4 percentage points to 4.9% over March. The number of employed Californians rose by 141,000, which significantly outpaced the 63,100-person rise in the civilian labor force.
- The number of unemployed Californians fell by 78,300 in March to 933,700, marking the first time California had fewer than 1 million unemployed since February 2020. Despite the improvement, California's unemployment rate remains 1.1 percentage points above the national rate.

California's Recovery Remains on Track

California added 60,300 jobs in March, which was considerably less than the 135,400 jobs added during the prior month. Despite the apparent moderation in job growth, California's economic recovery remains solidly on track. While job growth was more modest this past month, California still added more jobs than any other state and job gains continue to be extraordinarily broad based. For the second month in a row, none of California's 11 major industry sectors lost jobs and most saw solid increases. Moreover, the state's unemployment rate fell sharply, declining 0.4 percentage points to 4.9%. The drop came from a significant (+141,300) spike in household employment, which easily eclipsed a 63,100-person rise in the civilian labor force. The number of unemployed Californians fell by the difference, 78,300, which brought the number unemployed back below 1 million for the first time since before the pandemic.

California has now recovered 89.3% of the 2.76 million jobs lost during the pandemic. The state added 255,900 jobs during the first quarter and should see nonfarm employment surpass its pre-pandemic peak late this summer or early this fall.

Monthly estimates for California's nonfarm employed are derived from a survey of 80,000 businesses each month. The survey results are grossed up to a census of nonfarm employment that is compiled from unemployment tax records. California's unemployment rate is derived from a survey of 5,100 California households. The household survey also yields estimates of the number of employed Californians, the civilian labor force, the number of unemployed Californians and the unemployment rate.

Broad-Based Job Growth

California's recovery from the COVID-19 recession has gained considerable momentum over the past six months, which has seen the state add an average of 73,600 jobs a month. Hiring has picked up across most industries and nearly every major metropolitan area. Some of the greatest gains in hiring are coming in the industries and regions that were hit the hardest by the pandemic. The leisure and hospitality sector added the largest number of jobs in March, with employers *adding back* 14,800 jobs during the month. We refer to last month's gain as adding back because employment in the leisure and hospitality sector still remains nearly 10% below its pre-pandemic level.

Professional and business services added the second largest number of jobs in March, with the bulk of the 10,400 jobs added last month coming in professional, scientific and technical services. Normally the tech sector would account for the bulk of the growth in this subcategory. This past month, however, accounting and bookkeeping accounted for most of the new jobs. The gains precede tax season, which is widely expected to be a bit more problematic this year for many businesses and individuals due to the unusual circumstances resulting from the pandemic. Employment also rose solidly in education and health services (+9,000) and construction (+8,900).

Job growth was evident across nearly all of California's metropolitan areas in March. Sacramento posted the largest job gain, with 6,300 jobs added during the month. The San Francisco Bay Area continues to battle its way back, with overall nonfarm payrolls adding back 13,700 jobs in March. Employment in the Bay Area remains 3.5% below its pre-pandemic level, with the greatest shortfalls in San Francisco, Marin County and Napa County. Hiring is on the mend, however, with San Francisco posting a 4,800 job gain in March and hiring up a solid 8.8% year-to-year. One of the biggest immediate challenges for San Francisco is getting people back into the office on a regular basis. The latest data from Kastle Systems shows some improvement on that front, with 34.2% of San Francisco area office workers back in the office as of early April. While that is up 2.4 percentage points from the prior week, it is the second lowest reading of the 10 major markets covered by the Kastle report, just slightly ahead of San Jose's 33%. With so few workers back in the office, there is little business to support office-adjacent jobs at restaurants and other small businesses.

Southern California is faring somewhat better. Los Angeles (+5,700), San Diego (+5,600), Anaheim (+5,000) and the Inland Empire (+4,900) all posted strong gains during March and appear to be further along in the recovery process. Los Angeles has added back roughly 82% of the jobs it lost at the start of the pandemic and just over 40% of Los Angeles office workers have returned to the office. Moreover, job growth in the Inland Empire has more than surpassed its pre-pandemic peak, reflecting the strong growth in the region's logistics sector as well as steady gains in population. San Diego is another area that is further along in the recovery process, with just over 93% of the jobs lost at the onset of the pandemic having been recovered.

In the publication "California Job Growth is Ramping Back Up" dated March 25, 2022:

Hiring Ramps Up in February

With COVID fears subsiding, California's economy is reopening and hiring is ramping back up. Employers added 138,100 jobs in February, and the state's unemployment rate fell 0.3 percentage points to 5.4%. January job growth was also revised up by 6,700 to 60,300 jobs. With nearly 200,000 jobs added in just the past two months, California is finally making some headway in recovering the jobs it lost at the onset of the pandemic. The state has now recovered 87.2% of the 2,758,900 jobs lost at the onset of the pandemic, from February to April 2020.

California imposed heavy lockdown restrictions early in the pandemic and has been slower to reopen its economy. As a result, the employment recovery has been particularly drawn out. The pace of job growth has picked up since last fall, however, once the federal government's expanded unemployment compensation program ended in September. January's employment report provided annual benchmark revisions to prior years' data. The revisions showed that employers in California ramped up hiring last year at a faster pace than initially thought. Prior to the revisions, the Bureau of Labor Statistics had reported that employers had recouped about 71.2% of the jobs lost from February to April 2020. The benchmark revisions show that California regained 80% of the lost jobs by the end of 2021. Furthermore, the job gains registered in January and February 2022 brought the recovery rate up to 87.2%. State payrolls are still 491.1K short of the pre-pandemic peak, however.

With job growth ramping up, California has reclaimed its position as the nation's largest job creator. California's Employment Development Department (EDD) notes that of the 678,000 jobs the nation gained in February, California accounted for 20.4% of them. The state’s 6.8% year-over-year job growth considerably outpaced the nation’s 4.6% gain. It's important to note that California's lockdown in December 2020 and January 2021 set it up for a big year-over-year gain. States that did not lockdown did not see job growth slow nearly as much during that same period.

Strong Payroll Gains Carried by Southern California

- Employers added 138,100 jobs in February. The state's unemployment rate fell 0.3 percentage points to 5.4%. January job growth was revised up by 6,700 to +60,300 jobs. Together, California added nearly 200,000 jobs to start the year.
- California is finally making some headway in recovering the jobs it lost at the onset of the pandemic. The state has now recovered 87.2% of the 2,758,900 jobs lost at the onset of the pandemic, from February to April 2020.
- Nonfarm employment has risen by an average of 76,860 a month since September, which is a modest upshift compared to the same period a year ago. The pace improvement coincides with the end of the federal government's expanded unemployment compensation program.
- Civilian employment (+98,300) rose nearly three times faster than the labor force (+32,600) during February, resulting in 65,700 fewer unemployed Californians.
- Payrolls increased in all of the major metros in February. Overall, Southern California was a primary driver of the overall employment climb. Los Angeles had the largest increase with a gain of 31,500. Payrolls in Riverside-San Bernardino (+12,200), Anaheim-Santa Ana (+11,000) and San Diego (+7,200) also saw expansions.
- Elsewhere, the Bay Area also saw hiring pick up. The San Francisco and Oakland metro areas posted a 7,700 and 6,800 job gain, respectively. San Jose gained 4,800 jobs. Meanwhile, Sacramento payrolls rose by 7,300.

Industries Expanded Across the Board in February

- Job growth was broad based in February with leisure & hospitality (+30,400) posting the largest increase with large gains in limited-service eating places providing a boost.
- Other industries that suffered outsized job losses during the pandemic also added back jobs at an accelerated pace in February, including health care & social assistance (+19,100), administrative & support services (+14,000) and retail trade (+13,400).
- Construction (+22,100) posted its largest gain since June 2020. This past month's gain was due, in part, to strength in specialty trade contractors, reflecting recent gains in home building.
- Transportation & warehousing (+13,300) continues to post impressive gains, reflecting the continued strong volume of goods transiting through California's major ports.
- Hiring in the tech sector was relatively light in February. Employment in professional, scientific & technical services fell by 800 jobs and employment in the information sector added just 300 jobs in February.
- Census Bureau estimates of county and metro population for the period between July 2020 and July 2021 were published this week. Several California counties registered a sharp decline in overall population during the period. In relative terms, San Francisco County declined by 6.7%, the second most acute contraction of any county in the country. The drop translates to a loss of 58,764 residents, bringing the county's population from 870.0K to 815.2K.
- Southern California similarly posted sharp declines. Los Angeles County shrunk by 184,465 residents. At 9.8 million residents, Los Angeles remained as the largest county in the nation, however. The net decline is likely the result of the massive outflow of residents to more affordable areas of California and other states.
- On the other hand, Riverside County gained 35,631 new residents, the third largest gain in the country in terms of numeric growth.

Key Performance Indicators

Key performance indicators as of and for the three months ended March 31, 2022 and 2021 are presented in the following table ($ in thousands).

	2022	2021
Secured loans principal – end of period balance	$ 64,293	$ 83,364
Secured loans principal– average daily balance	77,524	$ 83,619
Interest income	$ 1,621	$ 1,680
Portfolio interest rate[1]	8.2%	8.6%
Effective yield rate[2]	8.4%	8.0%
Line of credit - end of period balance	$ 7,000	$ 10,000
Line of credit - average daily balance[3]	$ 5,485	$ 9,801
Interest expense	$ 82	$ 136
Interest rate - line of credit[3]	5.0%	5.0%
Provision for (recovery of) loan losses	$ —	$ —
Total operations expense[8]	$ 537	$ 502
Net income[8]	$ 1,016	$ 1,051
Percent of average members' capital[4][5]	5.2%	5.2%
Member distributions, net	$ 1,071	$ 1,126
Percent of average members' capital[4][6]	5.5%	5.6%
Members' capital, gross – end of period balance	$ 76,654	$ 80,286
Members' capital, gross – average daily balance	$ 77,723	$ 80,814
Member redemptions[7]	$ 1,927	$ 927

(1) Stated note interest rate, weighted daily average (annualized).
(2) Percent of secured loans – average daily balance (annualized).
(3) See Note 5 (Line of Credit) to the financial statements included in Part 1, Item 1 of this report for a presentation of the activity and discussion of the terms and conditions of the loan agreement.
(4) Percent of members' capital, gross – average daily balance (annualized).
(5) Percent based on the net income available to members (excluding 1% allocated to manager).
(6) Members Distributions is net of O&O expenses allocated to members' accounts during the year.
(7) At March 31, 2022, scheduled redemptions of members' capital were $1.8 million, substantially all of which is payable in 2022. None of the scheduled redemptions at March 31, 2022 were subject to early withdrawal penalties.
(8) RMC - at its sole discretion - collected less than the maximum allowable reimbursement of qualifying costs attributable to RMI IX (Costs from RMC on the Statements of Income), which increased the net income, cash available for distribution, and the net-distribution rate. See Note 3 (Manager and Other Related Parties) to the financial statements included in Part 1, Item 1 of this report for a detailed discussion of fees and cost reimbursements to which the manager is entitled.

The secured loans principal at March 31, 2022 of $64.3 million was a decrease of approximately 23% ($19.1 million) over the March 31, 2021 secured loans principal of $83.4 million. The decrease is due to:

- Approximately $5.9 million of loans classified as held for sale at March 31, 2022,
- Members' capital decreased by approximately $3.6 million (4.5%) from March 31, 2021 to $76.7 million at March 31, 2022, as members' redemptions exceeded the purchase of DRIP units, and
- Cash proceeds from loan payoffs in the quarter being in banks at March 31, 2022, to be used in loan fundings in April 2022 and thereafter.

Secured loans

We have sought to exercise strong discipline in underwriting loan applications and lending against collateral at amounts that create a secured loan portfolio that has substantial protective equity (i.e., property value to outstanding debt) as indicated by the overall weighted average loan-to-value ratio (LTV) which at March 31, 2022 was approximately 58.4% at time of origination. Thus, per the appraisal-based valuations at the time of loan inception, borrowers have, in the aggregate, equity of 41.6% in the property, and we as a lender have lent in the aggregate 58.4% (including other senior liens on the property) against the properties we hold as collateral for the repayment of our loans.

Secured loans, principal by LTV and lien position at March 31, 2022 are presented in the following table ($ in thousands). The LTVs shown in this table are updated for any appraisals ordered and received by the manager after origination of the loan.

	Secured loans, principal					
LTV[1]	First trust deeds	Percent	Second trust deeds	Percent	Total principal	Percent
<40%	$ 1,680	2.6%	$ 2,358	3.7%	$ 4,038	6.3%
40-49%	13,026	20.3	300	0.5	13,326	20.8
50-59%	5,630	8.8	184	0.3	5,814	9.1
60-69%	26,186	40.7	3,701	5.7	29,887	46.4
Subtotal <70%	46,522	72.4	6,543	10.2	53,065	82.6
70-79%	6,124	9.5	3,104	4.8	9,228	14.3
Subtotal <80%	52,646	81.9	9,647	15.0	62,293	96.9
≥80%[2]	2,000	3.1	—	0.0	2,000	3.1
Total	$ 54,646	85.0%	$ 9,647	15.0%	$ 64,293	100.0%

(1) LTV classifications in the table above are based on the company's recorded investment in the loan.
(2) One loan with principal of approximately $2.0 million has an LTV of 107.5%. The loan agreement was executed by an individual.

Non-performing secured loans, principal by LTV and lien position at March 31, 2022 are presented in the following table ($ in thousands). The LTVs shown in this table are updated for any appraisals ordered and received by the manager after origination of the loan.

	Non-performing secured loans, principal					
LTV[3]	First trust deeds	Percent[4]	Second trust deeds	Percent[3]	Total principal	Percent[3]
<40%	$ 928	1.4%	$ —	0.0%	$ 928	1.4%
40-49%	1,600	2.5	300	0.5	1,900	3.0
50-59%	1,600	2.5	184	0.3	1,784	2.8
60-69%	990	1.5	—	0.0	990	1.5
Subtotal <70%	5,118	7.9	484	0.8	5,602	8.7
70-79%	—	0.0	—	0.0	—	0.0
Subtotal <80%	5,118	7.9	484	0.8	5,602	8.7
≥80%	—	0.0	—	0.0	—	0.0
Total	$ 5,118	7.9%	$ 484	0.8%	$ 5,602	8.7%

(3) LTV classifications in the table above are based on the company's recorded investment in the loan.
(4) Percent of secured loans principal, end of period balance.

Payments in arrears at March 31, 2022 for non-performing secured loans, (i.e., principal and interest payments past due 30 or more days) totaled approximately $4,517,000, of which approximately $4,429,000 was principal and approximately $88,000 was accrued interest.

See Note 4 (Loans) to the financial statements included in Part I, Item 1 of this report for detailed presentations as to the secured loan portfolio, payments in arrears on non-performing loans, and on the allowance for loan losses.

Performance overview/net income 2022 v. 2021 (three months ended)

Net income available to members as a percent of members' capital, gross – average daily balance (annualized) was 5.2% for the three months ended March 31, 2022 and 2021. Net income decreased approximately $35,000 (3.3%) for the three months ended March 31, 2022 as compared to the same period in 2021 primarily due to an increase in operations expense of approximately $35,000 (7.0%).

Analysis and discussion of income from operations 2022 v. 2021 (three months ended)

Significant changes to net income for the three months ended March 31, 2022 and 2021 are summarized in the following table ($ in thousands).

	Net interest income	Provision for (recovery of) loan losses	Operations expense	Net income
Three months ended				
March 31, 2022	$ 1,539	—	537	$ 1,016
March 31, 2021	1,544	—	502	1,051
Change	$ (5)	—	35	$ (35)
Change				
Decrease secured loans principal - average daily balance	$ (135)	—	(2)	$ (133)
Effective yield rate	76	—	—	76
Decrease in members' capital - average daily balance	—	—	(3)	3
Increase in RMI IX capital as a percent of total related mortgage funds capital managed by RMC	—	—	10	(10)
Interest on line of credit	54	—	—	54
Late fees	—	—	—	5
Increase in allocable expenses from RMC	—	—	11	(11)
Tax compliance cost efficiency	—	—	(5)	5
Expanded legal services	—	—	28	(28)
Timing of services rendered	—	—	7	(7)
Other	—	—	(11)	11
Change	$ (5)	—	35	$ (35)

The table above presents only the significant changes to net income for the period, and is not intended to cross-foot.

Net interest income

Net interest income decreased approximately $5,000 (0.3%) for the three months ended March 31, 2022 compared to the same period in 2021. The decrease in net interest income is due to a decrease in interest income of approximately $59,000 (3.5%) resulting from the decrease in the average daily balance of secured loans – principal of approximately $6.1 million (7.3%), offset in part by an increase in the effective yield rate of 0.4 percentage points and a decrease in interest expense of $54,000 (39.7%) due to less utilization of the line of credit. The line of credit average daily balance for the three months ended March 31, 2022 compared to the same period in 2021 decreased $4.3 million (44.0%).

Provision/allowance for loan losses

Generally, the company has not recorded a significant provision/allowance for loan losses as the secured loans have protective equity such that collection is deemed probable for all recorded amounts due on the loan. There were no additions or charge-offs to the provision for loan losses during the three months ended March 31, 2022 and 2021.

Operations expense

Significant changes to operations expense for the three months ended March 31, 2022 and 2021 are summarized in the following table ($ in thousands).

	Mortgage servicing fees	Asset management fees	Costs from RMC, net	Professional services	Other	Total
Three months ended						
March 31, 2022	$ 50	138	86	263	—	$ 537
March 31, 2021	52	141	65	233	11	502
Change	$ (2)	(3)	21	30	(11)	$ 35
Change						
Decrease secured loans principal - average daily balance	$ (2)	—	—	—	—	$ (2)
Decrease in members' capital - average daily balance	—	(3)	—	—	—	(3)
Increase in RMI IX capital as a percent of total related mortgage funds capital managed by RMC	—	—	10	—	—	10
Increase in allocable expenses from RMC	—	—	11	—	—	11
Tax compliance cost efficiency	—	—	—	(5)	—	(5)
Expanded legal services	—	—	—	28	—	28
Timing of services rendered	—	—	—	7	—	7
Other	—	—	—	—	(11)	(11)
Change	$ (2)	(3)	21	30	(11)	$ 35

Mortgage Servicing fees

The decrease in mortgage servicing fees of approximately $2,000 for the three months ended March 31, 2022 as compared to the same period in 2021 was due to a decrease in the average daily balance - secured loans of approximately $6.1 million at the annual mortgage servicing fee to RMC of 0.25%.

Asset management fees

The decrease in asset management fees of approximately $3,000 is due to a decrease in the members capital base calculation balance at December 31, 2021 compared to December 31, 2020. The asset management fee is determined based on the prior year end member’s capital base which is computed as the then fair value of the company’s loans plus working capital reserves less outstanding debt.

Costs from RMC, net

In the three months ended March 31, 2022, RMC - at its sole discretion - collected less than the maximum allowable reimbursement of qualifying costs attributable to RMI IX (Costs from RMC on the Statements of Income). The reimbursement of costs from RMC waived was approximately $101,000 and $81,000 in the three months ended March 31, 2022 and 2021, respectively.

The amount of qualifying costs attributable to RMI IX incurred by RMC was approximately $187,000 and $146,000 in the three months ended March 31, 2022 and 2021, respectively. The increase was primarily due to an increase in the company's members' capital as a percent of the total capital of the related mortgage funds managed by RMC as well as an increase in allocable costs period over period.

Professional Services

Professional services consist primarily of information technology, legal, audit and tax compliance, and consulting expenses.

The increase in professional services of approximately $30,000 for the three months ended March 31, 2022 compared to the same period in 2021 was due primarily to an increase in legal fees due to expanded services associated with amending the operating agreement to extend the term of the company, loan transactions and valuation of loan collateral. Costs for these professional services have been increasing – and are expected to continue to increase – as the demands of regulatory compliance increase and the rate at which firms charge for their services increases.

Members' capital, cash flows and liquidity

Cash flows by business activity for the three months ended March 31, 2022 and 2021 are presented in the following table ($ in thousands).

	2022	2021
Members' capital		
Earnings distributed to members, net of DRIP	$ (554)	$ (552)
Redemptions, net	(1,925)	(918)
Organization and offering expenses received	34	18
Early withdrawal penalties	(3)	—
Formation loan	123	119
Cash – members' capital, net	(2,325)	(1,333)
Borrowings		
Line of credit payments, net	(1,480)	—
Interest paid	(93)	(117)
Debt issuance costs paid	(57)	—
Cash – borrowings, net	(1,630)	(117)
Cash - members' capital and borrowings, net	(3,955)	(1,450)
Loan principal/advances/interest		
Loans funded & advances, net	(999)	(6,190)
Principal collected	11,941	7,314
Loan transferred from related mortgage fund	—	(4,672)
Loans transferred to related mortgage funds	—	868
Loans sold to non-affiliate	—	1,590
Interest received, net	1,581	1,525
Late fees	22	66
Cash – loans, net	12,545	501
Operations expense	(610)	(407)
Net change in cash	$ 7,980	$ (1,356)
Cash, end of period	$ 9,013	$ 943

To determine the amount of cash to be distributed in any month, the company relies in part on its forecast of full-year net income, which takes into account the difference between the forecasted net income for the remainder of the year and actual results in the year to date and the requirement to maintain a cash reserve. As of March 31, 2022, the difference between earnings allocated to members' capital accounts and net income available to members was approximately $50,000, and is expected to be offset by future earnings in excess of net distributions in 2022 as a result of borrower payments received including forgone interest on loans designated non-accrual.

Redemptions of members capital

Redemptions of members' capital for the three months ended March 31, 2022 and 2021 are presented in the following table ($ in thousands).

Redemptions	2022	2021
Without penalty	$ 1,816	$ 750
With penalty	111	177
Total	$ 1,927	$ 927
Early withdrawal penalties	$ 3	$ 8

At March 31, 2022, scheduled redemptions of members' capital were approximately $1.8 million, substantially all of which is payable in 2022. None of the scheduled redemptions at March 31, 2022 were subject to early withdrawal penalties.

Total redemptions in 2022 are expected to be approximately $5.3 million, being the sum of March 31, 2022 redemptions of approximately $1.9 million plus the scheduled redemptions of approximately $1.8 million at March 31, 2022 plus expected new redemption requests of approximately $1.6 million to be paid in 2022. The expected net change of approximately $3.1 million in members' capital results from expected new unit purchases (i.e., DRIP units) of $2.2 million. The net change in members' capital in 2023 and later years is expected to approximate the net change in 2022.

Borrowings

In March 2020, RMI IX entered into a revolving line of credit and term loan agreement. For the three months ended March 31, 2022, the line of credit had an average daily balance of approximately $5.5 million. At March 31, 2022, the balance was $7,000,000.

See Note 5 (Line of Credit) to the financial statements included in Part I, Item 1 of this report for a detailed presentation of the activity and discussion on the terms and provisions of the loan agreement and the First Loan Modification Agreement dated March 4, 2022, which presentation is incorporated by this reference into this Item 2.

Liquidity and capital resources

The ongoing sources of funds are the proceeds from:

- loan payoffs;
- borrowers' monthly principal and interest payments;
- line of credit advances;
- loan sales to unaffiliated third parties;
- payments from RMC on the outstanding balance of the formation loan; and
- sale of units to members participating in the dividend reinvestment plan.

The company's cash balances are maintained at levels sufficient to support on-going operations and satisfy obligations, without reducing loan fundings or suspending distributions or redemptions, although these options are available if future circumstances warrant. The manager will continue to utilize line of credit advances, loan assignments to related mortgage funds and loan sales to unaffiliated third parties to maintain liquidity of the company, while striving to fully deploy capital available to lend.

The manager believes these sources of funds will provide sufficient funds to adequately meet our obligations beyond the next twelve months.

Contractual obligations and commitments

At March 31, 2022, the company had no construction or rehabilitation loans outstanding, no loan commitments pending, and no off-balance sheet arrangements as such arrangements are not permitted by the Operating Agreement. Note 3 (Manager and Other Related Parties) to the financial statements included in Part I, Item 1 of this report presents detailed discussion of the company's contractual obligations to RMC.

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 is externally managed by RMC. 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. RMC provides the personnel and services necessary for us to conduct our business, as we have no employees of our own.

As a limited liability company, RMI IX does not have a board of directors, nor, therefore, do we have an audit committee of the board of directors. The manager, however, provides the equivalent functions of a board of directors and of an audit committee for, among other things, the following purposes:

- Appointment; compensation, and review and oversight of the work of our independent public accountants; and
- establishing and maintaining internal controls over our financial reporting.

RMC, as the manager, carried out an evaluation, with the participation of RMC's President (acting as principal executive officer/principal financial officer) of the effectiveness of the design and operation of the manager's controls and procedures over financial reporting and disclosure (as defined in Rule 13a-15 of the Exchange Act) as of and for the period covered by this report. Based upon that evaluation, RMC's principal executive officer/principal financial officer concluded, as of the end of such period, that the manager's disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in our reports that we file or submit under the Exchange Act.

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 Rule 13a-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2022 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

As of March 31, 2022, the company is not involved in any legal proceedings other than those that would be considered part of the normal course of business. 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.

Item 1A. Risk Factors

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

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

On May 9, 2019, the company filed a Registration Statement on Form S-3 with the SEC (SEC File No. 333-231333) to offer up to 15,000,000 units ($15,000,000) to members of record as of April 30, 2019 that had previously elected to participate in the DRIP or that elect to participate in the DRIP in those states in which regulatory approval has been obtained. The Registration Statement on Form S-3 became effective on May 9, 2019.

As of March 31, 2022, the gross proceeds from sales of units to our members under our DRIP pursuant to the May 9, 2019 Form S-3 Registration Statement (after May 9, 2019) was approximately $6,660,000.

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.

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
10.1	First Loan Modification Agreement dated as of March 4, 2022 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated as of March 11, 2022, (File No. 000-55601) incorporated herein by reference.)
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	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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, 2022

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)