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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2012

OR

[ ] **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: **333-155428**

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 No.)
900 Veterans Blvd., Suite 500, Redwood City, CA	**94063**
(Address of principal executive offices)	(Zip Code)

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

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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. [X] YES [ ] NO

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

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

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

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

Part I –FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Balance Sheets
JUNE 30, 2012 (unaudited) AND DECEMBER 31, 2011 (audited)

ASSETS

	June 30, 2012	December 31, 2011
Cash and cash equivalents	$ 5,725,007	$ 2,099,328
Loans, secured by deeds of trust		
Principal	6,165,678	8,253,328
Advances	333	70
Accrued interest	38,200	54,219
Total loans	6,204,211	8,307,617
Loan administration fees, net	38,215	40,044
Total assets	$ 11,967,433	$ 10,446,989

LIABILITIES AND MEMBERS'CAPITAL

	June 30, 2012	December 31, 2011
Liabilities – accounts payable	$ 4,508	$ 212
Investors in applicant status	477,987	320,545
Members' capital		
Members' capital, subject to redemption, net	11,475,190	10,114,766
Managing members' capital, net	9,748	11,466
Total members' capital, net	11,484,938	10,126,232
Total liabilities and members' capital, net	$ 11,967,433	$ 10,446,989

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

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Statements of Income
For the Three and Six Months Ended June 30, 2012 and 2011
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues				
Interest income				
Interest on loans	$ 133,220	$ 136,197	$ 317,120	$ 237,843
Imputed interest on formation loan	3,217	2,025	6,182	4,128
Other interest	—	543	—	950
Total interest income	136,437	138,765	323,302	242,921
Interest expense, amortization of discount on formation loan	3,217	2,025	6,182	4,128
Net interest income	133,220	136,740	317,120	238,793
Late fees	1,908	589	3,213	1,100
Other	300	50	400	50
Total revenues, net	135,428	137,379	320,733	239,943
Provision for loan losses	—	—	—	—
Operating expenses				
Mortgage servicing fees	4,386	4,431	9,523	6,671
Asset management fees	—	—	—	—
Costs through RMC	17,171	13,219	35,075	15,642
Professional services	2,858	2,075	4,699	2,075
Other	7,756	1,477	8,244	2,495
Total operating expenses	32,171	21,202	57,541	26,883
Net income	$ 103,257	$ 116,177	$ 263,192	$ 213,060
Net income				
Managers (1%)	$ 1,033	$ 1,162	$ 2,632	$ 2,131
Members (99%)	102,224	115,015	260,560	210,929
Total	$ 103,257	$ 116,177	$ 263,192	$ 213,060
Net income per $1,000 invested by members for entire period	$ 8	$ 14	$ 21	$ 27

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

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Statements of Changes in Members’ Capital
For the Six Months Ended June 30, 2012
(unaudited)

		Members’ Capital, net			
	Investors In Applicant Status	Capital	Unallocated Syndication Costs	Formation Loan, Gross	Members’ Capital, net
Balance, December 31, 2011	$ 320,545	$ 11,354,642	$ (498,661)	$ (741,215)	$ 10,114,766
Contributions on application	1,659,977	—	—	—	—
Contributions admitted to members' capital	(1,495,395)	1,495,395	—	—	1,495,395
Premiums admitted to members' capital	(7,140)	7,140	—	—	7,140
Net income	—	260,560	—	—	260,560
Earnings distributed to members	—	(396,333)	—	—	(396,333)
Earnings distributed used in DRIP	—	167,098	—	—	167,098
Formation loan advances	—	—	—	(106,816)	(106,816)
Syndication costs incurred	—	—	(66,620)	—	(66,620)
Balance, June 30, 2012	$ 477,987	$ 12,888,502	$ (565,281)	$ (848,031)	$ 11,475,190

	Managers			
	Capital	Unallocated Syndication Costs	Capital, net	Total Members’ Capital, net
Balance, December 31, 2011	$ 16,503	$ (5,037)	$ 11,466	$ 10,126,232
Contributions on application	—	—	—	—
Contributions admitted to members' capital	1,503	—	1,503	1,496,898
Premiums admitted to members' capital	—	—	—	7,140
Net income	2,632	—	2,632	263,192
Earnings distributed to members	(5,180)	—	(5,180)	(401,513)
Earnings distributed used in DRIP	—	—	—	167,098
Formation loan advances	—	—	—	(106,816)
Syndication costs incurred	—	(673)	(673)	(67,293)
Balance, June 30, 2012	$ 15,458	$ (5,710)	$ 9,748	$ 11,484,938

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

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Statements of Cash Flows
For the Six Months Ended June 30, 2012 and 2011
(unaudited)

	2012	2011
Cash flows from operating activities		
Net income	$ 263,192	$ 213,060
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Amortization of loan administration fees	28,807	21,507
Imputed interest on formation loan	(6,182)	(4,128)
Interest expense, amortization of discount on formation loan	6,182	4,128
Change in operating assets and liabilities		
Advances	(263)	—
Accrued interest	16,019	(21,336)
Receivable from affiliate	—	442
Loan administration fees	(26,978)	(31,719)
Accounts payable	4,296	(2,082)
Payable to affiliate	—	9,890
Net cash provided by operating activities	285,073	189,762
Cash flows from investing activities		
Loans funded or acquired	(2,654,427)	(5,293,589)
Principal collected on loans	4,742,077	1,907,071
Net cash provided by (used in) investing activities	2,087,650	(3,386,518)
Cash flows from financing activities		
Contributions by members	1,661,480	2,922,960
Members' withdrawals, net of DRIP	(234,415)	(183,552)
Syndication costs incurred	(67,293)	(161,727)
Formation loan, advances	(106,816)	(198,449)
Formation loan, payments received	—	24,384
Net cash provided by financing activities	1,252,956	2,403,616
Net increase (decrease) in cash and cash equivalents	3,625,679	(793,140)
Cash and cash equivalents, beginning of period	2,099,328	3,256,284
Cash and cash equivalents, end of period	$ 5,725,007	$ 2,463,144

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

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Notes to Financial Statements
June 30, 2012 (unaudited)

NOTE 1 – GENERAL

Redwood Mortgage Investors IX, LLC (the "company"), is a Delaware limited liability company formed in October 2008, to make loans secured primarily by first and second deeds of trust on California real estate. Redwood Mortgage Corp. ("RMC") and its wholly-owned subsidiary Gymno LLC ("Gymno") are the managers of the company. The address of the company and the managers is 900 Veterans Blvd., Suite 500, Redwood City, California 94063.

In the opinion of management of the company, the accompanying unaudited financial statements contain all adjustments, consisting of normal, recurring adjustments, necessary to present fairly the financial information included therein. These financial statements should be read in conjunction with the audited financial statements included in the company's Form 10-K for the fiscal year ended December 31, 2011 filed with the Securities and Exchange Commission (SEC). The results of operations for the three and six month periods ended June 30, 2012 are not necessarily indicative of the operating results to be expected for the full year.

The rights, duties and powers of the managers and members of the company are governed by the company's operating agreement and the Delaware 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. The description of the company's operating agreement contained in these financial statements provides only general information. Members should refer to the company's operating agreement for a more complete description of the provisions.

Profits and losses are allocated among the members according to their respective capital accounts monthly after 1% of the profits and losses is allocated to the managers. The monthly results are subject to subsequent adjustment as a result of quarterly and year-end accounting and reporting.

Income taxes – federal and state – are the obligation of the members, if and when taxes apply, other than for the annual Delaware and California franchise taxes levied on and paid by the company.

Distribution reinvestment plan

Members may elect to have all or a portion of their monthly distributions reinvested in additional units, subject to the availability of units under the distribution reinvestment plan ("DRIP"). Members may withdraw from the distribution reinvestment plan with written notice.

Unit redemption program

In order to provide our members with a certain degree of liquidity, we have adopted a unit redemption program. Generally, one year after purchasing their units, a member may redeem all or part of their units, subject to certain significant restrictions and limitations. While the managers have set an estimated value for the units, such determination may not be representative of the ultimate price realized by a member for such units upon sale. No public trading market exists for the units and none is likely to develop. Thus, there is no certainty the units can be sold at a price equal to the stated value of the capital account.

NOTE 1 – GENERAL (continued)

Initial offering and proceeds

In November 2008, the company filed a Registration Statement on Form S-11 with the SEC to offer up to 150,000,000 units of its membership interests to the public in its primary offering and 37,500,000 units to its members pursuant to its distribution reinvestment plan. In June 2009, the SEC declared the company's Registration Statement effective and the company commenced its initial public offering. On June 7, 2012, the company filed a new registration statement on Form S-11, which has not yet been declared effective. The offering of units under the existing registration statement will continue until the earlier of the effective date of the new registration statement or December 5, 2012.

Offering proceeds are released to the company and applied to investments in mortgage loans and the payment or reimbursement of organization and offering expenses. The amount of loans the company funds or acquires will depend upon the number of units sold in the public offering and the resulting amount of the net proceeds available for investment in loans.

The following summarizes the status of the offering proceeds, at $1 per unit, as of June 30, 2012:

- Proceeds from investors in applicant status at June 30, 2012 (later accepted by the managers): $12,688,694
- Proceeds under our distribution reinvestment plan from electing members: $421,692
- Proceeds from premiums paid by RMC: $127,435(1)
- Total proceeds from units sold in the primary offering from October 5, 2009, through June 30, 2012: $13,237,821

(1) If a member acquired their units through an unsolicited sale, their capital account will be credited with their capital contribution plus the amount of the sales commissions, if any, paid by Redwood Mortgage Corp. that are specially allocated to the member.

Syndication costs

The company ultimately bears its own syndication costs, other than certain sales commissions, including legal and accounting expenses, printing costs, selling expenses and filing fees. Syndication costs are charged against members' capital and are allocated to individual members consistent with the company's operating agreement. RMC is advancing these costs on behalf of the company. Having achieved the minimum unit sales of 1,000,000 units, the company became obligated to reimburse RMC for syndication costs up to an amount equal to 4.5% of gross offering proceeds, until RMC is reimbursed in full.

Formation loan

RMC finances the payments of sales commissions to broker-dealers by borrowing ("the formation loan") funds from the company. The formation loan is non-interest bearing and is being repaid equally over an approximate ten-year period commencing the year after the close of the offering. Interest has been imputed at the market rate of interest in effect in the years the offerings closed.

If the managers are removed and RMC is no longer receiving payments for services rendered, the debt on the related formation loan is forgiven.

The formation loan is deducted from members' capital in the balance sheets. As payments are received from RMC, the formation loan's balance outstanding and the deduction from capital are reduced.

NOTE 1 – GENERAL (continued)

Manager fees from borrowers

RMC may collect a loan brokerage commission for fees in connection with the review, selection, evaluation, negotiation and extension of loans, that is expected to range from approximately 2% to 5% of the principal amount of each loan made during the year. Total loan brokerage commissions are limited to an amount not to exceed four percent of the total company assets per year. The loan brokerage commissions are paid by the borrowers and thus, are not an expense of the company.

RMC or Gymno will receive fees for processing, notary, document preparation, credit investigation, reconveyance, and other mortgage related services. 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.

Term of the company

The company is scheduled to terminate in 2028, unless sooner terminated as provided in the operating agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the valuation of impaired loans, (which itself requires determining the fair value of the collateral), and the valuation of real estate held for sale and held as investment, at acquisition and subsequently. Actual results could differ significantly from these estimates.

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

The fair value of the collateral is determined by exercise of judgment based on management’s experience informed by appraisals (by licensed appraisers), brokers’ opinion of values, and publicly available information on in-market transactions. Historically, it has been rare for determinations of fair value to be made without substantial reference to current market transactions. However, in recent years, due to the low levels of real estate transactions, and the rising number of transactions that are distressed (i.e., that are executed by an unwilling seller – often compelled by lenders or other claimants – and/or executed without broad exposure or with market exposure but with few, if any, resulting offers), more interpretation, judgment and interpolation/extrapolation within and across property types is required.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management estimates (continued)

Appraisals of commercial real property generally present three approaches to estimating value: 1) market comparables or sales approach; 2) cost to replace and 3) capitalized cash flows or investment approach. These approaches may or may not result in a common, single value. The market-comparables approach may yield several different values depending on certain basic assumptions, such as, determining highest and best use (which may or may not be the current use); determining the condition (e.g. as-is, when-completed, or for land when-entitled); and determining the unit of value (e.g. as a series of individual unit sales or as a bulk disposition). Further complicating the process, which is already subject to judgment, uncertainty and imprecision are the ongoing low transaction volumes in the select single-family and land markets, and the variability that has resulted. This exacerbates the imprecision in the process, and requires additional considerations and inquiries as to whether the transaction was entered into by a willing seller into a functioning market or was the transaction completed in a distressed market, with the predominant number of sellers being those surrendering properties to lenders in partial settlement of debt (as is prevalent in the single-family markets, but which is occurring less frequently in commercial markets) and/or participating in "arranged sales" to achieve partial settlement of debts and claims and to generate tax advantage.

Management has the requisite familiarity with the markets it lends in generally and of the properties lent on specifically to analyze sales-comparables and assess their suitability/applicability. Management is acquainted with market participants – investors, developers, brokers, lenders – that are useful, relevant secondary sources of data and information regarding valuation and valuation variability. These secondary sources may have familiarity with and perspectives on pending transactions, successful strategies to optimize value, and the history and details of specific properties – on and off the market – that enhance the process and analysis that is particularly and principally germane to establishing value in distressed markets and/or property types. Management's analysis of these secondary sources, as well as the analysis of comparable sales, assists management in preparing its estimates regarding valuations, such as collateral fair value. However, such estimates are inherently imprecise and actual results could differ significantly from such estimates.

Net income recorded for members under GAAP from inception through June 30, 2012 was $950,057 and cash distributed to members was $1,215,014. As the company's excess cash becomes fully invested into higher yielding mortgage loans, this difference should diminish.

Cash and cash equivalents

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

Loans and interest income

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans and interest income (continued)

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

From time to time, the company negotiates and enters into loan modifications with borrowers whose loans are delinquent. If the loan modification results in a significant reduction in the cash flow compared to the original note, the modification is deemed a troubled debt restructuring and a loss is recognized. In the normal course of the company's operations, loans that mature may be renewed at then current market rates and terms for new loans. Such renewals are not designated as impaired, unless the matured loan was designated as impaired.

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

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

Allowance for loan losses

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

Loans determined not to be individually impaired are grouped by the property type of the underlying collateral, and for each loan and for the total by property type, the amount of protective equity or amount of exposure to loss (*i.e.,* the dollar amount of the deficiency of the fair value of the underlying collateral to the loan balance) is computed. Based on its knowledge of the borrowers and their historical (and expected) performance, and the exposure to loss, management estimates an appropriate reserve by property type for probable credit losses in the portfolio. Because the company is an asset-based lender and because specific regions, neighborhoods and even properties within the same neighborhoods, vary significantly as to real estate values and transaction activity, general market trends, which may be indicative of a change in the risk of a loss, are secondary to the condition of the property, the property type and the neighborhood/region in which the property is located, and do not enter substantially into the determination of the amount of the non-specific (i.e. general) reserves.

The fair value estimates are derived from information available in the real estate markets including similar property, and may require the experience and judgment of third parties such as commercial real estate appraisers and brokers. The company charges off uncollectible loans and related receivables directly to the allowance account once it is determined the full amount is not collectible.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net income (loss) per $1,000 invested

Amounts reflected in the statements of income as net income (loss) per $1,000 invested by members for the entire period are amounts allocated to members who had their investment throughout the period and have elected to either reinvest their earnings or receive periodic distributions of their net income. Individual income (loss) is allocated each month based on the members' pro rata share of members' capital. Because the net income (loss) percentage varies from month to month, amounts per $1,000 will vary for those individuals who made or redeemed investments during the three or six month periods.

Recently issued accounting pronouncements

The FASB issued ASU 2011-04 "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRs." The ASU is effective for interim and annual periods beginning after December 15, 2011 with prospective application. The company adopted ASU 2011-04 effective January 1, 2012.

NOTE 3 – MANAGERS AND RELATED PARTIES

The managers are entitled to one percent of the profits and losses, which amounted to $1,033 and $1,162 for the three months ended June 30, 2012 and 2011, and $2,632 and $2,131 for the six months ended June 30, 2012 and 2011, respectively.

Formation loan

Formation loan transactions are presented in the following table for the six months ended June 30, 2012 and from inception to June 30, 2012.

	Six Months Ended	Since Inception
Balance, beginning of period	$ 741,215	$ —
Formation loan made	106,816	912,295
Unamortized discount on formation loan	(10,670)	(118,655)
Formation loan made, net	837,361	793,640
Repayments	—	(62,035)
Early withdrawal penalties applied	—	(2,229)
Formation loan, net	837,361	729,376
Unamortized discount on formation loan	10,670	118,655
Balance, June 30, 2012	$ 848,031	$ 848,031

The formation loan has been deducted from members' capital in the balance sheets. As amounts are collected from RMC, the deduction from capital will be reduced. Interest has been imputed at the market rate of interest in effect at the end of each quarter for the new additions to the loan. If the managing members are removed and RMC is no longer receiving payments for services rendered, the formation loan is forgiven.

An estimated amount of imputed interest is recorded for the current offerings. During the six month periods ended June 30, 2012 and 2011, approximately $6,200 and $4,100, respectively, was recorded related to imputed interest.

NOTE 3 – MANAGERS AND RELATED PARTIES (continued)

Formation loan (continued)

The future minimum payments on the formation loan are presented in the following table ($ in thousands).

2012	$ 74,122
2013	74,122
2014	74,122
2015	74,122
2016	74,122
Thereafter	477,421
Total	$ 848,031

RMC is required to repay the formation loan. During the offering period, RMC will repay annually, one tenth of the principal balance of the formation loan as of December 31 of the prior year. Upon completion of the offering, the formation loan will be amortized over 10 years and repaid in 10 equal annual installments.

The following commissions and fees are paid by borrowers to the managers:

Brokerage commissions, loan originations

Loan brokerage commissions paid by the borrowers were $12,900 and $16,860 for the three months ended June 30, 2012 and 2011, respectively, and $30,950 and $65,360 for the six months ended June 30, 2012 and 2011, respectively.

Other fees

These fees totaled $1,192 and $1,489 for the three month periods ended June 30, 2012 and 2011, respectively, and $2,704 and $5,544 for the six month periods ended June 30, 2012 and 2011, respectively.

The following fees are paid by the company to the managers.

Loan administrative fees

RMC will receive a loan administrative fee in an amount up to one percent of the principal amount of each new loan originated or acquired on the company's behalf by RMC for services rendered in connection with the selection and underwriting of potential loans. Such fees are payable by the company upon the closing of each loan. Loan administration fees incurred and paid by the company to RMC were approximately $17,878 and $8,120 for the three month periods ended June 30, 2012 and 2011, respectively and $26,978 and $31,719 for the six month periods ended June 30, 2012 and 2011, respectively.

Mortgage servicing fees

RMC earns mortgage servicing fees of up to one-quarter of one percent (0.25%) annually of the unpaid principal of the loan portfolio or such lesser amount as is reasonable and customary in the geographic area where the property securing the mortgage is located from the company. RMC is entitled to receive these fees regardless of whether specific mortgage payments are collected. The mortgage servicing fees are accrued monthly on all loans. Remittance to RMC is made monthly unless the loan has been assigned a specific loss reserve, at which point remittance is deferred until the specific loss reserve is no longer required, or the property has been acquired by the company. RMC, in its sole discretion, may elect to accept less than the maximum amount of the mortgage servicing fee to enhance the earnings of the company. An increase or decrease in this fee within the limits set by the operating agreement directly impacts the yield to the members. Mortgage servicing fees incurred and paid were $4,386 and $4,431 for the three month periods ended June 30, 2012 and 2011, respectively, and $9,523 and $6,671 for the six month periods ended June 30, 2012 and 2011, respectively.

NOTE 3 – MANAGERS AND RELATED PARTIES (continued)

Asset management fees

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

The managers, in their sole discretion, may elect to accept less than the maximum amount of the asset management fee to enhance the earnings of the company. For the six month periods ended June 30, 2012 and 2011, the managers have waived the entire asset management fee due them. An increase or decrease in this fee within the limits set by the operating agreement directly impacts the yield to the members. There is no assurance the managers will decrease or waive these fees in the future. The decision to waive fees and the amount, if any, to be waived, is made by the managers in their sole discretion.

Asset management fee activities are summarized in the following table.

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Chargeable by managers	$ 23,623	$ 16,450	$ 45,649	$ 29,020
Waived by managers	(23,623)	(16,450)	(45,649)	(29,020)
Charged	$ —	$ —	$ —	$ —

Costs through RMC

RMC, a manager, is reimbursed by the company for operating expenses incurred on behalf of the company, including without limitation, accounting and audit fees, legal fees and expenses, postage and preparation of reports to members, and out-of-pocket general and administration expenses. The decision to request reimbursement of any qualifying charges is made by RMC in its sole discretion. Operating expenses were $17,171 and $13,219, for the three month periods ended June 30, 2012 and 2011, respectively, and $35,075 and $15,642 for the six month periods ended June 30, 2012 and 2011, respectively.

Syndication costs

For the current offering, organizational and syndication costs were limited to 4.5% of the gross proceeds, with any excess being paid by the managers. Applicable gross proceeds were $12,688,694. Related expenditures, net of early withdrawal penalties applied, totaled $570,991 or 4.5% of contributions.

Syndication costs incurred since inception by the company are summarized in the following table through June 30, 2012.

Costs reimbursed to RMC	$ 572,100
Early withdrawal penalties applied	(1,109)
Allocated to date	—
Balance, June 30, 2012	$ 570,991

As of June 30, 2012, approximately $1,432,900 was to be reimbursed to RMC contingent upon future sales of member units.

NOTE 4 – LOANS

The company generally funds loans with a fixed interest rate and a five-year term. As of June 30, 2012, 82% of the company's loans (representing 85% of the aggregate principal of the company's loan portfolio) had a five year term or less at loan inception. The remaining loans have terms longer than five years.

As of June 30, 2012, four loans outstanding (representing 37% of the aggregate principal balance of the company's loan portfolio) provide for monthly payments of interest only, with the principal due in full at maturity. The remaining loans require monthly payments of principal and interest, typically calculated on a 30 year amortization, with the remaining principal balance due at maturity.

Secured loans unpaid principal balance (principal)

Secured loan transactions are summarized in the following table for the six months ended June 30.

	2012	2011
Principal, beginning of year	$ 8,253,328	$ 3,155,628
Loans funded or acquired	2,654,427	5,293,589
Borrower repayments	(4,742,077)	(1,907,071)
Principal, June 30	$ 6,165,678	$ 6,542,146

During June 2012, the company acquired from an affiliate, at discount of $43,373, an 11.4% share of a $10,500,000 loan secured by commercial property held for development in the County of San Francisco, California. The company's yield on the loan will be 7.5% for the remainder of 2012, and 7.25% thereafter. The affiliate has the right to repurchase this share of such loan from the company until December 28, 2012.

NOTE 4 – LOANS (continued)

Loan characteristics

Secured loans had the characteristics summarized in the following table.

	June 30, 2012	December 31, 2011
Number of secured loans	22	25
Secured loans – principal	$ 6,165,678	$ 8,253,328
Secured loans – interest rates range (fixed)	7.50-11.00%	7.75-11.00%
Average secured loan – principal	$ 280,258	$ 330,133
Average principal as percent of total principal	4.55%	4.00%
Average principal as percent of members' capital	2.44%	3.26%
Average principal as percent of total assets	2.34%	3.16%
Largest secured loan – principal	$ 1,156,627	$ 1,000,000
Largest principal as percent of total principal	18.76%	12.12%
Largest principal as percent of members' capital	10.07%	9.87%
Largest principal as percent of total assets	9.66%	9.57%
Smallest secured loan – principal	$ 9,680	$ 97,255
Smallest principal as percent of total principal	0.16%	1.18%
Smallest principal as percent of members' capital	0.08%	0.96%
Smallest principal as percent of total assets	0.08%	0.93%
Number of counties where security is located (all California)	10	10
Largest percentage of principal in one county	45.24%	30.18%
Number of secured loans in foreclosure	1	—
Secured loans in foreclosure – principal	150,206	—
Number of secured loans with an interest reserve	—	—
Interest reserves	$ —	$ —

As of June 30, 2012, the company's largest loan with principal of $1,156,627 (net of discount of $43,373) represents 18.76% of outstanding secured loans and 9.66% of company assets. The loan is secured by commercial property held for development located in San Francisco County, California, will realize a yield of 7.50% and matures on June 4, 2015.

Larger loans sometimes increase above 10% of the secured loan portfolio or company assets as these amounts decrease due to member withdrawals and loan payoffs and due to restructuring of existing loans. It is anticipated any loan currently exceeding 10% of assets will, when and as the secured loans portfolio grows, fall under 10% of assets.

NOTE 4 – LOANS (continued)

Distribution of loans within California

Secured loans are distributed within California as summarized in the following table.

	June 30, 2012			December 31, 2011		
	Loans	Principal	Percent	Loans	Principal	Percent
San Francisco	5	$ 2,789,278	45%	5	$ 2,490,816	30%
San Francisco Bay Area [(1)]	9	1,917,631	31	11	3,197,910	39
Northern California [(1)]	1	184,281	3	1	184,851	2
Southern California	7	1,274,488	21	8	2,379,751	29
Total secured loans	22	$ 6,165,678	100%	25	$ 8,253,328	100%

(1) Excluding line(s) above.

Commitments/loan disbursements/construction and rehabilitation loans

The company may make construction and rehabilitation loans which are not fully disbursed at loan inception. The company will have approved the borrowers up to a maximum loan balance; however, disbursements are made periodically during completion phases of the construction or rehabilitation or at such other times as required under the loan documents and would be funded from available cash balances and future cash receipts. The company does not maintain a separate cash reserve to hold the undisbursed obligations. As of June 30, 2012, there were no such loans.

Construction loans are determined by the managers to be those loans made to borrowers for the construction of entirely new structures or dwellings, whether residential, commercial or multifamily properties. For each such construction loan, the company has approved a maximum balance for such loan; however, disbursements are made in phases throughout the construction process. As of June 30, 2012, the company had no commitments for construction loans. Upon project completion construction loans are reclassified as permanent loans. Funding of construction loans is limited to 10% of the loan portfolio.

Lien positions

Secured loans by lien position in the collateral are summarized in the following table.

	June 30, 2012			December 31, 2011		
	Loans	Principal	Percent	Loans	Principal	Percent
First trust deeds	15	$ 4,481,645	73%	17	$ 6,383,100	77%
Second trust deeds	7	1,684,033	27	8	1,870,228	23
Total secured loans	22	6,165,678	100%	25	8,253,328	100%
Liens due other lenders at loan closing		4,139,163			4,569,311	
Total debt		$ 10,304,841			$ 12,822,639	
Appraised property value at loan closing		$ 21,594,122			$ 26,836,465	
Percent of total debt to appraised values (LTV) at loan closing [(2)]		47.72%			47.78%	

(2) Based on appraised values and liens due other lenders at loan closing. The loan to value computation does not take into account subsequent increases or decreases in security property values following the loan closing nor does it include decreases or increases of the amount owing on senior liens to other lenders by payments or interest accruals, if any.

NOTE 4 – LOANS (continued)

Property type

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

	June 30, 2012			December 31, 2011		
	Loans	Principal	Percent	Loans	Principal	Percent
Single family (3)	20	$ 4,609,051	75%	23	$ 7,585,395	92%
Multi-family	—	—	—	1	267,933	3
Commercial	2	1,556,627	25	1	400,000	5
Land	—	—	—	—	—	—
Total secured loans	22	$ 6,165,678	100%	25	$ 8,253,328	100%

(3) Single family includes owner-occupied and non-owner occupied homes which may be detached or condominiums.

Scheduled maturities

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

Scheduled maturities, as of June 30, 2012	Loans	Principal	Percent
2012	3	$ 1,251,583	20%
2013	4	649,385	11
2014	2	268,035	4
2015	4	1,880,619	31
2016	6	1,308,095	21
Thereafter	3	807,961	13
Total secured loans	22	$ 6,165,678	100%

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

The company reports maturity data based upon the most recent contractual agreement with the borrower.

Delinquency

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

	June 30, 2012	December 31, 2011
Past due		
30-89 days	$ 699,418	$ 670,600
90-179 days	—	—
180 or more days	—	—
Total past due	699,418	670,600
Current	5,466,260	7,582,728
Total secured loans	$ 6,165,678	$ 8,253,328

The company reports delinquency based upon the most recent contractual agreement with the borrower.

NOTE 4 – LOANS (continued)

Impaired loans

No secured loans were designated as impaired at June 30, 2012 or December 31, 2011.

Modifications and troubled debt restructurings

During the three months ended June 30, 2012, an interest only loan which had its original outstanding principal reduced by 30% was modified to extend its maturity date from July 1, 2012 to July 1, 2013 and become an amortizing loan with principal and interest payments calculated on a 25 year amortization. No secured loans had been modified at December 31, 2011.

For the six months ended June 30, 2012 the company has not performed any troubled debt restructurings.

Allowance for loan losses

At June 30, 2012 and December 31, 2011, the company had not recorded an allowance for loan losses as no loans were designated as impaired and all loans had protective equity such that collection was highly likely for amounts owing.

NOTE 5 – FAIR VALUE

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

The company determines the fair values of its assets and liabilities based on the fair value hierarchy established in GAAP. The standard describes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). 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. 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 company does not record loans at fair value on a recurring basis.

The following methods and assumptions were used to estimate the fair value:

(a) Cash and cash equivalents. The carrying amount equals fair value. All amounts, including interest bearing accounts, are subject to immediate withdrawal.

(b) Secured loans. The approximate fair value of the loans of $6,243,000 and $8,454,000 at June 30, 2012 and December 31, 2011, respectively, was estimated based upon projected cash flows discounted at the estimated current interest rates at which similar loans would be made.

NOTE 6 – COMMITMENTS AND CONTINGENCIES, OTHER THAN LOAN COMMITMENTS AND SYNDICATION COSTS

Legal proceedings

In the normal course of business, the company may become involved in various legal proceedings such as assignment of rents, bankruptcy proceedings, appointment of receivers, unlawful detainers, judicial foreclosure, etc., to enforce the provisions of deeds of trust, collect the debt owed under promissory notes, or to protect, or recoup its investment from real property secured by the deeds of trust and to resolve disputes between borrowers, lenders, lien holders and mechanics. None of these actions typically would be of any material importance. As of June 30, 2012, the company is not involved in any legal proceedings other than those that would be considered part of the normal course of business.

NOTE 7 – SUBSEQUENT EVENTS

None

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the unaudited financial statements and notes thereto, which are included in Item 1 of this Report, as well as the audited financial statements and the notes thereto, and "Management 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, 2011.

Forward-Looking Statements

Certain statements in this Report on Form 10-Q which are not historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, including statements regarding the Company's expectations, hopes, intentions, beliefs and strategies regarding the future. Forward-looking statements include statements regarding future interest rates and economic conditions and their effect on the company and its assets, that the difference between net income recorded and cash distributed to members will be recouped in the future, trends in the California real estate market, estimates as to the allowance for loan losses, estimates of future member withdrawals, future funding of loans by the company, 2012 annualized yield estimates and beliefs relating to the impact on the company from current economic conditions and trends in the financial and credit markets. Actual results may be materially different from what is projected by such forward-looking statements. Factors that might cause such a difference include unexpected changes in economic conditions and interest rates, the impact of competition and competitive pricing and downturns in the real estate markets in which the Company has made loans. All forward-looking statements and reasons why results may differ included in this Form 10-Q are made as of the date hereof, and we assume no obligation to update any such forward-looking statement or reason why actual results may differ.

Overview

Redwood Mortgage Investors IX, LLC (the "company"), is a Delaware limited liability company formed in October 2008, to make loans secured primarily by first and second deeds of trust on California real estate. Redwood Mortgage Corp. ("RMC") and Gymno LLC ("Gymno"), a wholly-owned subsidiary of RMC, are the managers of the company. The address of the company and the managers is 900 Veterans Blvd., Suite 500, Redwood City, California 94063. See Note 1 (General) to the financial statements included in Part I, Item 1 of this report for a detail presentation of the organization and operations of the company.

Current Economic Conditions

The company invests in real estate mortgage loans secured by California real estate. Many economic factors can influence the performance and repayment of these loans. The San Francisco Bay Area and the Los Angeles metropolitan area are our most significant locations of lending activity and the economic health of these regions is of primary importance in determining new lending opportunities and the performance of previously made loans.

Though the Great Recession was officially ended in 2009 its effects are still being felt in our current economic environment. Three years after its official end, in spite of efforts by the Federal Reserve and U.S. Government to reduce the recession's impact, the economy, employment, credit markets, consumers, business, banking system, state and local governments, real estate, construction and other indicators have still not recovered, and its effects continue to linger. Though the economy seems to have stabilized and shows limited improvement, the recovery is not necessarily broad or widespread. Areas experiencing improvement are both spotty and regionally located and while measurable, is not generally significant enough to improve conditions considerably off their recession lows. Patience is the virtue of the day as we wait for momentum to accelerate.

The United States Gross Domestic Product (GDP) change was 2.4 percent for 2010, 1.5 percent for 2011 and 2.0 percent and 1.5 percent for the first and second quarters of 2012. These GDP changes remain low and uneven, reflecting general attitudes that the recovery taking place is slow, fragile and uneven. The Federal Reserve continues to help support economic recovery by maintaining a highly accommodative stance for monetary policy, purposely keeping the target range for the federal funds rate at 0 to ¼ percent. The Federal Reserve further anticipates that they are likely to warrant these exceptionally low levels for the federal funds rate at least through late 2014.

Employment, a significant factor in borrowers' abilities to service their debts, has improved but progress has been slow. Employment is at far from desirable levels and recovery at the current pace will take several years. Year over year unemployment saw improvement in the United States from 9.3 percent in June 2011 to 8.4 percent in June of 2012. Likewise in California, unemployment improved from 12.0 percent in June of 2011 to 10.7 percent in June of 2012. In the lending areas in which we have the greatest concentration of our loans San Francisco County's unemployment rate was 7.8 percent and the Los Angeles/Long Beach/Glendale metropolitan area was 11.1 percent. All these areas showed improvement from last year indicating that fewer borrowers will be affected by unemployment reducing their ability to meet their debt obligations.

The value of a borrower's real estate often plays a significant role in a borrower's capacity and desire to service and repay the debt secured by that real estate. To the extent that a borrower's real estate value falls below the outstanding debt, often referred to as "underwater," the borrower may become less motivated and committed to honoring the debt obligation secured by the property. Hence, the stability and direction of real estate market values are important to lenders with debt secured by real estate. After real estate values fell precipitously during and subsequent to the Great Recession, real estate values have begun to stabilize and more recently in some instances have increased, although increased values are often a local and city specific phenomenon. The median price for a California home increased from $253,000 at June 2011 to $274,000 at June 2012. An estimated 41,027 new and resale houses and condos sold statewide in June 2012, which was a 5.3 percent increase from the 38,975 sold in June 2011. Both the 2011 and 2012 number of homes sold is well below the average number of homes sold in June which is 49,753 since statistics have been tracked beginning in 1988. In regional areas that contain most of our loans, the San Francisco Bay Area and the Los Angeles metropolitan area, the numbers are a bit better than California as a whole. In the nine county San Francisco Bay Area, the median price for a home increased from $377,750 at June 2011 to $400,000 at June 2012. An estimated 8,577 new and resale houses and condos sold in the nine county San Francisco Bay Area in June 2012 which was a 7.2 percent increase from the 7,998 sold in June 2011. Both the 2011 and 2012 number of homes sold is well below the average number of homes sold in June, which is 10,067 since statistics have been tracked beginning in 1988. In the Los Angeles metropolitan region, the median price for a home increased from $285,000 in June 2011 to $300,000 in June 2012. An estimated 22,075 new and resale houses and condos sold in the Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties in June 2012, which was a 7.5 percent increase from the 20,532 sold in June 2011. Both the 2011 and 2012 number of homes sold is well below the average number of homes sold in June, which is 27,544 since statistics have been tracked beginning in 1988.

Mortgage rates are also an important factor in the health of the real estate market. The cost of carrying a mortgage factors into the affordability of real estate, with lower rates making real estate more affordable. The credit markets for real estate are still affected by the economic downturns resulting from the Great Recession. Credit for real estate remains tight, underwriting standards remain high and most lenders are writing loans to the guideline standards of Fannie Mae, Freddie Mac and FHA with the anticipation that the loans written will be conducted there. Therefore, funding for loans that do not meet these government and quasi-government sponsored standards is difficult to find, if in fact there are lenders willing to fund loans outside agency standard guidelines. The credit market remains constricted except for loans meeting these standards. Should a borrower and the property qualify for a mortgage loan, competition is strong for loans that meet the stringent requirements of federal programs – both for single family and multi-family properties – and prices (i.e. interest rates) are at historic lows. However, for properties that do not meet government agency standards (the company's market) there are fewer competing lenders and prices are at or above our target. Activity levels, while still below normal levels, are improving. Lenders with capital willing to enter into this niche market are of reduced numbers than existed before the financial crisis and find lending opportunities with high quality property securing the loan and borrowers whose characteristics fall outside federal agency guidelines, but who are excellent lending risks. These borrowers are capable and willing to pay rates of interest (while still favorable by historic standards) which is substantially above those being realized by traditional lenders.

Critical Accounting Policies

Management estimates

See Note 2 (Summary of Significant Accounting Policies) to the financial statements included in Part I, Item 1 of this report for a detailed presentation of critical accounting policies.

Managers and Related Parties

See Note 1 (General) and Note 3 (Managers and Related Parties) to the financial statements included in Part I, Item 1 of this Report for a detailed presentation of the various company activities for which related parties are compensated and other related transactions, including the formation loan to RMC.

Results of Operations

Changes to the company's operating results are presented in the following table for the three and six month periods ended June 30, 2012 as compared to the same periods for 2011.

	Changes during the three months ended June 30, 2012 versus 2011		Changes during the six months ended June 30, 2012 versus 2011	
	Dollars	Percent	Dollars	Percent
Revenue				
Interest income				
Interest on loans	$ (2,977)	(2)%	$ 79,277	33%
Imputed interest on formation loan	1,192	59	2,054	50
Other interest, net	(543)	(100)	(950)	(100)
Total interest income	(2,328)	(2)	80,381	33
Interest expense, amortization of discount on imputed interest	1,192	59	2,054	50
Net interest income	(3,520)	(3)	78,327	33
Late fees	1,319	224	2,113	192
Other	250	500	350	700
Total revenues, net	(1,951)	(1)	80,790	34
Provision for loan losses	—	—	—	—
Operating expenses				
Mortgage servicing fees	(45)	(1)	2,852	43
Asset management fees	—	—	—	—
Costs through RMC	3,952	30	19,433	124
Professional services	783	38	2,624	126
Other	6,279	425	5,749	230
Total operating expenses	10,969	52	30,658	114
Net income	$ (12,920)	(11)%	$ 50,132	24%

Please refer to the above table and the statements of income in the financial statements included in Part I, Item 1 of this report throughout the discussion of Results of Operations.

Impact of general economic and market conditions on the company's financial condition, results of operations and cash flows

The company broke impound and began operations in the fourth quarter of 2009. Since that time and through June 2012 the company has raised member capital at a moderate, steady pace and earned profits to allow the company to increase assets from $1,708,000 at December 2009, to $6,452,000 at December 2010, to $10,447,000 at December 2011 and to $11,967,000 at June 2012.

Likewise, our chosen investment, mortgage loans increased steadily since commencement of operations. Mortgage loan balances grew to $1,259,000 at December 2009, $3,174,000 at December 2010 and $8,308,000 at December 2011. At June 2012 mortgage loan balances declined to $6,204,000 due to $2,450,000 of loan payoffs in the period of May and June 2012 and satisfactory replacement loans not being available to immediately replace them. Our pipeline of loan applications is growing and we anticipate full investment during the third or fourth quarter of 2012. If fully invested at June 2012, the company would have an outstanding mortgage portfolio of approximately $11,000,000. The company continues to conservatively underwrite mortgage loan opportunities with the goal of building a well performing mortgage loan portfolio, and the expectation of consistent, on-time mortgage payments.

This portfolio was launched during the Great Recession and with that backdrop in mind we have exercised strong discipline in underwriting loan applications and lending against collateral at amounts that will create a mortgage portfolio that has high equity safety margins to outstanding debt by virtue of the overall loan to value ratio (LTV) which at June 2012 was 48%. This means that per the appraisal valuations at the time of loan placement, borrowers have in the aggregate, more equity, 52%, than we as lenders have lent in the aggregate, 48% against the properties we hold as collateral for the repayment of our loans. This conservative approach was deemed prudent in a time of continuing economic uncertainty.

In spite of poor economic and market conditions for real estate lenders since our inception, we have not experienced the typical market trends for lenders. These included the highest borrower delinquency rates, default rates and foreclosure rates recorded since the Great Depression. Our lending results are a low delinquency rate; only one default and not a single property take back. The tight market for mortgage credit among traditional lenders such as banks increased the number of borrowers who meet our underwriting standards who are no longer qualified for bank credit. These borrowers have been willing to accept our rates and fees. This is reflected in the favorable stated and effective yields on the portfolio discussed in the section on interest income.

The economy, while currently stabilizing, has not exhibited enough growth potential to return to a robust economy nor rejuvenate enough activity to allow significant improvement off the low points reached during the recent recession. The company is a niche lender and with the existing credit constraints which developed during the last recession, has been able to seek loan opportunities in markets it understands well. Specifically, the San Francisco Bay Area which contains our most significant concentration of loans and a market that the managers have been lending in over the last 30 years. As noted, many creditworthy borrowers in these markets are not being well served due to credit and liquidity concerns that have developed and continue due to the recent recession. Excellent lending opportunities continue at low volumes which the company is using to expand its existing mortgage loan portfolio.

Members’ capital at June 30, 2012, was approximately $11,485,000, an increase of $10,361,000 since December 31, 2009.

Comparison of the three and six month periods ended June 30, 2012 versus the same periods ended June 30, 2011

Revenue – Interest on loans

The decrease in interest on loans for the three month period ended June 30, 2012 compared to the same period in 2011 is primarily due to approximately $2,450,000 of loans paying off during May and June of 2012. The increase in interest on loans for the six month period ended June 30, 2012 compared to the same period in 2011, is due to the growth of the secured loan portfolio.

Interest on loans presented in the change in operations table above, is net of the amortization of the loan administration fees. The amortization for the three month periods ended June 30, 2012 and 2011 of $17,331 and $16,813, respectively, and for the six month periods ended June 30, 2012 and 2011 of $28,807 and $21,507, respectively, have been removed from the interest on loans numbers presented in the table below.

Average secured loan balances, interest on loans, gross, and the corresponding interest rates are presented in the table below.

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Average Secured Loan Balance[1]	$ 6,840,423	$ 6,644,456	$ 7,394,422	$ 5,579,258
Interest on loans, gross	150,551	153,010	345,927	259,350
Stated Average Yield Rate	9.14 %	9.18 %	9.17 %	9.22 %
Effective Yield Rate	8.80 %	8.52 %	9.36 %	9.30 %

(1) Portfolio Review – See Note 4 (Loans) to the financial statements included in Part I, Item 1 of this report for a detailed presentation on the secured loan portfolio.

Operating expenses

The increase in operating expenses for both the three and six month periods ended June 30, 2012 compared to the same periods in 2011, reflects reimbursement of qualifying charges from RMC which in the previous year had been absorbed by RMC, an increase in XBRL costs of $1,400 as this expense was only required in one quarter in 2011, and an increase in 2012 of $2,500 for estimated California receipt taxes imposed on LLCs.

Liquidity and Capital Resources

The company relies upon sales of units, loan payoffs, borrowers' mortgage payments, and, to a lesser degree and, if obtained, a line of credit, or proceeds from real estate owned financing or sales, should the company acquire the collateral securing our loans, for the source of funds for loans. We expect cash will be generated from borrower payments of interest, principal and loan payoffs and the resulting cash flow will exceed company expenses, earnings and unit redemptions. Excess cash flow, if any, will be invested in new loan opportunities, when available, and will be used to reduce a credit line (should the company obtain a credit line) or in other company business. Over the last two to three years, interest rates generally, and mortgage interest rates specifically, have been at historically low levels. If interest rates were to increase substantially, the yield of the company’s loans may provide lower yields than other comparable debt-related investments. In such event, unit purchases by prospective members could decline, which would reduce our overall liquidity. Additionally, if, as expected, we make primarily fixed rate loans, if interest rates were to rise, the likely result would be a slower prepayment rate for the company. This could cause a lower degree of liquidity as well as a slowdown in the ability of the company to invest in loans at the then current interest rates. Conversely, in the event interest rates were to decline, we could see both or either of a surge of unit purchases by prospective members, and significant borrower prepayments, which, if we can only obtain the then existing lower rates of interest may cause a dilution of our yield on loans, thereby lowering our overall yield to members. We, to a lesser degree, expect to rely upon a line of credit to fund loans. To date we have not obtained a line of credit. Generally, our loans are anticipated to be fixed rate, whereas a credit line will likely be a variable rate loan. In the event of a significant increase in overall interest rates, a credit line rate of interest could increase to a rate above the average portfolio rate of interest. Should such an event occur, the managers would desire to pay off the line of credit. Retirement of a line of credit would reduce our overall liquidity.

The financial and credit markets faced significant disruptions beginning with the onset of the financial crisis, continuing with the Great Recession, and now ongoing with the Euro crisis and the United States federal deficit and slow economic recovery. Real estate owners have benefited from availability of government sponsored lending chiefly through Fannie Mae, Freddie Mac and FHA and through new financing programs aimed at assisting delinquent and underwater borrowers. As the real estate market ended its steep valuation declines and appears to be stabilizing, other real estate lenders have cautiously entered back into real estate lending, albeit to only the most credit worthy borrowers and properties that meet or exceed stringent financial and performance requirements.

The company’s loans generally have shorter maturity terms than typical mortgages. As a result, constraints on the ability of our borrowers to refinance their loans on or prior to maturity would have a negative impact on their ability to repay their loans. In the event a borrower is unable to repay a loan at maturity due to their inability to refinance the loan or otherwise, the company may consider extending the maturing loan through workouts or modifications, or foreclosing on the property as the managers deem appropriate based on their evaluation of each individual loan. A slow down or reduction in loan repayments would likely reduce the company’s cash flows and restrict the company’s ability to invest in new loans or provide earnings and capital distributions.

Distribution reinvestment plan

We have adopted a distribution reinvestment plan pursuant to which members may elect to have a portion, or all, of the full amount of their distributions from us reinvested in additional units. Earnings allocable to members who participate in the distribution reinvestment plan will be retained by the company for making further loans or for other proper company purposes.

During the three and six month periods ended June 30, 2012 and 2011, the company, after allocation of syndication costs, made the following allocation of earnings both to the members who elected to participate in the distribution reinvestment plan, and those that chose to receive monthly distributions.

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Reinvesting	$ 89,050	$ 47,010	$ 167,098	$ 79,414
Distributing	116,047	100,863	229,235	181,421
Total	$ 205,097	$ 147,873	$ 396,333	$ 260,835
Percent of members’ capital, electing distribution	57%	68%	58%	70%

Unit redemption program

Members have no right to withdraw from the company or to obtain the return of their capital account for at least one year from the date of purchase of units. In order to provide our members with a certain degree of liquidity, we have adopted a unit redemption program. Generally, one year after purchasing your units, a member may redeem all or part of their units, subject to certain significant restrictions and limitations. At that time, we may, subject to the significant restrictions and limitations described below, redeem the units presented for redemption to the extent that we have sufficient cash flow available to us to fund such redemption. The price paid for redeemed units will be based on the lesser of the purchase price paid by the redeeming member or the member's capital account balance as of the date of each redemption payment. For redemptions beginning after one year (but before two years), the redemptions will be calculated as 92% of purchase price or 92% of the capital account balance, whichever is less. Beginning after each of the subsequent years, the redemption percentages will increase to 94%, 96%, 98%, and 100%, respectively, of the purchase or capital account balance, whichever is less. The managers expect to see increasing numbers of redemptions once a member’s initial five-year holding period has passed due to the ability of members to redeem units without penalty. Notwithstanding the foregoing, with respect to any redemption, the number of units that may be redeemed per quarter per individual member will be subject to a maximum of the greater of 100,000 units or 25% of the member's units outstanding. For redemption requests requiring more than one quarter to fully redeem, the percentage discount amount that applies when the redemption payments begin will continue to apply throughout the entire redemption period and will apply to all units covered by such redemption request regardless of when the final redemption payment is made. Under our unit redemption program, in the event of an investor’s death, his or her heirs are provided with an option to redeem all or a portion of the investor’s units without penalty. There were no unit redemptions for the three and six month periods ended June 30, 2012 and 2011.

While the managers have set an estimated value for the units, such determination may not be representative of the ultimate price realized by a member for such units upon sale. No public trading market exists for the units and none is likely to develop. Thus, there is no certainty the units can be sold at a price equal to the stated value of the capital account.

Contractual Obligations, Commitments, and Contingencies

There are no contractual obligations at June 30, 2012.

See Note 4 (Loans) and Note 6 (Commitments and Contingencies, Other than Loan Commitments and Syndication Costs) to the financial statements included in Part I, Item 1 of this report for a presentation of commitments and contingencies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not included as the company is a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

Changes to Internal Control Over Financial Reporting

There have not been any changes in the company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended June 30, 2012 that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. **Legal Proceedings**

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

ITEM 1A. **Risk Factors**

There have been no material changes to the risk factors set forth in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2011.

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

Use of Proceeds from Registered Securities

On June 8, 2009, the company's Registration Statement on Form S-11 (File No. 333-155428), covering a public offering of up to 187,500,000 units of membership interests, was declared effective by the Securities and Exchange Commission, and the company commenced its public offering. Pursuant to this existing registration statement, the company is offering up to 150,000,000 units to the public in its primary offering at $1.00 per unit and up to 37,500,000 units pursuant to the company's distribution reinvestment plan at $1.00 per unit. On June 7, 2012, the company filed a new registration statement on Form S-11, which has not yet been declared effective. The offering of units under the existing registration statement will continue until the earlier of the effective date of the new registration statement or December 5, 2012.

As of June 30, 2012, 13,237,821 units had been sold in the offering, for gross offering proceeds of $13,237,821, including 421,692 units issued under our distribution reinvestment plan and 127,435 units from premiums paid by RMC.

From the subscription proceeds of $13,166,394, we incurred approximately $912,000 in selling commissions and from the subscriptions admitted of $12,688,694 (excluding units issued under our distribution reinvestment plan) we incurred approximately $571,000 in organization and offering costs. We intend to use substantially all of the net offering proceeds from the ongoing initial public offering to make loans.

Recent Sales of Unregistered Securities

During the period covered by this quarterly report, the company did not sell any equity securities that were not registered under the Securities Act of 1933, and the company did not repurchase any of its securities.

ITEM 3. **Defaults Upon Senior Securities**

Not Applicable.

ITEM 4. **Mine Safety Disclosures**

Not Applicable.

ITEM 5. **Other Information**

None.

ITEM 6. **Exhibits**

31.1 Certification of Manager pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 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
32.2 Certification of Manager pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS* XBRL Instance Document
101.SCH* XBRL Taxonomy Extension Schema Document
101.CAL* XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF* XBRL Taxonomy Extension Definition Linkbase Document
101.LAB* XBRL Taxonomy Extension Label Linkbase Document
101.PRE* XBRL Taxonomy Extension Presentation Linkbase Document

*XBRL (Extensible Business Reporting Language) information is furnished and not filed herewith, is not a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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, thereto duly authorized.

REDWOOD MORTGAGE INVESTORS IX, LLC

Signature	Title	Date
/S/ Michael R. Burwell Michael R. Burwell	Manager of Gymno LLC	August 14, 2012
/S/ Michael R. Burwell Michael R. Burwell	President Secretary/Treasurer of Redwood Mortgage Corp. (Principal Financial and Accounting Officer); Director of Redwood Mortgage Corp.	August 14, 2012

Exhibit 31.1

MANAGER CERTIFICATION

I, Michael R. Burwell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Redwood Mortgage Investors IX, LLC, a Delaware Limited Liability Company (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be signed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's forth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Michael R. Burwell

Michael R. Burwell, Manager,
Gymno LLC, Manager
August 14, 2012

Exhibit 31.2

PRESIDENT AND CHIEF FINANCIAL OFFICER CERTIFICATION

I, Michael R. Burwell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Redwood Mortgage Investors IX, LLC, a Delaware Limited Liability Company (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be signed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's forth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Michael R. Burwell

Michael R. Burwell, President,
Redwood Mortgage Corp., Manager
August 14, 2012

Exhibit 32.1

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

In connection with the Quarterly Report of Redwood Mortgage Investors IX, LLC (the "Company") on Form 10-Q for the period ended June 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, I, Michael R. Burwell, certify that to the best of my knowledge:

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

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

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

/s/ Michael R. Burwell

Michael R. Burwell, Manager,
Gymno LLC, Manager
August 14, 2012

Exhibit 32.2

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

In connection with the Quarterly Report of Redwood Mortgage Investors IX, LLC (the “Company”) on Form 10-Q for the period ended June 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, I, Michael R. Burwell, certify that to the best of my knowledge:

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

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

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

/s/ Michael R. Burwell

Michael R. Burwell, President,
Redwood Mortgage Corp., Manager
August 14, 2012