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

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: 000-27816

REDWOOD MORTGAGE INVESTORS VIII,
a California Limited Partnership
(Exact name of registrant as specified in its charter)

California **(State or other jurisdiction of incorporation or organization)**	**94-3158788** **(I.R.S. Employer Identification No.)**
177 Bovet Road, Suite 520, San Mateo, CA **(Address of principal executive offices)**	**94402** **(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 VIII,
A California Limited Partnership
Consolidated Balance Sheets
March 31, 2022 (unaudited) and December 31, 2021 (audited)
($ in thousands)

	March 31, 2022	December 31, 2021
ASSETS		
Cash, in banks	$ 2,421	$ 3,903
Loan payments in trust	8	490
Loans held for sale	6,492	—
Loans		
Principal	57,205	55,099
Advances	25	116
Accrued interest	724	459
Loan balances secured by deeds of trust	57,954	55,674
Allowance for loan losses	(55)	(55)
Loan balances secured by deeds of trust, net	57,899	55,619
Receivable from related party (Note 3)	4	—
Real estate owned (REO), net	8,258	8,258
Debt issuance costs, net	57	13
Other assets	41	87
Total assets	$ 75,180	$ 68,370
LIABILITIES AND PARTNERS' CAPITAL		
Accounts payable	$ 204	$ 195
Payable to related party (Note 3)	62	47
Accrued liabilities	1,171	1,107
Line of credit	9,800	—
Mortgages payable	1,453	1,453
Total liabilities	12,690	2,802
Commitments and Contingencies (Note 8)		
Partners' capital		
Limited partners' capital	66,348	69,555
General partners' deficit	(622)	(626)
Total partners' capital	65,726	68,929
Receivable from manager (formation loan)	(3,236)	(3,361)
Partners' capital, net of formation loan	62,490	65,568
Total liabilities and partners' capital	$ 75,180	$ 68,370

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

REDWOOD MORTGAGE INVESTORS VIII,
A California Limited Partnership
Consolidated Statements of Income
For the Three Months Ended March 31, 2022 and 2021 ($ in thousands) (unaudited)

	Three Months Ended March 31	
	2022	2021
Revenue		
Interest income	$ 1,320	$ 1,642
Interest expense		
Line of credit	(60)	(61)
Mortgages payable	(15)	(25)
Total interest expense	(75)	(86)
Net interest income	1,245	1,556
Late fees	4	5
Total revenue, net	1,249	1,561
Provision for (recovery of) loan losses	—	(1)
Operations expense		
Mortgage servicing fees to related party	223	277
Asset management fees to related party	65	77
Costs from Redwood Mortgage Corp.	175	174
Professional services	351	361
REO, net (Note 5)	84	68
Other	1	3
Total operations expense	899	960
Net income	$ 350	$ 602
Net income		
Limited partners (99%)	$ 346	$ 596
General partners (1%)	4	6
	$ 350	$ 602

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

REDWOOD MORTGAGE INVESTORS VIII,
A California Limited Partnership
Consolidated Statements of Changes in Partners' Capital

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

	Limited Partners' Capital	General Partners' Capital (Deficit)	Total Partners' Capital
Balance, December 31, 2021	$ 69,555	$ (626)	$ 68,929
Net income	346	4	350
Distributions	(308)	—	(308)
Withdrawals	(3,245)	—	(3,245)
Balance, March 31, 2022	$ 66,348	$ (622)	$ 65,726

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

	Limited Partners' Capital	General Partners' Capital (Deficit)	Total Partners' Capital
Balance, December 31, 2020	$ 82,991	$ (655)	$ 82,336
Net income	596	6	602
Distributions	(379)	—	(379)
Withdrawals	(3,806)	—	(3,806)
Balance, March 31, 2021	$ 79,402	$ (649)	$ 78,753

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

REDWOOD MORTGAGE INVESTORS VIII,
A California Limited Partnership
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2022 and 2021
($ in thousands) (unaudited)

	Three Months Ended March 31 2022	2021
Operating activities		
Interest income received	$ 1,055	$ 1,619
Interest expense	(29)	(34)
Late fees and other loan income	21	88
Operations expense	(801)	(675)
Total cash provided by operating activities	246	998
Investing activities		
Loans		
Loans funded	(10,489)	(9,564)
Principal collected	2,355	698
Loan transferred from related mortgage fund	—	(624)
Loans transferred to related mortgage fund	—	4,672
Loans sold to non-affiliate	—	485
Advances received from loans	91	22
Total - Loans	(8,043)	(4,311)
Total cash used in investing activities	(8,043)	(4,311)
Financing activities		
Partners' capital		
Partner withdrawals, net of early withdrawal penalties	(3,208)	(3,768)
Early withdrawal penalties	(37)	—
Partner distributions	(308)	(379)
RMC payments - formation loan	125	113
Cash distributions to partners, net	(3,428)	(4,034)
Line of credit		
Advances	10,800	7,547
Repayments	(1,000)	—
Debt issuance costs	(57)	—
Cash provided by line of credit	9,743	7,547
Total cash provided by financing activities	6,315	3,513
Net increase (decrease) in cash	(1,482)	200
Cash, beginning of period	3,903	364
Cash, end of period	$ 2,421	$ 564

Non-cash investing activities includes $6,492,000 for the three months ended March 31, 2022 for loans transferred to held for sale. There were no loans transferred to held for sale during the three months ended March 31, 2021.

Non-cash financing activity for the three months ended March 31, 2021 includes early withdrawal penalties of approximately $38,000. There was no non-cash financing activity for early withdrawal penalties for the three months ended March 31, 2022.

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

REDWOOD MORTGAGE INVESTORS VIII,
A California Limited Partnership
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2022 and 2021
($ in thousands) (unaudited)

Reconciliation of net income to net cash provided by operating activities:

	Three Months Ended March 31 2022	2021
Cash flows from operating activities		
Net income	$ 350	$ 602
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization of debt issuance costs	14	13
Change in operating assets and liabilities		
Loan payments in trust	17	83
Accrued interest	(265)	(22)
Receivable from related party	(4)	—
Other assets	46	—
Accounts payable and accrued liabilities	73	322
Payable to related party	15	—
Net cash provided by operating activities	$ 246	$ 998

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

NOTE 1 – ORGANIZATION AND GENERAL

Redwood Mortgage Investors VIII, a California Limited Partnership ("RMI VIII" or "the partnership"), was formed in 1993 to engage in business as a mortgage lender and investor by making and holding-for-investment mortgage loans secured by California real estate, primarily by first and second deeds of trust. The partnership is externally managed by Redwood Mortgage Corp. ("RMC" or "the manager"). The general partners are RMC and Michael R. Burwell (Burwell), the President, Secretary and Treasurer of RMC and its principal shareholder. RMC provides the personnel and services necessary to conduct the business as RMI VIII has no employees of its own. The general partners are entitled to one percent (1%) of profits or loss of the partnership. The mortgage loans the partnership funds and/or invests in, are arranged and generally are serviced by RMC.

In the opinion of management of RMC, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal, recurring adjustments, necessary to present fairly the consolidated financial information included therein. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the partnership'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 limited partners and general partners of the partnership are governed by the Limited Partnership Agreement ("Partnership Agreement"). Limited partners representing a majority of the outstanding units may, without the consent of the general partners, vote to: (i) dissolve the partnership; (ii) amend the Partnership Agreement subject to certain limitations; (iii) approve or disapprove the sale of all or substantially all of the assets of the partnership; and (iv) remove or replace one or all of the general partners. A majority in interest of partnership units is required to elect a new general partner to continue the partnership business after a general partner ceases to be a general partner due to its withdrawal.

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

The manager is responsible for managing the business and affairs of RMI VIII, subject to the voting rights of the partners on specified matters. The manager acting alone has the power and authority to act for and bind the partnership. RMC is entitled to fees and reimbursements of qualifying costs as specified in the Partnership Agreement.

The partnership's primary investment objectives are to:

- yield a high rate of return from mortgage lending, after the payment of certain fees and expenses to the general partners and their related mortgage funds; and
- preserve and protect the partnership's capital

Net income (losses) are allocated among the limited partners according to their respective capital accounts after one percent (1%) of the net income (losses) are allocated to the general partners. Investors should not expect the partnership to provide tax benefits of the type commonly associated with limited partnership tax shelter investments.

The partnership'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 operation expense; and
- the timing and amount of payments from RMC on the formation loan.

Federal and state income taxes are the obligation of the partners, other than the annual California franchise tax and the California LLC cash receipts taxes paid by the partnership's subsidiaries. The tax basis in the net assets of the partnership differs from book basis by the amount of the allowance for loan losses and the amount of the valuation allowance for real estate owned.

The ongoing sources of funds for loans are the proceeds (net of withdrawals from limited partners' capital accounts and operation expense) from:

- loan payoffs;
- borrowers' monthly principal and interest payments;
- line of credit advances;
- loan sales to unaffiliated third parties;
- REO sales;
- payments from RMC on the outstanding balance of the formation loan; and
- earnings retained (i.e., not distributed) in partners' capital accounts.

The partnership 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 partnership may sell mortgage loans (or fractional interests therein) when the manager determines that it appears to be advantageous for the partnership to do so, based upon then current interest rates, the length of time that the loan has been held by the partnership, the partnership's credit risk and concentration risk and the overall investment objectives of the partnership. 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. Partnership 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 thereof 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 partnership; however, selling loans will increase partnership capital available for investing in new loans for which the manager will earn brokerage fees and other forms of compensation.

Distribution to limited partners

At the time of their subscription to the partnership, limited partners elected either to receive monthly, quarterly or annual cash distributions from the partnership, or to compound income in their capital account. If an investor initially elected to receive monthly, quarterly or annual distributions, such election, once made, is irrevocable. If the investor initially elected to compound income in their capital account, in lieu of cash distributions, the investor may, after three (3) years, change the election and receive monthly, quarterly or annual cash distributions. Income allocable to limited partners who elect to compound income in their capital account will be retained by the partnership for making further loans or for other proper partnership purposes and such amounts will be added to such limited partners' capital accounts. The percentage of limited partners electing distribution of allocated net income, by weighted average to total partners' capital was approximately 57% and 61% at March 31, 2022 and 2021, respectively.

Capital withdrawals and early withdrawals

There are substantial restrictions on transferability of units, and there is no established public trading and/or secondary market for the units. To provide liquidity to limited partners, the Partnership Agreement provides that limited partners, after the minimum five-year period, may withdraw all or a portion of their capital accounts in 20 quarterly installments or longer, as determined by the general partners in light of partnership cash flow, beginning the last day of the calendar quarter following the quarter in which the notice of withdrawal is given. A limited partner may liquidate all or a part of the limited partner's capital account in four quarterly installments beginning on the last day of the calendar quarter following the quarter in which the notice of withdrawal is given, subject to a 10% early withdrawal penalty applicable to any sums withdrawn prior to the time when such sums could have been withdrawn without penalty. There is a limited right of accelerated liquidation for an investor's heirs upon an investor's death.

The partnership has not established a cash reserve from which to fund withdrawals and, accordingly, the partnership's capacity to return a limited partner's capital is subject to the availability of partnership cash. The general partner is under no obligation to sell loans from the portfolio in order to honor withdrawal requests, and the program can be restricted or suspended at any time. Cash flow is considered to be available only after all current partnership expenses have been paid (including compensation to the general partners and related mortgage funds) and adequate provision has been made for the payment of all periodic cash distributions on a pro rata basis which must be paid to limited partners who elected to receive such distributions upon subscription for units. Per the Partnership Agreement, no more than 20% of the total limited partners' capital account balances at the beginning of any year may be liquidated during any calendar year. Notwithstanding this 20% limitation, the general partners have the discretion to further limit the percentage of total limited partners' capital accounts that may be withdrawn in order to comply with the safe harbor provisions of the regulations under Section 7704 of the Internal Revenue Code of 1986, as amended, to avoid the partnership being taxed as a corporation. If notices of withdrawal in excess of these limitations are received by the general partners, the priority of distributions among limited partners is determined as follows: first to those limited partners withdrawing capital accounts according to the 20 quarter or longer installment liquidation period, then to benefit plan investors withdrawing capital accounts after five years over four quarterly installments, then to executors, heirs, and other administrators withdrawing capital accounts upon the death of a limited partner and finally to all other limited partners withdrawing capital accounts. Except as provided above, withdrawal requests will be considered by the general partners in the order received.

Term of the partnership

The partnership will continue until 2032, unless sooner terminated as provided in the Partnership Agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The partnership's consolidated financial statements include the accounts of the partnership, its wholly-owned subsidiaries (consisting of single-member limited liability companies owning a single real property asset). All significant intercompany transactions and balances have been eliminated in consolidation.

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 partnership'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 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 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 partnership 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 partnership'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 partnership'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 estate.

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.

Cash in banks

Certain of the partnership'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 7 (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 partnership'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; 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 partnership may fund a specific loan origination 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 of principal.

In the normal course of the partnership's operations, 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 partnership funds loans with the intent to hold the loans until maturity. From time to time the partnership may sell certain loans. 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 partnership 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 probable the partnership will be unable to collect all amounts due according to the contractual terms of the loan agreement, then a loan may be 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 partnership files a notice of sale, the loan is designated impaired.

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

For loans that are deemed to be 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 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 partnership 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 (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 expense. Any recovery in the fair value subsequent to such a write down is recorded, not to exceed the value recorded at acquisition. Recognition of gains on the sale of real estate is dependent upon the transaction meeting certain criteria related to the nature of the property and the terms of the sale including potential seller financing.

Accrued liabilities

Accrued liabilities at March 31, 2022 and December 31, 2021 were approximately $1,171,000 and $1,107,000, respectively, the significant components of which are accrued professional and consulting fees (approximately $910,000 and $827,000, respectively), accrued REO property taxes and mortgage interest expense (approximately $216,000 and $164,000, respectively) and accrued interest on the line of credit (approximately $26,000 and $8,000, respectively).

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 VIII 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 partnership 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 partnership's loans at that date.

NOTE 3 – GENERAL PARTNERS AND OTHER RELATED PARTIES

The Partnership Agreement provides for fees as compensation to the manager and for reimbursement of qualifying expenses, as detailed below.

Mortgage servicing fees

The manager acting as servicing agent with respect to all loans is entitled to receive a servicing fee of up to 1.5% annually of the unpaid principal balance of the loan portfolio. 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 partnership.

Asset management fees

The general partners are entitled to monthly fees for managing the partnership's loan portfolio and operations of up to 1/32 of 1% of the "net asset value" (3/8 of 1% annually).

Costs from Redwood Mortgage Corp.

The manager is entitled to request reimbursement for operations expense incurred on behalf of RMI VIII, 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 VIII pro-rata based on the percentage of RMI VIII's limited partners' 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 VIII; 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.

Commissions and fees are 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), the general partners may collect loan brokerage commissions (points) limited to an amount not to exceed 4% of the total partnership assets per year. The loan brokerage commissions are paid by the borrowers to RMC, and thus are not an expense of the partnership. Loan brokerage commissions paid by the borrowers to RMC approximated $214,000 and $165,000 for the 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 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 partnership.

Formation loan

Commissions for sales of limited partnership units paid to broker-dealers ("B/D sales commissions") were paid by RMC and were not paid directly by the partnership out of offering proceeds. Instead, the partnership advanced to RMC amounts sufficient to pay the B/D sales commissions and premiums paid to partners in connection with unsolicited orders up to 7% of offering proceeds. The receivable arising from the advances is unsecured and non-interest bearing and is referred to as the "formation loan." Since its inception, the partnership's advances totaled $22,567,000, of which $3,236,000 remains outstanding at March 31, 2022.

RMC is repaying the formation loan principally from loan brokerage commissions earned on loans, early withdrawal penalties on partner withdrawals and other fees paid by the partnership. RMC will use the proceeds from loan brokerage commissions on loans to repay the formation loans. If both or either one of the initial general partners is removed as a general partner by the vote of holders of a majority of the limited partnership units, and if such successor or additional general partner(s) begins using any other loan brokerage firm for the placement of loans, RMC will be immediately released from any further obligation under the formation loans (except for a proportionate share of the principal installment due at the end of that year). In addition, if both of the general partners are removed, no successor general partners are elected, the partnership is liquidated and RMC is no longer receiving any payments for services rendered, the debt on the formation loans shall be forgiven and RMC will be immediately released from any further obligations under the formation loans. As such, the formation loan is presented as contra equity.

The 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	$ 3,361	$ 3,983
Payments received from RMC	(125)	(113)
Early withdrawal penalties applied(1)	—	(38)
Balance, March 31	$ 3,236	$ 3,832

(1) Beginning in 2022, RMC discontinued the specific allocation of early withdrawal penalties it received to the formation loan. The change in 2022 has no net effect on the amounts paid by RMC to RMI VIII. RMC is making quarterly payments of $162,500 ($650,000 annually), including a catch-up payment of $37,500 made in April 2022 for the first quarter of 2022, such that the formation loan is paid in full by December 31, 2026.

Limited partner capital - withdrawals

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

Withdrawals	2022	2021
Without penalty	$ 2,890	$ 3,428
With penalty	355	378
Total	$ 3,245	$ 3,806
Scheduled, at March 31,	$ 20,487	$ 31,362

Scheduled withdrawals of limited partners' capital in periods as of and after March 31, 2022 are presented in the following table ($ in thousands).

2022	$ 7,722
2023	6,711
2024	3,822
2025	1,626
2026	566
Thereafter	40
Total	$ 20,487

Scheduled withdrawals of limited partners' capital of approximately $500,000, are subject to early withdrawal penalties as the limited partners elected the accelerated payout option as permitted in the Partnership Agreement.

Other related party transactions

- *Payable to related parties*

From time to time, in the normal course of business operations, the partnership may have payables to and/or receivables from related parties. At March 31, 2022, the payable to related parties balance of $62,000 consisted of accounts payable due to the manager of $66,000, which was partially offset by a receivable from the manager of $4,000. At March 31, 2022, the receivable from related parties of $4,000 consisted of accounts receivable from a related mortgage fund. The related party transactions were settled by April 29, 2022.

At December 31, 2021, the partnership had a payable to related parties of approximately $47,000 consisting of accounts payable and cost reimbursements to the manager. There were no receivables from related parties at December 31, 2021. The payable was paid to the manager in February 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 fair 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 VIII one performing loan with principal of approximately $624,000 at par value, which approximates fair value. RMI VIII paid cash for the loan and the related mortgage fund has no continuing obligation or involvement with the loan.

In the three months ended March 31, 2021 RMI VIII transferred to a related mortgage fund five performing loans with aggregate principal of approximately $4,672,000 at par value, which approximates fair value. The related mortgage fund paid cash for the loans and RMI VIII has no continuing 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 (General Partners and Other Related Parties) for a description of loans transferred by executed assignments between the related mortgage funds.

As of March 31, 2022, 23 loans with principal of $49,753,000 (representing 87% of the aggregate principal of the partnership's loan portfolio) have a 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, 13 loans with principal of $15,658,000 (representing 27% of the aggregate principal of the partnership'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 in full 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	$ 55,099
Loans funded	10,489
Principal collected[(1)]	(1,891)
Loans transferred to held for sale[(2)]	(6,492)
Principal, March 31, 2022	$ 57,205

(1) Includes principal collected and held in trust at March 31, 2022 of approximately $300 offset by principal collected and held in trust at December 31, 2021 of approximately $464,000 which was disbursed to the partnership in January 2022.

(2) As of March 31, 2022, three 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 were sold in May 2022.

During the three months ended March 31, 2022, the partnership renewed three maturing (or matured) loans with aggregated principal of approximately $11,799,000, which are not included in the activity shown in the table above. The loans have an average extension period of approximately nine months. The loans were current and deemed well collateralized (i.e., the LTV for the collateral was within lending guidelines) at the time they were extended.

The partnership funds loans with the intent to hold the loans until maturity, although from time to time the partnership may sell certain loans when the manager determines it to be in the best interest of the partnership. 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 partnership 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 partnership's account by April 22, 2022. Loan payments in trust at December 31, 2021 were distributed to the partnership's account by January 14, 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	28	31
Secured loans – principal	$ 57,205	$ 55,099
Secured loans – lowest interest rate (fixed)	6.5%	7.3%
Secured loans – highest interest rate (fixed)	10.8%	10.8%
Average secured loan – principal	$ 2,043	$ 1,777
Average principal as percent of total principal	3.6%	3.2%
Average principal as percent of partners' capital, net of formation loan	3.3%	2.7%
Average principal as percent of total assets	2.7%	2.6%
Largest secured loan – principal	$ 7,994	$ 7,994
Largest principal as percent of total principal	14.0%	14.5%
Largest principal as percent of partners' capital, net of formation loan	12.8%	12.2%
Largest principal as percent of total assets	10.6%	11.7%
Smallest secured loan – principal	$ 54	$ 56
Smallest principal as percent of total principal	0.1%	0.1%
Smallest principal as percent of partners' capital, net of formation loan	0.1%	0.1%
Smallest principal as percent of total assets	0.1%	0.1%
Number of California counties where security is located	12	12
Largest percentage of principal in one California county	30.9%	32.1%

As of March 31, 2022, there are two loans with principal balances in excess of 10% of the total outstanding principal balance. The partnership's largest loan, with principal of approximately $7,994,000 is secured by a commercial building in the City and County of San Francisco, bears an interest rate of 8.375% and matures on September 1, 2022. The second loan, with principal of approximately $6,300,000 is secured by a multi-family building in the City and County of San Francisco, bears an interest rate of 8.25% and matures on April 1, 2022. As of March 31, 2022, both loans were performing and in first lien position. Each of these loans were less than 10% of the partnership assets at their inception.

As of March 31, 2022, the partnership 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	23	$ 48,285	84%	25	$ 45,992	83%
Second trust deeds	5	8,920	16	6	9,107	17
Total principal, secured loans	28	57,205	100%	31	55,099	100%
Liens due other lenders at loan closing		14,807			14,988	
Total debt		$ 72,012			$ 70,087	
Appraised property value at loan closing		$ 122,433			$ 117,570	
Percent of total debt to appraised values (LTV) at loan closing(3)		61.3%			62.3%	

(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)	13	$ 13,734	24%	16	$ 14,597	26%
Multi-family	2	7,550	13	2	7,550	14
Commercial	13	35,921	63	13	32,952	60
Total principal, secured loans	28	$ 57,205	100%	31	$ 55,099	100%

(4) Single family property type at March 31, 2022, consists of 5 loans with aggregate principal of approximately $3,071,000 that are owner occupied and 8 loans with aggregate principal of approximately $10,663,000 that are non-owner occupied. At December 31, 2021, single family property consisted of 4 loans with aggregate principal of approximately $2,306,000 that were owner occupied and 12 loans with aggregate principal of approximately $12,291,000 that were non-owner occupied. Single family includes 1-4 unit residential buildings, condominium units, townhouses and condominium complexes.

Distribution by California counties

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]				
San Francisco	$ 17,681	30.9%	$ 17,694	32.1%
San Mateo	6,929	12.1	7,696	14.0
Alameda	5,654	9.9	6,239	11.3
Santa Clara	5,603	9.8	4,600	8.4
Solano	3,550	6.2	—	0.0
Marin	1,473	2.6	1,653	3.0
Sonoma	—	0.0	576	1.0
	40,890	71.5	38,458	69.8
Other Northern California				
Mariposa	54	0.1	56	0.1
Sacramento	770	1.3	—	0.0
	824	1.4	56	0.1
Northern California Total	41,714	72.9	38,514	69.9
Los Angeles & Coastal				
Los Angeles	10,782	18.9	10,783	19.6
Orange	2,190	3.8	2,192	4.0
Santa Barbara	2,059	3.6	2,062	3.7
San Diego	—	0.0	1,088	2.0
	15,031	26.3	16,125	29.3
Other Southern California				
Riverside	460	0.8	460	0.8
	460	0.8	460	0.8
Southern California Total	15,491	27.1	16,585	30.1
Total principal, secured loans	$ 57,205	100.0%	$ 55,099	100.0%

(5) Includes the 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]	16	$ 37,370	65%
2023	5	4,977	9
2024	1	587	1
2025	1	999	2
2026	—	—	—
Thereafter	2	4,281	7
Total scheduled maturities	25	48,214	84
Matured at March 31, 2022[7]	3	8,991	16
Total principal, secured loans	28	$ 57,205	100%

(6) Loans scheduled to mature in 2022 after March 31.
(7) Two loans matured as of March 31, 2022 were designated as impaired and one was 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 may differ from the same captions in the tables of delinquencies and payments in arrears that are based on the loan terms and do not consider forbearance agreements. For matured loans, the partnership may continue to accept payments while pursuing collection of principal or while negotiating an extension of the loan's maturity date.

It is the partnership'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	23	$ 45,245	25	$ 48,274
Past Due				
30-89 days	2	6,126	2	5,782
90-179 days	2	5,780	1	56
180 or more days	1	54	3	987
Total past due	5	11,960	6	6,825
Total principal, secured loans	28	$ 57,205	31	$ 55,099

At March 31, 2022 and December 31, 2021, there were no forbearance agreements in effect.

No loan forbearance agreements or other loan 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.

Non-performing secured loans at March 31, 2022, and December 31, 2021, had principal payments in arrears totaling approximately $8,995,000 (5 loans) and $1,047,000 (6 loans), respectively and interest payments in arrears totaling approximately $193,000 and $71,000, respectively. Payments in arrears for non-performing secured loans (i.e., monthly interest and principal payments past due 30 or more days) at March 31, 2022 and December 31, 2021, are presented in the following tables ($ 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	$ 5,217	$ —	$ —	$ 6	$ 5,223
90-179 days (4-6 payments)	1	1	3,720	4	133	48	3,905
180 or more days (more than 6 payments)	1	—	54	—	6	—	60
Total past due	3	2	$ 8,991	$ 4	$ 139	$ 54	$ 9,188

(8) Interest includes foregone interest of approximately $1,800 on non-accrual loans past maturity. Interest for March 2022 is due on 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)	—	2	$ —	$ 3	$ —	$ 65	$ 68
90-179 days (4-6 payments)	—	—	—	—	—	—	—
180 or more days (more than 6 payments)	4	—	1,044	—	6	—	1,050
Total past due	4	2	$ 1,044	$ 3	$ 6	$ 65	$ 1,118

(9) Interest includes foregone interest of approximately $700 on non-accrual loans past maturity. Interest for December 2021 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	1	4
Principal	$ 54	$ 1,044
Advances	16	116
Accrued interest(10)	4	13
Total recorded investment	$ 74	$ 1,173
Foregone interest	$ 2	$ 1

(10) Accrued interest in the table above is the amount of interest accrued prior to the loan being placed on non-accrual status, net of any payments received while in non-accrual status.

Non-performing loans are placed on non-accrual status the first 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 two loans with aggregate principal of approximately $5,779,000 which were 90 or more days past due and not in non-accrual status. At December 31, 2021, there were no loans 90 or more days past due and not in non-accrual status.

Provision/allowance for loan losses and impaired loans

Generally, the partnership 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 partnership to agree to concessions to borrowers to facilitate a sale of collateral or refinance transactions primarily for secured loans in second lien position.

Activity in the allowance for loan losses for the three months ended March 31, 2022 and 2021 is presented in the following table ($ in thousands).

	2022	2021
Balance, January 1	$ 55	$ 50
Provision for loan loss	—	1
Recovery for loan losses	—	(1)
Balance, March 31	$ 55	$ 50

Loans designated impaired and any associated allowance for loan losses is presented in the following table ($ in thousands).

	March 31, 2022	December 31, 2021
Number of loans	4	4
Principal	$ 6,235	$ 1,044
Recorded investment(11)	6,497	1,173
Impaired loans without allowance	6,497	1,173
Impaired loans with allowance	—	—
Allowance for loan losses, impaired loans	—	—
Weighted average LTV at origination	53.1%	45.4%

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

Loans designated impaired had an average recorded investment balance, 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	$ 3,835	$ 8,352
Interest income recognized	156	107
Interest income received in cash	59	98

NOTE 5 – REAL ESTATE OWNED (REO) AND MORTGAGES PAYABLE

There were no REO transactions or valuation allowance adjustments during the three months ended March 31, 2022 or 2021.

The fair value of the REO is adjusted on a nonrecurring basis. When it is determined that the fair value of REO is less than the original cost basis in the property 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) or if an offer deemed likely to result in a sale is received a write down is charged to operations expense. Any recovery in the fair value subsequent to such a write down is recorded, not to exceed the value recorded at acquisition.

REO at March 31, 2022 was comprised of four properties with a carrying value of approximately $8,258,000. REO is recorded at fair value less costs to sell at acquisition, and subsequently adjusted to the lower of the recorded cost or fair value less estimated cost to sell based on appraisals and analysis by RMC:

- In Los Angeles County (Hollywood Hills) two single-family residences on separate adjoining parcels.
- In San Francisco County, 1 residential unit in a condominium complex.
- In Stanislaus County, approximately 14 acres of undeveloped land zoned commercial.
- In San Francisco County, a real estate interest comprised of a condominium unit composed of storage lockers and signage rights for the exterior façade of the building.

The two Hollywood Hills single-family residences were acquired in June 2020 by foreclosure sales subject to two first mortgages, with aggregate principal outstanding of approximately $2,449,000, and mortgage interest, property taxes, and other liabilities totaling approximately $175,000. The mortgages were 201 and 242 days delinquent at the date of foreclosure sale, with accrued interest in arrears of approximately $33,000 and $40,000, and delinquent property taxes of approximately $23,000 and $47,000 (advanced by the first mortgage lender), respectively. Interest in arrears and delinquent property taxes at acquisition are included in accounts payable on the consolidated balance sheet. In August 2021, the partnership paid in-full the outstanding principal balance of approximately $996,000 due on one of the mortgages, as well as the outstanding mortgage interest, late fees and other fees of approximately $96,000.

At March 31, 2022, accrued liabilities on the consolidated balance sheet include accrued interest of approximately $109,000 and property taxes of approximately $91,000. The borrower has contested the foreclosure sale, and as of March 31, 2022, possession of the residences has not been established.

Mortgages payable at March 31, 2022 and December 31, 2021 are summarized in the following table ($ in thousands).

Lender - summary of terms	March 31, 2022	December 31, 2021
Wells Fargo Bank - secured by a first trust deed on a single family residence located in Los Angeles County, matures November 1, 2044, monthly payment $7,754.40, and interest at 4.125% until October 31, 2024; thereafter interest at LIBOR plus 2.25%, Wells Fargo submitted a payoff statement in July 2020.	$ 1,453	$ 1,453
Total mortgages payable	$ 1,453	$ 1,453

REO, net

REO, net in operations expense on the consolidated income statements is comprised of the following for the three months ended March 31, 2022 and 2021 ($ in thousands).

	2022	2021
Holding costs, net of other income	$ (84)	$ (68)
REO, net	$ (84)	$ (68)

Holding costs, net of other income includes month-to-month rents received of approximately $2,700 and $17,000 for the three months ended March 31, 2022 and 2021, respectively for the homes in Fresno County, which were sold in July 2021, and the unit-storage lockers and signage in San Francisco county.

NOTE 6 – FAIR VALUE

Secured loans

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

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 partnership's loans and borrowers the fair value of loan balances secured by deeds of trust is deemed to approximate the recorded amount (per the consolidated financial statements) as our loans:

- 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 sales comparables (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. Sale comps are reviewed for similarity to the subject property, examining features such as proximity to subject, rental income, number of units, composition of units by the number of bedrooms and bathrooms, square footage, condition, amenities and year built.

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 buildings – 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 7 – 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	$ —	$ 2,453
Draws	10,800	7,547
Repayments	(1,000)	—
Balance, March 31,	$ 9,800	$ 10,000
Line of credit - average daily balance	$ 3,758	$ 3,795

In March 2020, RMI VIII 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 bank and the partnership (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 partnership 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 included 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 partnership 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 partnership 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 loan agreement provides for customary financial and borrowing base reporting by the partnership to the lending bank and specifies that the partnership 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 lending bank’s guidance, less loan loss allowances, divided by total principal of the partnership’s loans. The loan agreement provides that in the event the loan 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 $34,601,000 and $21,487,000, 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 and $13,000 for the three months ended March 31, 2022 and 2021, respectively.

NOTE 8 – COMMITMENTS AND CONTINGENCIES, OTHER THAN LOAN AND REO COMMITMENTS

Commitments

Note 3 (General Partners and Other Related Parties) presents detailed discussion of the partnership’s contractual obligations to RMC and detail of scheduled withdrawals of limited partners’ capital at March 31, 2022.

Legal proceedings

As of March 31, 2022, the partnership 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 partnership 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 partnership.

NOTE 9 – SUBSEQUENT EVENTS

Promissory note payable to related party (RMI IX)

On April 15, 2022, the partnership borrowed $1,000,000 from Redwood Mortgage Investors IX, LLC ("RMI IX"), a related party. This amount was utilized to fund a mortgage loan made by the partnership 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 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 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 loan from RMI IX accrued interest at the same rate of 7.75% as the mortgage loan and was secured by a pledge of all payments received by the partnership under the mortgage loan, including the Release Proceeds. The note matured on April 30, 2022. The Release Proceeds were received by the partnership on the April 18, 2022 closing date and were thereafter utilized by the partnership to repay the RMI IX loan, in full.

In May 2022, three loans with aggregate principal of approximately $6.5 million were sold to an unaffiliated investor. The partnership recognized a gain of approximately $78,000 net of commissions to and transaction costs from third parties.

The manager evaluated events 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 consolidated 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 partnership's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the U.S. Securities and Exchange Commission. The results of operations for the three months ended March 31, 2022 are not necessarily indicative of the 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 (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), including statements regarding the partnership'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 partnership and its assets, estimates as to the allowance for loan losses, estimates of future withdrawals of units, future funding of loans by the partnership, and beliefs relating to how the partnership 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 general partners' 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;
- 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 VIII, a California Limited Partnership ("we", "RMI VIII" or the "partnership"), was formed in 1993 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 partnership is externally managed. Redwood Mortgage Corp. ("RMC" or "the manager") is the manager of the partnership. See Note 3 (General Partners and Other Related Parties) to the consolidated financial statements included in Part I, Item 1 of this report for a detailed presentation of the partnership'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 limited partners and withdrawals. The cash flow, if any, in excess of these uses plus the cash from advances on the line of credit is reinvested in new loans.

Per the Partnership Agreement, no more than 20% of the total limited partners' capital account balances at the beginning of any year may be liquidated during any calendar year. Notwithstanding this 20% limitation, the general partners have the discretion to further limit the percentage of total limited partners' capital accounts that may be withdrawn in order to comply with the safe harbor provisions of the regulations under Section 7704 of the Internal Revenue Code of 1986, as amended, to avoid the partnership being taxed as a corporation.

See Note 1 (Organization and General) to the consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q for additional detail on the organization and operations of RMI VIII which detail is incorporated by 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 consolidated 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 a recently issued report from Wells Fargo Securities Economics Group is 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	$ 57,205	$ 78,413
Secured loans principal – average daily balance	$ 60,785	$ 74,241
Interest income	$ 1,320	$ 1,642
Portfolio interest rate(1)	8.6%	8.9%
Effective yield rate(2)	8.7%	8.8%
Line of credit - end of period	$ 9,800	$ 10,000
Line of credit - average daily balance(3)	$ 3,758	$ 3,795
Mortgages payable - end of period	$ 1,453	$ 2,449
Mortgages payable - average daily balance (4)	$ 1,453	$ 2,449
Interest expense		
Line of credit	$ 60	$ 61
Mortgages payable	$ 15	$ 25
Provision for (recovery of) loan losses	$ —	$ (1)
Operations expense	$ 899	$ 960
Net income	$ 350	$ 602
Percent(5)(6)	2.0%	2.9%
Limited partners' capital – end of period	$ 66,348	$ 79,402
Limited partners' capital – average balance	$ 67,952	$ 81,197
Limited partners' capital – withdrawals(7)	$ 3,245	$ 3,806

(1) Stated note interest rate, weighted daily average (annualized)

(2) Percent secured loans principal – average daily balance (annualized)

(3) The partnership entered into a revolving line of credit and term loan agreement in March 2020; the first advances on the line of credit provided for in the loan agreement were taken on September 28, 2020. See Note 7 (Line of Credit) to the consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q for a presentation of the activity and discussion of the terms and conditions of the loan agreement.

(4) In June 2020, the partnership acquired by foreclosure sale two adjoining properties subject to two first mortgages. See Note 5 (Real Estate Owned (REO) and Mortgages Payable) to the consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q for a presentation of the activity and of the terms and conditions of the mortgages payable.

(5) Percent of limited partners' capital – average balance (annualized)

(6) Percent based on the net income available to limited partners (excluding 1% of income and losses allocated to general partners)

(7) Scheduled liquidations as of March 31, 2022 were approximately $20,487,000. Additional detail regarding limited partner capital withdrawals is available under the caption "Cash flows and Liquidity" in this Management Discussion and Analysis. Scheduled withdrawals of limited partner capital as of March 31, 2021 were approximately $31,362,000.

Secured loans

The March 31, 2022 secured loans principal of approximately $57.2 million, was a reduction of 27.0% ($21.2 million) compared to March 31, 2021 secured loans principal of approximately $78.4 million. The loan portfolio and capital available to lend is declining due to partner withdrawals exceeding the net income retained in limited partners' capital accounts. We expect the loan portfolio and capital available to lend to continue to decline as a result of continuing partner withdrawals although this may be offset in part by utilizing the Line of Credit to fund future loans.

At March 31, 2022, limited partners' capital-end of period of approximately $66.3 million was a reduction of 16.5% ($13.1 million) compared to the March 31, 2021 limited partners' capital-end of period of approximately $79.4 million, primarily due to limited partner capital withdrawals, partially offset by net income retained in the capital accounts of partners not electing periodic distribution of net income. See Note 3 (General Partners and Other Related Parties) to the consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q for detailed presentations on withdrawals of limited partners' capital.

In future periods, reductions in limited partners' capital (and thereby in capital available to lend) may be offset in part by advances on the line of credit. The REO acquired by foreclosure sale, net of mortgages payable assumed, reduces the capital available to lend until the REO is sold. See Note 5 (Real Estate Owned (REO) and Mortgages Payable) to the consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q for a presentation of the balances and the activity for REO.

We have sought to exercise strong discipline in underwriting loan applications and lending against collateral at amounts that create a mortgage portfolio that has substantial protective equity (i.e., property value to outstanding debt) as indicated by our overall conservative weighted-average loan-to-value ratio (LTV) at time of origination which at March 31, 2022 was 61.3%. Thus, based on the appraisal-based valuations at the time of loan inception, borrowers have, in the aggregate, equity of 38.7% in the property, and we as lenders have loaned in the aggregate 61.3% (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%	$ 1,133	2.0%	$ —	0.0%	$ 1,133	2.0%
40-49%	2,373	4.1	5,341	9.4	7,714	13.5
50-59%	10,299	18.0	—	0.0	10,299	18.0
60-69%	21,209	37.1	2,581	4.5	23,790	41.6
Subtotal <70%	35,014	61.2	7,922	13.9	42,936	75.1
70-79%	13,217	23.1	998	1.7	14,215	24.8
Subtotal <80%	48,231	84.3	8,920	15.6	57,151	99.9
≥80%	54	0.1	—	0.0	54	0.1
Total	$ 48,285	84.4%	$ 8,920	15.6%	$ 57,205	100.0%

(1) LTV classifications in the table above are based on the partnership's recorded investment in the loan.

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[2]	First trust deeds	Percent[3]	Second trust deeds	Percent[3]	Total Principal	Percent[3]
<40%	$ —	0.0%	$ —	0.0%	$ —	0.0%
40-49%	910	1.6	—	0.0	910	1.6
50-59%	5,779	10.1	—	0.0	5,779	10.1
60-69%	5,217	9.1	—	0.0	5,217	9.1
Subtotal <70%	11,906	20.8	—	0.0	11,906	20.8
70-79%	—	0.0	—	0.0	—	0.0
Subtotal <80%	11,906	20.8	—	0.0	11,906	20.8
≥80%	54	0.1	—	0.0	54	0.1
Total	$ 11,960	20.9%	$ —	0.0%	$ 11,960	20.9%

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

Payments in arrears for non-performing secured loans (i.e., principal and interest payments past due 30 or more days) at March 31, 2022, totaled approximately $9.2 million of which $9.0 million was principal, and approximately $193,000 was accrued interest. Almost the entire principal in arrears was loans past maturity, all of which were in first lien position.

See Note 4 (Loans) to the consolidated financial statements included in Part I, Item 1 of this report for detail of the secured loan portfolio, including loan characteristics, scheduled maturities, delinquency and payments in arrears, loans in non-accrual status and the allowance for loan losses, which presentations are incorporated by reference into this Item 2.

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

Net income available to limited partners as a percent of limited partners' capital – average daily balance (annualized) was 2.0% and 2.9% for the three months ended March 31, 2022 and 2021, respectively. Net income decreased approximately $252,000 (41.9%) for the three months ended March 31, 2022 as compared to the same period in 2021, primarily due to the reduction in net interest income of approximately $311,000 (20.0%) which was partially offset by a decrease in operations expense of approximately $61,000 (6.4%).

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

Significant changes to net income for the three month period ended March 31, 2022 compared to the same period in 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	$ 1,245	—	899	$ 350
March 31, 2021	1,556	(1)	960	602
Change	$ (311)	1	(61)	$ (252)
Change				
Decrease secured loans principal - average daily balance	(301)	—	(54)	(247)
Effective yield rate	(21)	—	—	(21)
Interest on line of credit	1	—	—	1
Interest on mortgages payable assumed at foreclosure	10	—	—	10
Decrease limited partners' capital - average balance	—	—	(27)	27
Increase in allocable expenses from the manager	—	—	16	(16)
Tax compliance cost efficiency	—	—	(7)	7
Legal, audit and consulting	—	—	(5)	5
REO holding costs	—	—	16	(16)
Other	—	1	—	(2)
Change	$ (311)	1	(61)	$ (252)

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

Net interest income

Net interest income decreased approximately $311,000 (20.0%) 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 $322,000 (19.6%) resulting from the decrease in the secured loans principal – average daily balance of approximately $13.5 million (18.1%), offset in part by a decrease in interest expense of approximately $11,000 (12.8%) due to a reduction in the balance of mortgages payable. The mortgages payable - average daily balance for the three months ended March 31, 2022 was $1,453,000 and for the three months ended March 31, 2021 was $2,449,000, a decrease of approximately $996,000 (40.7%).

Provision (recovery)/allowance for loan losses

Generally, the partnership has not recorded a 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 to the allowance for loan losses and no charge-offs to the provision for loan losses during the three months ended March 31, 2022 or 2021. In the three months ended March 31, 2021 an insignificant recovery was recognized on a loan.

Operations expense

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

	Mortgage servicing fees	Asset management fees	Costs from RMC	Professional services	REO, net	Other	Total
Three months ended							
March 31, 2022	$ 223	65	175	351	84	1	$ 899
March 31, 2021	277	77	174	361	68	3	960
Change	$ (54)	(12)	1	(10)	16	(2)	$ (61)
Change							
Decrease secured loans principal - average daily balance	(54)	—	—	—	—	—	(54)
Decrease limited partners' capital - average balance	—	(12)	(15)	—	—	—	(27)
Increase in allocable expenses from the manager	—	—	16	—	—	—	16
Tax compliance cost efficiency	—	—	—	(7)	—	—	(7)
Legal, audit and consulting	—	—	—	(5)	—	—	(5)
REO holding costs	—	—	—	—	16	—	16
Other	—	—	—	2	—	(2)	—
Change	$ (54)	(12)	1	(10)	16	(2)	$ (61)

Mortgage servicing fees

The decrease in mortgage servicing fees for the three months ended March 31, 2022 as compared to the same period in 2021, was due to the decrease in the secured loans principal – average daily balance to approximately $60.8 million from approximately $74.2 million. Fees are charged by RMC at the annual rate of 1.5%.

Asset management fees

The decrease in asset management fees for the three months ended March 31, 2022, as compared to the same period in 2021, was due to the decrease in limited partners' capital – average balance to approximately $68.0 million from $81.2 million. Asset management fees are charged up to 1/32 of 1% of the "net asset value" (3/8 of 1% annually).

Costs from RMC

The increase in costs from RMC of approximately $1,000 for the three months ended March 31, 2022 as compared to the same period in 2021 was due to an increase in cost reimbursements accrued by RMI VIII for costs incurred by RMC in March 2022 to be billed and paid in April 2022 of approximately $16,000 which was offset in part by a reduction of the partnership's limited partners' capital as a percent of the total capital of the related mortgaged funds managed by RMC.

Professional services

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

The decrease in professional services of approximately $10,000 for the three months ended March 31, 2022 compared to the same period in 2021 was due primarily to a reduction in tax compliance costs as a result of process efficiency implemented in 2021 and a reduction in legal, audit and consulting fees.

REO, net

Holding costs, net of other income includes month-to-month rents received of approximately $2,700 and $17,000 for the three months ended March 31, 2022 and 2021, respectively for the homes in Fresno County, which were sold in July 2021, and the unit-storage lockers and signage in San Francisco county. The decrease in REO, net when comparing the three months ended March 31, 2022 to the three months ended March 31, 2021 is due to a decrease in rental income of approximately $14,300 primarily as a result of the sale of the homes in Fresno County.

The REO balance was approximately $8.3 million and $8.8 million at March 31, 2022 and 2021, respectively. There were no REO sales or acquisitions in the three months ended March 31, 2022 or 2021.

See Note 5 (Real Estate Owned (REO) and Mortgages Payable) to the consolidated financial statements included in Part I, Item 1 of this report for detailed presentations of REO activity during the period.

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).

	Three Months Ended March 31 2022	2021
Limited partners' capital		
Withdrawals, net of early withdrawal fees	$ (3,208)	$ (3,768)
Early withdrawal penalties	(37)	—
Distributions	(308)	(379)
Formation loan	125	113
Cash used in limited partners' capital	(3,428)	(4,034)
Borrowings		
Line of credit advances, net	9,800	7,547
Interest paid	(29)	(34)
Debt issuance costs paid - line of credit	(57)	—
Cash provided by borrowings	9,714	7,513
Loan earnings and payments		
Interest received, net	1,055	1,619
Late fees and other loan income	21	88
Loans funded, net	(10,489)	(9,564)
Principal collected	2,355	698
Loan transferred from related mortgage fund	—	(624)
Loans transferred to related mortgage fund	—	4,672
Loans sold to non-affiliate, net	—	485
Advances received from loans	91	22
Total cash used in loan production	(6,967)	(2,604)
REO		
Holding costs	—	(25)
Cash used in REO operations and sales	—	(25)
Operations expense, excluding REO holding costs	(801)	(650)
Net increase (decrease) in cash	$ (1,482)	$ 200
Cash, end of period	$ 2,421	$ 564

Limited partners' capital - withdrawals

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

Withdrawals	2022	2021
Without penalty	$ 2,890	$ 3,428
With penalty	355	378
Total	$ 3,245	$ 3,806
Scheduled, at March 31,	$ 20,487	$ 31,362

Scheduled withdrawals of limited partners' capital in periods as of and after March 31, 2022 are presented in the following table ($ in thousands).

2022	$ 7,722
2023	6,711
2024	3,822
2025	1,626
2026	566
Thereafter	40
Total	$ 20,487

Scheduled withdrawals of limited partners' capital of approximately $500,000 are subject to early withdrawal penalties as the limited partners elected the accelerated payout option as permitted in the Partnership Agreement.

Borrowings

In March 2020, RMI VIII 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 $3.8 million. At March 31, 2022, the balance was $9.8 million.

See Note 7 (Line of Credit) to the consolidated 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, which presentation is incorporated by this reference into this Item 2.

In June 2020, the partnership acquired REO by foreclosure sale subject to two mortgages payable of approximately $2,449,000. In August 2021, the partnership paid in-full the outstanding principal balance of $996,000 due on one of the mortgages. See Note 5 (Real Estate Owned (REO) and Mortgages Payable) to the consolidated financial statements included in Part I, Item 1 of this report for details on the remaining mortgage payable outstanding as of March 31, 2022, which presentation is incorporated by this reference into this Item 2.

Liquidity and Capital Resources

The ongoing sources of funds for loans are the proceeds (net of withdrawals from limited partners' capital accounts and operation expense) from:

- loan payoffs;
- borrowers' monthly principal and interest payments;
- line of credit advances;
- loan sales to unaffiliated third parties;
- REO sales;
- payments from RMC on the outstanding balance of the formation loan; and
- earnings retained (i.e., not distributed) in partners' capital accounts.

RMI VIII's cash balances are planned to be 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 meet the liquidity requirements of the partnership, 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.

The partnership's only obligation is to fund capital account withdrawal requests subject to cash available pursuant to the terms of the partnership agreement.

Contractual obligations, other than withdrawals of limited partners' capital

At March 31, 2022, the partnership had no construction or rehabilitation loans outstanding, and no other contractual obligations other than redemptions of members capital.

At March 31, 2022, RMI VIII had no off-balance sheet arrangements. Such arrangements are not permitted by the Partnership Agreement.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not included because the partnership is a smaller reporting company.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The partnership is externally managed by RMC. The manager is solely responsible for managing the business and affairs of the partnership, subject to the voting rights of the limited partners on specified matters. The manager acting alone has the power and authority to act for and bind the partnership. RMC provides the personnel and services necessary for us to conduct our business, as we have no employees of our own.

California limited partnerships generally do not have a board of directors, nor, therefore, do we have an audit committee of the board of directors. Thus, there is no conventional independent oversight of the partnership's financial reporting process. 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, review and oversight of the work of the independent public accountants; and
- establishing and maintaining internal controls over 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) for and as of the end of 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 Rules 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 partnership's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. **Legal Proceedings**

As of March 31, 2022, the partnership was 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 partnership 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 provisions of the deeds of trust, collect the debt owed under promissory notes or 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.

Item 1A. **Risk Factors**

Not included because the partnership is a smaller reporting company.

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

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

Liquidations are made once a quarter, on the last business day of the quarter. Liquidations for the three months ended March 31, 2022 were approximately $3,245,000. The unit liquidation program is ongoing and available to partners beginning one year after the purchase of the units. The maximum number of units that may be liquidated in any year and the maximum amount of liquidation available in any period to partners are subject to certain limitations described in the Partnership Agreement.

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. 000-27816) incorporated herein by reference.)
31.1	Certification of General Partner pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of General Partner 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 VIII, a California Limited Partnership
(Registrant)

Date: May 23, 2022	By:		**Redwood Mortgage Corp., General Partner**
		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), Director
Date: May 23, 2022	By:		**Michael R. Burwell, General Partner**
		By:	/s/ Michael R. Burwell
		Name:	Michael R. Burwell
		Title:	General Partner