

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

FORM 10-K

(Mark one)

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

For the Year Ended December 31, 2025

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

For the transition period from _____ to _____

Commission file number: 000-55601

REDWOOD MORTGAGE INVESTORS IX, LLC

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

155 Bovet Road, Suite 302, San Mateo, CA
(Address of principal executive offices)

26-3541068
(I.R.S. Employer
Identification Number)

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		

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

Units of Limited Liability Company Interests

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under section 404(b) of the Sarbanes Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The registrant's units of limited liability company interests are not publicly traded and therefore have no market value. The registrant had approximately \$62.2 million limited liability company interests outstanding as of February 28, 2026.

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
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December 31, 2025

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Forward-Looking Statements

Certain statements in this Annual Report on Form 10-K (“this report” or “this Form 10-K”) 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 company’s expectations, hopes, intentions, beliefs and strategies regarding the future. Forward-looking statements, which are based on various assumptions (some of which are beyond our control), may be identified by reference to a future period or periods or by use of forward-looking terminology, such as “may,” “will,” “believe,” “expect,” “anticipate,” “continue,” “possible” or similar terms or variations on those terms or the negative of those terms. Forward-looking statements include statements regarding trends in the California real estate market; future interest rates and economic conditions and their effect on the company and its assets; estimates as to the allowance for loan losses; forecasts of future redemptions of units, forecasts of future funding of loans; loan payoffs and the possibility of future loan sales (and the gain thereon, net of expenses) to third parties, if any; future fluctuations in the net distribution rate; and beliefs relating to how the company will be affected by current economic conditions and trends in the financial and credit markets. Actual results may be materially different from what is projected by such forward-looking statements therefore, you should not place undue reliance on forward looking statements, which reflect our view only as of the date hereof.

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

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

All forward-looking statements and reasons why results may differ included in this Form 10-K 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.

Part I

Item 1 – Business

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

The company is externally managed by Redwood Mortgage Corp. (“RMC” or “the manager”).

- RMC is solely responsible for managing the business and affairs of RMI IX, subject to the voting rights of the members on specified matters. The manager acting alone has the power and authority to act for and bind the company.
- RMC provides personnel and services necessary for RMI IX to conduct its business as the company has no employees of its own.
- The mortgage loans the company funds and invests in are arranged and generally are serviced by RMC.

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

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

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

The company's primary investment objectives are to:

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

Net income (or loss) is allocated among the members according to their respective capital accounts after one percent (1%) of the net income (or loss) is allocated to the manager. The monthly results are subject to subsequent adjustment as a result of quarterly and year-end accounting and reporting.

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

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

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

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

- loan payoffs;
- borrowers' monthly principal and interest payments;
- line of credit advances;
- loan sales to unaffiliated third parties;
- payments from RMC on the outstanding balance of the formation loan.

Distribution policy

Cash available for distribution at the end of each calendar month is allocated ninety-nine percent (99%) to the members and one percent (1%) to the manager. Cash available for distribution means cash flow from operations (excluding repayments for loan principal and other capital transaction proceeds) less amounts set aside for creation or restoration of reserves. The manager may withhold from cash otherwise distributable to the members with respect to any period the respective amounts of organization and offering expenses ("O&O expenses") allocated to the members' accounts for the applicable period pursuant to the company's reimbursement to RMC and allocation to members' accounts of O&O expenses. The amount otherwise distributable, less the respective amounts of O&O expenses allocated to members, is the net distribution. Pursuant to the terms of the Operating Agreement, cash available for distribution to the members is allocated among the members in proportion to their percentage interests (except with respect to differences in the amounts of O&O expenses allocated to the respective members during the applicable period) and in proportion to the number of days during the applicable month that they owned such percentage interests. (See Note 3 (Manager and Other Related Parties) to the financial statements for a detailed discussion on the allocation of O&O expenses to members' accounts.)

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

Distribution reinvestment plan ("DRIP"), closed July 2024

The distribution reinvestment plan ("DRIP") provision of the Operating Agreement permitted members to elect to have all or a portion of their monthly distributions reinvested in the purchase of additional units. Cash available for distributions allocable to members who had elected to participate in the DRIP was distributed and reinvested in units at each month end. In July 2024, members who had elected to participate in the DRIP were notified by a letter included with their June 2024 monthly statements that the DRIP was closed. As a result of this plan closure, members that previously did not receive quarterly income distributions because of their enrollment in the DRIP received income distribution checks for the quarter ended September 30, 2024 and continue to receive quarterly income distributions to the extent of cash available for distribution.

The gross proceeds from sales of units to our members under our DRIP pursuant to the registration statement under which they were offered and sold were approximately \$10.0 million, which proceeds were used for general corporate operations.

Liquidity and unit redemption program

There are substantial restrictions on transferability of units, and there is no established public trading and/or secondary market for the units and none is expected to develop. In order to provide liquidity to members, the Operating Agreement includes a unit redemption program, whereby a member may redeem all or part of their units, subject to certain limitations. The price paid for redeemed units is based on the lesser of the purchase price paid by the redeeming member or the member's capital account balance as of the date of each redemption payment. The company redeems units quarterly, and under the Operating Agreement, the maximum number of units which may be redeemed per quarter per individual member may not exceed the greater of (i) 100 thousand units, or (ii) 25% of the member's total outstanding units.

Pursuant to the Operating Agreement, eligible redemption requests are to be honored in the following order of priority:

- first, to redemptions upon the death of a member, subject to a cap of \$100 thousand per quarter for each deceased member's account; and
- next, to all other eligible redemption requests on a pro rata basis.

Pursuant to the Operating Agreement, the company will not, in any calendar year, redeem more than five percent (5%) and in any calendar quarter, one and one-quarter percent (1.25%) of the weighted average number of units outstanding during the twelve (12) month period immediately prior to the date of the redemption; however, the manager may, but is not required to, waive this limitation if it deems it in the best interest of the company. In the event unit withdrawal requests exceed 5% in any calendar year, and are held by the company, units will be redeemed in the order of priority provided in the Operating Agreement. The manager may, in its sole discretion, waive any applicable holding periods or penalties in the event of the death of a member or other exigent circumstances or if the manager believes such waiver is in the best interests of the company. The manager has no present intention to exercise its discretionary power to waive or modify the enforcement of the redemption limitations contained in the Operating Agreement in the foreseeable future.

The company has not established a cash reserve from which to fund redemptions. The company's capacity to redeem units upon request is limited by the availability of cash and the company's cash flow. The manager also has the right, in its sole discretion, at any time, to reject any request for redemption, or to suspend or terminate the acceptance of new redemption requests without prior notice, or to terminate, suspend or amend the unit redemption program upon 30-days' notice.

Eligible members' capital redemption requests at December 31, 2025 approximated \$25.8 million, of which

- \$24.3 million were received at or prior to September 30, 2025; and
- \$1.5 million were received in the quarter ended December 31, 2025 that will be eligible at March 31, 2026.

Eligible members' capital redemption requests at December 31, 2024 approximated \$24.3 million, of which

- \$22.2 million were received at or prior to September 30, 2024; and
- \$2.1 million were received in the quarter ended December 31, 2024 that became eligible at March 31, 2025.

See the table in "Unit redemption program" under Item 5 - Market for the Registrant's Units, Related Unitholder Matters and Issuer Purchases of Equity Securities in Part II of this report for a detailed table showing the amount of units redeemed, which table is incorporated by this reference into this Item 1.

Lending and investment guidelines and criteria

The company generally invests in loans with fixed interest rates that:

- provide for monthly payments of (i) interest only with a balloon payment at maturity or (ii) principal and interest based on a 30-year amortization schedule with a balloon payment at maturity; and
- have maturities of five years or less.

In the event that a loan is performing, and collection is deemed probable at maturity (i.e., the loan is considered well collateralized according to then current lending guidelines), we may elect to extend the loan's maturity. In the event a loan is not performing, the borrower is unable to repay in full the principal on the loan by the maturity date and the loan is considered well collateralized according to then current lending guidelines, we may elect to modify the loan payment terms or (particularly if the loan is not considered well collateralized) may proceed to foreclose on the loan.

Underwriting

The cash flow and the income generated by the real property securing the loan factor into the credit decisions, as does the general creditworthiness, experience and reputation of the borrower. However, for loans secured by real property, other than owner-occupied personal residences, such considerations are subordinate to a determination that the value of the real property is sufficient, in and of itself, as a source of repayment. The fair value of real property (as to loan collateral and REO) is determined by exercise of judgment based on RMC's management's experience informed by appraisals (by licensed appraisers), brokers' opinion of values, and publicly available information on in-market transactions.

The amount of the loan combined with the outstanding debt and claims secured by a senior deed of trust on the real property generally will not exceed a specified percentage of the fair value of the property (i.e., the loan-to-value ratio, or LTV) supported by an independent written appraisal and/or broker-opinion-of-value and/or recently completed or transactions pending at the time the loan is made. The LTV at origination (i.e., the OLTV) generally will not exceed 80% for residential properties (including multi-family), 75% for commercial properties, and 50% for land. The excess of the value of the collateral securing the loan over the company's secured loan and any senior debt and/or claims on the property is the "protective equity" such that the fair value of the real property collateral in and of itself is anticipated to be sufficient to assure repayment of the loan. These lending guidelines gives more potential protective equity – and a corresponding lower expectation of credit losses - than would be available for competing lenders who fund loans with a higher LTV.

The company thereby may be viewed as an "asset-based" lender due to the reliance on the fair value of the real property collateral (along with the lower LTV) as being sufficient, in and of itself, as a source of repayment over the contractual term of the loan, plus any additional time required to effect repayment in full. This method of underwriting loans may increase the likelihood of payment defaults by borrowers. Accordingly, the company may have a higher level of payment delinquency than that of lenders, such as banks and other financial institutions subject to federal and state banking regulations, which are typically viewed as "credit" lenders.

See Results of Operations, Secured Loans included in Part II, Item 7 and Note 4 (Loans) to the financial statements included in Part II, Item 8 of this report for a detailed presentation on the secured loan portfolio.

Competition

The San Francisco Bay Area, including the South Bay/Silicon Valley, and the coastal metropolitan regions of Southern California are our most significant locations of lending activity. The economic vitality of these regions – as well as the stability of the national economy and the financial markets – is of primary importance in determining the availability of new lending opportunities and the performance of previously made loans.

The mortgage-lending business is highly competitive, and we compete with numerous established entities, some of which have more financial resources and experience in the mortgage lending business than our manager. We encounter significant competition from banks, insurance companies, savings and loan associations, mortgage bankers, real estate investment trusts ("REITs") and other lenders with objectives similar in whole or in part to ours.

Intellectual Property, Royalty Agreements and Labor Contracts

Neither the company or the manager owns any patents, trademarks, licenses, franchises, or concessions. Neither the company or the manager has entered into any royalty agreements or labor contracts.

Human Capital Resources

The manager provides the personnel and services necessary to conduct business as the company has no employees of its own.

Our manager endeavors to maintain a workplace that is free from discrimination or harassment on the basis of color, race, sex, national origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression or any other status protected by applicable law. As required by law, our manager conducts training to prevent harassment and discrimination. Our manager bases its criteria for recruitment, hiring, development, training, compensation and advancement of employees on the qualifications, performance, skills and experience and all employees are compensated without regard to gender, race and ethnicity.

Regulations

We are engaged 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. We and RMC, which arranges and generally services our loans, are heavily regulated by laws governing private lending practices at the federal, state and local levels. In addition, proposals for further regulation of the financial services industry continually are being introduced. The laws and regulations to which we and RMC are subject include rules and restrictions pertaining to:

- the conduct of a mortgage lending business by a licensed California real estate broker or lender under state and federal law;
- real estate settlement procedures;
- fair lending;
- truth in lending;
- federal and state loan disclosure requirements;
- the establishment of maximum interest rates, finance charges and other charges;
- loan-servicing and debt collection procedures and requirements;

- secured transactions and foreclosure proceedings;
- privacy regulations providing for the use and safeguarding of non-public personal financial information of borrowers; and
- required filings with the Securities and Exchange Commission (the “SEC”) pursuant to federal securities laws, including periodic reports such as Form 10-K and Form 10-Q, and with the States’ securities agencies.

Key federal and state laws, regulations, and rules relating to the conduct of our business include the following:

California Real Estate Law

The California Real Estate Law, codified in California Business and Professions Code Sections 10000 *et seq.*, together with the Real Estate Commissioner’s rules thereunder, govern the licensing, administration and activities of licensed real estate brokers (including certain mortgage loan brokers) in the State of California, including rules relating to, among other things, licensing, borrower and investor disclosures, compensation and fees, disciplinary action, and transactions involving trust deeds and real property sale contracts generally. We are not a licensed real estate broker but our manager, RMC, is so licensed and will be subject to those laws and regulations.

RMC’s loan files and other books and records are subject to examination by the California Department of Real Estate. Such examinations, as well as new regulations that may be issued in the future, could ultimately increase RMC’s and our administrative burdens and costs.

Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd Frank Act”)

This federal law passed in 2010 imposes significant regulatory restrictions on the origination of residential mortgage loans. The act established the Consumer Financial Protection Bureau (the “CFPB”) and gave it regulatory authority over most federal consumer-lending laws, including those relating to residential mortgage lending, as well as oversight over companies that provide consumer financial products or services, including us. The CFPB’s mandate is to implement and enforce federal consumer financial law and ensure that markets for consumer financial products are transparent, fair, and competitive. Historically, the CFPB has been active in investigations and enforcement actions and has issued large civil money penalties to parties the CFPB determined to have violated the laws and regulations it enforces. Under the Biden administration, the CFPB expanded the number and scope of examinations, including under the CFPB’s authority to take enforcement action against entities engaged in what it deems to be unfair, deceptive, or abusive acts or practices. It also created a registry for nonbank law violators. Under the Trump administration, the CFPB’s priorities have changed, its workforce has been drastically reduced, the scope of its activities significantly curtailed, and the agency faces an uncertain future. However, the CFPB’s role and priorities may be renewed in the future.

Many of the federal regulations governing mortgage lending were created or significantly expanded through the passage of the Dodd-Frank Act. For example, the CFPB issued the “Ability-to-Repay” rule under Regulation Z, implementing the Dodd-Frank Act’s changes to the Truth in Lending Act (“TILA”), that requires a mortgage lender to make a reasonable and good faith determination, based on verified and documented information concerning the consumer’s financial situation, that the consumer has a reasonable ability to repay a dwelling-secured mortgage loan before extending the loan. The rule includes a safe harbor or rebuttable presumption of compliance if the lender makes a “qualified mortgage” (“QM”), meaning a loan that satisfies certain rigid underwriting criteria and has terms below specified pricing thresholds. As another example, the CFPB’s loan originator compensation rule, also amending Regulation Z, imposes certain loan originator qualification and identification requirements, and imposes certain loan originator compensation recordkeeping requirements, among other things.

The Dodd-Frank Act also included provisions, implemented by CFPB regulations, prohibiting a creditor from extending credit to a consumer secured by a high-cost mortgage without first receiving certification from an independent counselor approved by a government agency. The act also added new provisions prohibiting most balloon payments for high-cost mortgages.

Real Estate Settlement Procedures Act (“RESPA”)

RESPA is a federal law passed in 1974 with the purpose of establishing settlement procedures for consumer real estate purchase and refinance transactions on residential (1-4 unit) properties. It establishes rules relating to affiliated business relationships, escrow accounts for property taxes and hazard insurance and loan servicing, among other things. It prohibits unearned referral fees from being charged in a covered transaction. RESPA and TILA (discussed below) also govern the format of the TILA-RESPA Integrated Disclosure forms, or “TRID” provided to consumers in residential real estate mortgage transactions.

Truth in Lending Act (“TILA”)

TILA is a federal law passed in 1968 for the purpose of regulating consumer financing. For real estate lenders, TILA requires, among other things, advance disclosure of certain loan terms, calculation of the costs of the loan as demonstrated through an annual percentage rate, and the right of a consumer in a refinance transaction on their primary residence to rescind their loan within three days following signing of the loan document. TILA and RESPA (discussed above) also govern the format of the TILA-RESPA Integrated Disclosure, or “TRID”, forms provided to consumers in residential real estate mortgage transactions.

Home Ownership and Equity Protection Act (“HOEPA”) and California Covered Loan Law

HOEPA is a federal law passed in 1994 to provide additional disclosures for certain closed-end home mortgages. These “high-cost” closed-end home mortgages are loans with interest rates and fees in excess of certain percentage or amount thresholds. These regulations primarily focus on additional disclosures with respect to the terms of the loan to the borrower, the timing of such disclosures, and the prohibition of certain loan terms, including balloon payments and negative amortization. Failure to comply with the regulations will render the loan rescindable for up to three years. Lenders can be held liable for attorneys’ fees, finance charges and fees paid by the borrower and certain other money damages. Similarly, in California, Financial Code Section 4970, et. seq., (“Section 4970”), which became effective in 2002. It provides for state regulation of “high-cost” consumer residential mortgage loans (also called “covered loans”) secured by liens on real property. Section 4970 defines covered loans as consumer loans on primary residences in which the original principal balance of the loan does not exceed the most current conforming loan limit for a single-family first mortgage loan established by the Federal National Mortgage Association, with interest rates and/or fees exceeding one of the statutorily defined percentage or amount thresholds. Section 4970 prohibits certain lending practices with respect to high-cost loans, including the making of a loan without regard to the borrower’s income or obligations. When making such loans, lenders must provide borrowers with a consumer disclosure and provide for an additional rescission period prior to closing the loan.

Mortgage Disclosure Improvement Act

This federal law enacted in 2008, regulates the timing and delivery of loan disclosures for all mortgage loan transactions governed under the Real Estate Settlement Procedures Act.

Red Flags Rule

This federal rule was issued in 2007 under Section 114 of the Fair and Accurate Credit Transactions Act of 2003 and amended by the Red Flag Program Clarification Act of 2010. It requires lenders and creditors to implement an identity theft prevention program to identify and respond to account activity in which the misuse of a consumer’s personal identification may be suspected.

Privacy and Security Laws

We are subject to a variety of federal and state privacy and data security laws, which govern the collection, safeguarding, sharing and use of personal information, and require that financial institutions and other lenders have in place policies regarding information privacy and security. For example, the Gramm-Leach-Bliley Act aka Financial Services Modernization Act of 1999, requires all businesses that have access to consumers’ personal identification information to implement a plan providing for security measures to protect that information. As part of this program, we provide applicants and borrowers with a copy of our privacy policy.

Some state laws also protect the privacy of information of state residents and require adequate security for such data, and certain state laws may, in some circumstances, require us to notify affected individuals of security breaches of computer databases that contain their personal information. These laws may also require us to notify law enforcement, regulators or consumer reporting agencies in the event of a data breach, as well as businesses and governmental agencies that own data.

Data privacy and data security are areas of increasing state legislative focus. For example, the California Privacy Rights Act (the “CPRA”) amended and significantly expanded the California Consumer Privacy Act (the “CCPA”), which originally provided California residents certain privacy rights in the collection and disclosure of their personal information and required businesses to make certain disclosures and take certain other acts in furtherance of those rights. The CPRA also created a new agency, the California Privacy Protection Agency, authorized to implement and enforce the CCPA and the CPRA, which has resulted in increased privacy and information security regulatory actions. Other U.S. states have considered and/or enacted similar privacy laws. For example, Virginia, Utah, Connecticut, and Colorado have passed new consumer privacy laws, and Delaware, Indiana, Iowa, Montana, Oregon, Tennessee, and Texas have passed consumer privacy laws that have or will become effective in 2024, 2025, or 2026. In addition, the federal government may also pass data privacy or data security legislation.

The costs of compliance with privacy laws increase our operating costs and may continue to increase such costs as a result of diverging statutory obligations across jurisdictions, changes in interpretation or changes in law. Any failure on our part—or in some circumstances non-compliance by third parties engaged by us—to comply with these laws or our privacy policies may subject us to significant liabilities, including governmental enforcement actions, litigation, fines, payment of damages or restrictions on our use or transfer of data, and may have a material adverse effect on our business, financial condition, results of operations, and cash flows.

California Homeowner Bill of Rights (“HOBR”)

This series of state laws, which initially became effective January 1, 2013, with many sections renewed and modified as of January 1, 2019, is intended to ensure fair lending and borrowing practices for California homeowners by guaranteeing basic fairness and transparency during the foreclosure process. Key provisions include restrictions on dual-track foreclosures, a guaranteed single point of contact, civil penalties for lenders filing unverified documents, and protections for tenants of foreclosed properties. HOBR also provides borrowers with the authority to seek redress of material violations of its rules, such as by an injunction (prior to foreclosure sale) or recovery of damages (after foreclosure sale). In 2020, HOBR protections were extended to residential one to four unit properties occupied by tenants as their principal residence.

California AB 130 and Civil Code Section 2924.13

In June of 2025, California enacted Assembly Bill 130, resulting in the addition of Section 2924.13 of the California Civil Code (“Section 2924.13”). Section 2924.13 significantly restricts nonjudicial foreclosures on second mortgages (“subordinate mortgages”) in California by, among other things, prohibiting foreclosure if the lender or any servicer, or any predecessor thereof, failed to contact the borrower for any three year period, failed to provide any one or more required notices or periodic account statements, at any time notified the borrower that the loan had been written-off or discharged or engaged in any other “unlawful practice” outlined in the statute. Prior to conducting, or threatening to conduct, a non-judicial foreclosure on a subordinate mortgage, the foreclosing party must record and provide the borrower with a certification, under penalty of perjury, that no “unlawful practices” were committed with respect to the loan or identifying each “unlawful practice” that occurred. Section 2924.13 then provides borrower with the right to enjoin the foreclosure sale and to seek equitable remedies including forgiveness of amounts due and barring the foreclosure entirely.

Lawsuits challenging the constitutionality of AB 130 and Section 2924.13 have been filed and are currently in process; however, Section 2924.13 is currently enforceable California law and will remain in effect unless and until an injunction with respect to enforcement of the statute is entered by the court or the court invalidates the statute on constitutional grounds. There is no guarantee that either of these outcomes will occur or that Section 2924.13 will not remain valid law in California for the foreseeable future.

To address Section 2924.13, we may incur incremental costs to update policies and procedures, enhance systems and borrower-communication templates, train personnel, revise quality control and audit programs, and monitor counterparties with respect subordinate loans. We may also need to engage counsel to interpret evolving guidance with respect to subordinate loans currently held and future foreclosures and may forego funding subordinate loan opportunities in the future to avoid the additional requirements and potential repercussions of Section 2924.13. If Section 2924.13 is found to apply retroactively to subordinate loans in our portfolio, the costs of foreclosure and our ability to foreclose on such loans following a default may be adversely affected.

Key federal laws and rules we are subject to as a result of the offering of our units include the following.

Federal Securities Laws: Securities Act of 1933 (the “Securities Act”) and Securities Exchange Act of 1934 (the “Exchange Act”)

Because we have registered the units pursuant to Section 12(g) of the Exchange Act, we are a public reporting company. As a public reporting company, we are required to file annual, quarterly and other periodic reports with the SEC and comply with applicable provisions of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”) and the related rules and regulations promulgated by the SEC. However, as discussed in Item 9A of this report, the company is externally managed by RMC and many of the requirements of Sarbanes-Oxley are not directly applicable to us since we do not have a board of directors, including an independent board member. The registration of our units pursuant to Section 12(g) of the Exchange Act, along with the satisfaction of certain other requirements under the Employee Retirement Income Security Act of 1974 (“ERISA”), enables the units to qualify as “publicly-offered securities” for purposes of ERISA and regulations issued thereunder. See Item 9A of this report.

Sarbanes-Oxley Act of 2002

RMC, as our manager, is responsible for establishing and maintaining adequate internal control over financial reporting with respect to us as required by Section 404 of Sarbanes-Oxley and rules and regulations of the SEC thereunder. RMC is required to review and evaluate on an annual basis our internal control over financial reporting, and on a quarterly basis, to evaluate changes in our internal control over financial reporting.

Term of the Company

The term of the company will terminate on December 31, 2038 unless: (i) the term is further extended by RMC with the affirmative consent of a majority interest of the members; or (ii) the company is earlier terminated pursuant to the Operating Agreement or by operation of law.

Delivery of Annual Report

RMC provides a copy of this annual report to all unit holders by mail and posts this annual report at its website (see below).

The SEC maintains on its internet site reports and other information regarding the company's annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K (and amendments to these reports). These filings are available free of charge on the SEC website at www.sec.gov.

Additional Information

The company does not maintain an Internet site. Additional information regarding the company's and RMC's business operations are available free of charge on RMC's website at www.redwoodmortgageinvestors.com.

References to RMC's and the SEC's website do not constitute incorporation by reference of the information contained on those websites and should not be considered part of this document.

Item 1A – Risk Factors

The following risk factors and other information included in this Form 10-K should be carefully considered, in addition to the other information presented elsewhere in this report, in evaluating us and our business. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also adversely affect our business operations. If any of the following risks or additional risks and uncertainties actually occur, our business, operating results, and financial condition could be adversely affected.

RISKS RELATED TO OUR BUSINESS

RMC’s lending decisions are based on the real estate collateral securing the loans. A significant decline in the fair value of the collateral may impact the performance of the loans and their ultimate collectability.

For loans secured by real property other than owner-occupied personal residences, our lending decisions are based primarily on a determination that the value of the real property is sufficient, in and of itself, as a source of repayment. Other considerations such as the cash flow and the income generated by the real property securing the loan and the general creditworthiness, experience and reputation of the borrower are secondary considerations. This may result in a higher incidence of loan payment delinquencies than would be experienced by conventional lenders.

Declines in real estate values may reduce the “protective equity” (the excess of the value of the collateral securing the loan over our secured loan and any senior debt and/or claims on the property) provided by the collateral securing our outstanding loans, and were we to foreclose on loans with respect to properties that have declined in value, we may ultimately recover less than the amount of such loans.

Downturns in the economy and real estate market in the San Francisco Bay Area and the coastal metropolitan regions of Southern California, or on a regional or national scale, or changing conditions affecting the mortgage lending business could adversely affect our business.

RMC expects that most of our loans will continue to be secured by properties located in nine counties that comprise the San Francisco Bay Area (San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, Marin, Napa, Solano and Sonoma) and the coastal metropolitan regions of Southern California (Los Angeles, Orange, Ventura, and San Diego counties). Our concentration of loans in the San Francisco Bay Area and the coastal metropolitan regions of Southern California exposes us to greater risk of loss if the economy in the San Francisco Bay Area or the coastal metropolitan regions of Southern California weakens than would be the case if our loans were spread throughout California or the U.S. Should a significant economic deterioration occur in the San Francisco Bay Area or the coastal metropolitan regions of Southern California, or regionally or nationally, we could experience increases in loan delinquencies and possibly loan losses and the resultant reduced net income and cash available for distributions to members.

Inflation could negatively impact our business and profitability. Prolonged periods of inflation may impact our profitability by negatively impacting our otherwise fixed costs and expenses.

To the extent RMC relies on appraisals to determine the fair market value (“FMV”) of the property securing our loans, which appraisals may be inaccurate or not reflect subsequent events affecting FMV which could increase the risk of loss.

RMC relies on appraisals prepared by unrelated third parties to determine the fair market value of real property used to secure our loans. RMC relies on such appraisals for, among other matters, determining our loan-to-value ratio (“LTV”). We cannot guarantee that such appraisals will, in any or all cases, be accurate or that the appraisals will reflect the actual amount buyers will pay for the property. If an appraisal is not accurate, our loan may not be as secure as we anticipated. In the event of foreclosure, we may not be able to recover our entire investment. Additionally, since an appraisal fixes the value of real property at a given point in time, subsequent events could adversely affect the value of the real property used to secure a loan. This would result in a risk of loss for us if the borrower defaults on the loan.

Some of our loans are junior in priority to first and second liens that may make it more difficult and costly to protect our junior security interest.

In the event of foreclosure under a second or third deed of trust, the debt secured by a senior deed(s) of trust must be satisfied before any proceeds from the sale of the property can be applied toward the debt owed to us. As a result, we may not recover some or all of our investment. To protect our junior security interest, we may be required to make substantial cash outlays for such items as loan payments to senior lien holders to prevent their foreclosure, property taxes, insurance, repairs, maintenance and other expenses associated with the property. These expenditures could have an adverse effect on our profitability.

The recent enactment of California Civil Code Section 2924.13 may also significantly affect our ability to complete nonjudicial foreclosures with respect to our existing junior or "subordinate" mortgage loans as well as our ability to take advantage of otherwise advantageous junior loan opportunities in the future. See "Regulations - California AB 130 and Civil Code Section 2924.13" in Part I of this report. If recent court cases challenging AB 130 find that the provisions of Section 2924.13 apply retroactively to subordinate loans currently in our loan portfolio we may be deemed to have violated provisions of Section 2924.13 with respect to actions (or inaction) that occurred prior to the date Section 2924.13 was enacted or proposed. In that case, our ability to foreclose on one or more of our junior loans following a default could be jeopardized and, even if foreclosure is permitted, refuting borrower defenses made available under Section 2942.13 may significantly increase the costs of foreclosure adversely affecting our ability to fully recover the loan amounts due.

If borrowers default, and/or economic circumstances increase defaults, we may have to foreclose on the loan, beginning the legal process of acquiring the collateral property. Foreclosure proceedings and/or workout agreements may slow our collection efforts and delay ultimate satisfaction of the loan.

We are engaged in the business of lending and, as such, are subject to the risk that borrowers may be unable to repay the loans in accordance with the terms of the loan agreement as we currently experience and have experienced in the past. Mortgage loans are secured by commercial and residential real property and are subject to risks of delinquency, foreclosure and loss.

Our loans are not insured by the Federal Housing Administration or guaranteed by the Veterans Administration or otherwise guaranteed or insured by a government agency. Our loans require monthly interest-only payments or monthly payments of interest and principal. This means:

- Our loans are structured to provide for a large "balloon" payment of principal due at the end of the term. These borrowers may be unable to repay such loans at maturity and may be compelled to refinance or sell the property.
- Defaults and foreclosures may increase if the economy weakens or if interest rates increase, which may make it more difficult for borrowers to refinance their loans at maturity or sell their property.
- If a borrower is unable to repay the loan and defaults, we may be forced to acquire the property at a foreclosure sale, or we may be forced to sell the property for less than the amount owed on the loan. If we cannot quickly sell or refinance such property, and the property does not produce income in excess of expenses, our profitability will be adversely affected.
- Recently enacted consumer protection laws, both Federal and in California, impose additional notice and disclosure requirements on lenders which may slow or limit a lender's ability to exercise remedies against residential real property collateral (principally 1-4 units), including rights to sell the property in a foreclosure sale and certain rights of tenants residing in the properties. Additional federal and state legislation may be proposed in the future which, if enacted, may further limit a lender's ability to exercise remedies against residential real property collateral following a borrower's default in the performance of its loan obligations.

In addition, any litigation instituted by a defaulting borrower or the operation of the federal bankruptcy laws may have the effect of delaying enforcement of the lien on a defaulted loan and may in certain circumstances reduce the amount realizable from the sale of a foreclosed property. A "lien" is a charge against the property of which the holder may cause the property to be sold and use the proceeds in satisfaction of the lien. A judicial foreclosure may be subject to most of the delays and expenses of other litigation, sometimes requiring up to several years to complete. If we acquire a property from a borrower, there are many factors that are beyond our control that affect the real estate market and could affect our ability to sell properties for the price, on the terms or within the time frame that we desire. These factors include general economic conditions, the availability of financing, interest rates and other factors, including supply and demand. Further, before we can sell a property on the terms we want, it may be necessary to expend funds to correct defects or to make improvements. However, we can give no assurance that we will have the funds available to correct such defects or to make such improvements. Our inability to sell properties at the time and on the terms we want could reduce our profitability and cash flow, limit our ability to make distributions and could reduce the value of our units.

Our interests in our properties may not be insured or may be underinsured against certain types of losses.

We require comprehensive insurance, including fire and extended coverage, which is customarily obtained for or by a lender, on properties in which we acquire a security interest. Generally, such insurance will be obtained by and at the cost of the borrower. However, there are certain types of losses (generally of a catastrophic nature, such as civil disturbances or terrorism and acts of God such as earthquakes, wildfires, floods and land or mud slides) which are either uninsurable or not economically insurable. Should such a disaster occur to, or cause the full or partial destruction of, any property serving as collateral for a loan, we could lose both our invested capital and anticipated profits from such investment, which would adversely affect our profitability.

Bankruptcy and legal limitations on personal judgments may affect our ability to enforce the loans and increase our costs.

Any borrower has the ability to delay a foreclosure sale by us for a period ranging from several months to several years or more by filing a petition in bankruptcy. The filing of a petition in bankruptcy automatically stops or "stays" any actions to enforce the terms of the loan. The length of this delay and the costs associated with it may have an adverse impact on our profitability.

Owning real estate following foreclosure subjects us to additional risks.

If a borrower is unable to pay our loan or refinance it when it is due, it may be in our best interest to institute foreclosure proceedings against the borrower, and to own the property for a period of time. When we foreclose on a loan, we are subject to certain economic and liability risks attendant to property ownership which may affect our profitability and cash flow. The risks of ownership include the following:

- If the property is a rental property we will be required to find and keep tenants.
- We will be required to maintain and oversee and control operating expenses of the property.
- We will be subject to general and local real estate and economic market conditions which could adversely affect the value of the property.
- We will be subject to changes in laws or regulations regarding taxes, use, zoning and environmental protection and hazards.
- We will be required to maintain insurance for property risks and liability exposures.
- We will be subject to state and federal laws and local municipal codes and penalties relating to tenant retention and the maintenance and upkeep of lender-owned properties.
- We may be subject to federal and state tax laws and regulations with respect to the tax treatment of items of our income, gain, loss or deductions for real estate held for investment, rental and/or sale, which in turn may result in federal and state tax payment and filing exposure for our members.
- We will be subject to municipal ordinances, where they have been enacted, applicable to foreclosed and/or distressed properties which require the payment of additional costs and registration fees and may obligate us to secure and maintain, at our expense, real property securing our loans upon the filing of a notice of default or after we acquire ownership of real property through foreclosure.

A weak economy or real estate market could adversely affect us and members' rate of return.

The ability to find suitable loans is more difficult when the economy is weaker and there is less activity in the real estate market. We may be unable to find a sufficient number of suitable loans, which could leave us with uninvested capital. In such event, we will make short-term, interim investments in government obligations, certificates of deposit, money market or other liquid-asset accounts, with the unallocated funds pending investment in suitable loans. Interest returns on these investments are usually lower than on mortgage loans, which would reduce our profits and return to members.

We may face potential liability for toxic or hazardous substances as a result of our lending activities or as a result of foreclosure on properties that secure loans we make.

If we take an equity interest in, management control of, or foreclose on any of the loans, we may be considered the owner of the real property securing such loans. Under current federal and state law, the owner of real property contaminated with toxic or hazardous substances (including a mortgage lender that has acquired title through foreclosure) may be liable for all costs associated with any remedial action necessary to bring the property into compliance with applicable environmental laws and regulations. This liability may arise regardless of who caused the contamination or when it was caused. In the event of any environmental contamination, there can be no assurance that we would not incur full recourse liability for the entire cost of any such removal and cleanup, even if we did not know about or participate in the contamination. Full recourse liability means that any of our property, including the contaminated property, could be sold in order to pay the costs of cleanup in excess of the value of the property at which such contamination occurred.

In addition, we could incur liability to tenants and other users of the affected property, or users of neighboring property, including liability for consequential damages, such as lost profits of a business. We would also be exposed to risk of lost revenues during any cleanup and to the risk of lower lease rates or decreased occupancy if the existence of such substances or sources on the property becomes known.

If we fail to remove the substances or sources and clean up the property, federal, state, or local environmental agencies could perform such removal and cleanup and impose and subsequently foreclose liens on the property for the cost thereof. We may find it difficult or impossible to sell the property prior to or following any such cleanup. If such substances are discovered after we sell the property, we could be liable to the purchaser thereof if our manager knew or had reason to know that such substances or sources existed.

If we are required to incur such costs or satisfy such liabilities, this could have a material adverse effect on our profitability. Additionally, if a borrower is required to incur such costs or satisfy such liabilities, this could result in the borrower's inability to repay its loan from us.

Changes in interest rates could adversely impact our financial condition and results of operation and have affected and will continue to affect the timing of redemption payments.

Our loans typically have fixed rates and the majority of our loans are for terms of one to five years, and typically have no prepayment penalty. Consequently, as interest rates increase, there is a risk that such interest rates will exceed the average interest rate earned by

our loan portfolio. If interest rates increase, borrowers may be less inclined to prepay or refinance our loans, resulting in a decrease in our liquidity. An increase in interest rates accompanied by a tight supply of mortgage funds may make refinancing by borrowers with balloon payments difficult. Conversely, if interest rates decline, a significant increase in borrower prepayments/loan payoffs may result. If we then invest in new loans at lower rates of interest, a lower yield to members may possibly result.

Our borrowers may be negatively impacted by a pandemic or other health crises, which may result in adverse impacts to our financial condition and results of operation.

In the event of future public health crises, epidemics, pandemics or similar events, the communities where we do business may be put under varying degrees of restrictions on social gatherings and business operations. These restrictions, combined with related changes in consumer behavior and significant increases in unemployment, may result in extreme financial hardship for certain borrowers. Some of our borrowers may be unable to meet their debt obligations to us in a timely manner, or at all, and we may experience a heightened number of requests from borrowers for forbearances on loans.

If federal, state and local moratoriums on evictions for non-payment of rent are enacted in connection with any pandemic or public health crises, they may negatively impact the ability of some borrowers to make payments on loans made for multifamily housing. In addition, such action may ultimately cause a meaningful number of loans in our portfolio to need forbearance or significant modification and migrate to an adverse risk rating because of impacts of an economic recession. In light of these, and other credit issues, we cannot be sure that our allowance for credit losses will be adequate or that additional increases to the allowance for credit losses will not be needed in subsequent periods. If our allowance is not adequate, future net charge-offs may be in excess of our current expected losses, which would create the need for more provisioning and will have a negative impact on our financial condition, results of operations and capital position.

Increased competition and new entrants in the market for mortgage loan originations could adversely impact our ability to originate and acquire real estate-related loans at attractive returns.

New entrants in our target markets for mortgage loan originations could adversely impact our ability to execute our investment strategy on terms consistent with our investment objectives. In originating our loans, we may compete with REITs, regional and community banks, specialty finance companies, savings and loan associations, mortgage bankers, insurance companies, mutual funds, institutional investors, investment banking firms, other lenders and other similar entities. An increase in competition for the available supply of loans suitable for investment by us, may cause us to reduce the interest rate that can be charged on our loans. Some competitors may have a lower cost of funds and access to funding sources that may not be available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of real estate-related loans. An increase in competition in our market, may adversely affect our ability to take advantage of attractive lending opportunities that are consistent with our investment strategy. These and other competitive pressures may have a material adverse effect on our business, financial condition and results of operations.

We may make construction loans which may subject us to greater risks.

Construction loans are loans made to borrowers constructing entirely new structures or dwellings, whether residential, commercial or multi-family properties. We may make construction loans subject to certain limitations in the operating agreement. Investing in construction loans subjects us to greater risk than loans related to properties with operating histories. If we foreclose on property under construction, construction generally will have to be completed before the property can begin to generate an income stream or be sold. We may not have adequate cash reserves on hand with respect to junior encumbrances and/or construction loans at all times to protect our security. If we have inadequate cash reserves, we could suffer a loss of our investment. Additionally, we may be required to obtain permanent financing of the property in addition to the construction loan which could involve the payment of significant fees and additional cash obligations for us.

If we make high-cost mortgage loans, we will be required to comply with additional federal and state regulations and our non-compliance could adversely affect us.

Section 32 of Regulation Z, implementing the Home Ownership and Equity Protection Act of 1994 (“HOEPA”), defines a “high-cost mortgage” as any consumer loan secured by the consumer’s principal dwelling unit where either (i) the annual percentage rate (“APR”), measured as of the date the rate is set, exceeds the average prime offer rate (“APOR”), a benchmark rate released weekly by the CFPB, for a comparable transaction on that date by more than 6.5% on a first mortgage, 8.5% on a subordinate-lien mortgage or 8.5% on a first-lien transaction if the dwelling is personal property and the loan is less than \$50,000; or (ii) the total points and fees payable by the consumer exceed 5% for a loan of more than or equal to \$27,592 (amount adjusted annually for inflation), or 8.5% or \$1,380 (amount adjusted annually for inflation) (whichever is less) on a loan of less than \$27,592; or (iii) the lender can charge a prepayment penalty, as defined in Regulation Z, more than 36 months after consummation (or account opening on an open-end loan), or prepayment penalties that can exceed, in total, more than 2 percent of the amount prepaid.

While it is unlikely that we would make many high-cost loans, the failure to comply with the extensive prohibitions and requirements of Regulation Z’s high-cost mortgage regulations, even if the failure was unintended, may render the loan rescindable for up to three years from the consummation, and, if rescinded, requires the borrower to receive back all interest and fees and return the principal of the loan to the loan holder. The lender could also be held liable for money damages, attorneys’ fees, and for material failures, the total amount of finance charges and fees paid by the borrower in connection with the loan.

In addition, under California law consumer loans secured by liens on primary residences in amounts less than the Fannie Mae/Freddie Mac conforming loan limit may be considered to be “high-cost loans” under certain circumstances. While it is unlikely that we would make many high-cost loans, the failure to comply with California law regarding such loans could have significant adverse effects on us. A reckless or willful failure to comply with any provision of this law, including the mandatory disclosure provisions, could result in, among other penalties, the imposition of administrative penalties of \$25 thousand, loss or suspension of the offending broker’s license, as well as exposure to civil liability to the consumer/borrower (including the imposition of actual and punitive damages).

Use of borrowed money to fund loans may reduce our profitability.

We are permitted to borrow funds for the purpose of making loans, for increased liquidity, reducing cash reserve needs, or developing or refinancing property that we acquired through foreclosure or for any other proper purpose on any terms commercially available.

We borrow money (and expects to continue to borrow) to fund loan originations utilizing a line of credit with a variable interest rate. A rise in the reference interest rate would increase the cost of the borrowed money and would reduce the “spread” earned on loans to our borrowers. In certain market and/or rising interest rate environments, the spread could become negative. This may reduce our profitability, and should we default on our debt, it may result in additional losses through forced liquidation of loans. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay distributions. Any of these results would have a significant negative impact on members’ investments in the company.

Our manager’s selection of loans for sale to third parties may involve conflicts of interest between us and our manager.

We have sold and may in the future sell, on occasion, some of our loans, subject to applicable laws and regulations and our Operating Agreement. In this situation, there is a conflict of interest between us and our manager as to what loans will be sold. For example, the manager may select loans of a higher credit quality or having higher interest rates than the loans funded with the proceeds from the sale. The sale of loans may result in a reduced overall yield of our portfolio.

RISKS RELATED TO OWNERSHIP OF OUR UNITS

Units are not listed on an exchange or quoted through a quotation system and there are substantial restrictions on the transferability of units.

Members will have limited ability to sell their units. Our units are not listed on an exchange or quoted through a quotation system, and there is no secondary market, nor do we expect that any will develop in the foreseeable future. Units are not freely transferable, and they may not be acceptable by a lender as security for borrowing. Our Operating Agreement imposes substantial restrictions upon members' ability to transfer units. Therefore, an investment in our units is not suitable for investors who require short-term liquidity from their investments.

The unit redemption program contains significant restrictions and limitations that limit members' ability to redeem their units.

The number of units that may be redeemed per quarter – per investor – is subject to a maximum of the greater of 100 thousand units or 25% of your units outstanding. The number of units that may be redeemed in any calendar year is subject to a maximum of not more than 5% (or in any calendar quarter, 1.25%) of the weighted average number of units outstanding during the 12-month period immediately prior to the date of the redemption. The manager has the right, in its sole discretion, at any time, to reject any request for redemption, or to suspend or terminate the acceptance of new redemption requests without prior notice, or to terminate, suspend or amend the unit redemption program upon 30-day notice. We fund redemptions from available cash and do not have a working capital reserve from which to fund redemptions. For this purpose, cash is available only after company expenses have been paid (including compensation to our manager), adequate provision has been made for payment of current and future debt, and adequate provision has been made for the payment of monthly cash distributions to members who do not reinvest pursuant to our distribution reinvestment plan. As a result of the rapid increase in interest rates and a reluctance of our borrowers to prepay or refinance our loans, we are experiencing a decrease in our liquidity which has required the manager to adhere to the restrictions and limitation on unit redemptions effective since March 31, 2023.

There is no assurance members will receive cash distributions.

The Operating Agreement does not require us to meet a specific or minimum level of distributions to members. The amount of distributions to members is determined by the manager based on our financial results and cash available. The manager has broad discretion to establish reserves and maintain adequate cash balances to support ongoing operations. In the event we do not have sufficient cash available to fund distributions, we would defer, reduce, or eliminate distributions in any given period.

Members have no control over our operations, including the loans we make or sell; members must rely on the judgment of our manager in making loans.

Members have no right or power to take part in our management. All decisions with respect to our management will be made exclusively by our manager. Our success will, to a large extent, depend on the judgment of our manager as it relates to lending decisions and sales of loans to third parties, if any.

Our manager has broad discretion to implement our investment objectives and can change investment strategies without member consent.

The Operating Agreement contains investment objectives, but our manager has broad discretion to implement those objectives. A change in our investment strategy may, among other things, increase our exposure to real estate market fluctuations, default risk and interest rate risk, all of which could materially affect our results of operations and financial condition.

Our manager has various conflicts of interest.

Our manager has various conflicts of interest in connection with its management of us, including but not limited to:

- Operational, legal and financial obligations with respect to other entities that are similar to, or may conflict with, our manager's obligations to us.
- The fees of our manager are not determined based on arm's-length negotiations.
- The same legal counsel currently represents us and the manager.
- Our manager has the right to conduct other business and to compete with our business.

- Our manager is responsible for originating or arranging substantially all of our loans and can place loans in our portfolio or other funds that are also managed by our manager. We anticipate that the loan brokerage commissions charged to borrowers by our manager, which are paid to our manager and not us, will average approximately 2% to 5% of the principal amount of each loan, but may be higher or lower depending upon market conditions. Any increase in the loan brokerage commission charged on loans may have a direct, adverse effect on the interest rates we charge on loans by reducing the interest rate we receive and thus the overall rate of return to members. This conflict of interest exists in connection with every loan transaction and all compensation paid to our manager.
- In the event our manager defaults on the repayment of the formation loan, a conflict of interest would arise on the manager's part in connection with the enforcement of the formation loan and continued payment of other fees and compensation to our manager, including, but not limited to, the loan servicing fees, loan administrative fees and asset management fees, while such default is continuing.

We have no board of directors and are not subject to certain corporate governance rules under the federal securities laws applicable to securities listed on a national securities exchange.

As is customary for a limited liability company, we do not have a board of directors or any independent directors. We are not subject to certain corporate governance rules under the federal securities laws or the rules of any national securities exchanges because our units are not registered for trading under the Exchange Act of 1934.

Accordingly, we do not have an audit or compensation committee. As a result, members must rely on our manager, which is not independent, to perform these functions. Thus, there is a potential conflict in that our manager, which is engaged in management, will participate in decisions concerning management compensation and audit issues that may affect management performance.

As a public company, we are subject to regulations not applicable to private companies, such as provisions of the Sarbanes-Oxley Act. Efforts to comply with such regulations have and will involve significant expenditures. Additionally, if our manager fails to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

As a public company, we are subject to regulations not applicable to private companies, including provisions of the Sarbanes-Oxley Act and the related rules and regulations promulgated by the SEC. We are required and may in the future be required to spend significant amounts to remain in compliance. Such expenditures impact amounts available for distribution and may have a material adverse effect on our financial condition and results of operations.

In addition, our management is responsible for establishing and maintaining adequate internal control over financial reporting and is required to report on our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and rules and regulations of the SEC thereunder and to evaluate and disclose on a quarterly and annual basis changes in our internal control over financial reporting. During the course of testing, material weaknesses or deficiencies in the design or operating effectiveness of internal control over financial reporting may be identified. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. As previously disclosed, for the quarter ended December 31, 2023, we identified a material weakness in our internal control over financial reporting which consisted of the following: management had not engaged professional staff sufficient to timely obtain refreshed collateral and did not appropriately develop accounting policies and design and implement internal controls at a sufficient level of precision around our estimate of current expected future credit losses. This material weakness has been remediated as of December 31, 2025. While this material weakness did not result in any misstatement of our financial statements for any period presented, any future material weakness could result in a misstatement of account balances or disclosures that could result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

We cannot guarantee that additional material weaknesses will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our consolidated financial statements that could result in a restatement of our consolidated financial statements, and could cause us to fail to meet our reporting obligations, any of which could diminish investor confidence in us and lower the return on members' investments. Additionally, ineffective internal controls could expose us to an increased risk of financial reporting fraud and the misappropriation of assets and subject us to regulatory investigations and civil or criminal sanctions.

We operate in a heavily regulated industry and compliance with regulations could increase our costs of doing business and lower members' return.

The mortgage business has traditionally been heavily regulated. The costs of complying with these regulations could adversely affect our profitability, and violations of these regulations could materially adversely affect our business and financial results.

We established the \$1 per unit offering price on an arbitrary basis which may not reflect the amount members will receive upon a redemption of their units.

We arbitrarily determined the \$1 per unit price for reinvestment of distributions. Such price is not necessarily the amount a member may receive pursuant to the member's limited right to redeem units, subject to certain requirements. The amount that a redeeming member will receive is the lesser of the purchase price for the redeemed units or the redeeming member's capital account balance as of the date of each redemption payment. The fair market value of a member's interest in the company will be irrelevant in determining amounts to be paid upon redemption.

Members will be bound by the actions taken by the majority voting power.

Subject to certain limitations, members holding a majority of units may vote to, among other things:

- dissolve and terminate the company;
- amend the Operating Agreement, subject to certain limitations;
- approve or disapprove the sale of all or substantially all of our assets; and
- remove or replace our manager or elect additional or new managers.

If a member does not vote with the majority in interest, the member nonetheless will be bound by the majority vote.

If payments are not made on the formation loan under certain circumstances, such as our manager's removal, it may reduce members' rate of return or affect our capital available to fund new loans.

We have previously advanced to our manager funds in an amount equal to the sales commissions for our units and premiums paid to investors in connection with unsolicited sales of our units. The formation loan is an unsecured loan that does not bear interest and will be repaid in annual or quarterly installments. If the manager is removed, no other manager is elected, the company is liquidated or our manager is no longer receiving payments for services rendered, we will forgive the debt on the formation loan and our manager will be immediately released from any further obligations under the formation loan which could result in a significant loss to the company and have an adverse effect on our profitability.

Upon our dissolution or termination, members may experience delays in receiving distributions or receive no distributions and may not be able to fully recover their investment.

Under our Operating Agreement, we will continue to operate until December 2038, unless our term is extended by the vote of a majority in interest of the members. We could be dissolved and terminated earlier by operation of law or upon the occurrence of various events described in our Operating Agreement. Upon our dissolution, our manager will seek to promptly liquidate our assets for the best price reasonably obtainable, use any proceeds to satisfy our debts and distribute any remaining proceeds to our members and manager in accordance with the terms of our Operating Agreement. Accordingly, a member's ability to recover all or any portion of the member's investment under such circumstances will depend on the amount of funds so realized and claims to be satisfied from those proceeds.

Delays in liquidation could arise due to market conditions and other factors beyond the control of our manager. In the event we are unable to liquidate on or prior to the end of our anticipated term and depending on the amount of liquidation proceeds the manager is able to obtain, a member may not receive distributions of remaining proceeds, in a timely manner or at all.

Insufficient working capital reserves may require borrowings or liquidating our loans which, if not possible, may adversely affect us.

We intend to maintain a working capital reserve to meet our obligations, including our carrying costs and operating expenses. Our manager believes such reserves are reasonably sufficient for our contingencies. If for any reason those reserves are insufficient, we will have to borrow the required funds, limit or suspend redemptions, or liquidate some or all of our loans. In the event our manager deems it necessary to borrow funds, such borrowings may not be on acceptable terms or even available to us which could materially adversely affect our business and financial results.

Conflicts may arise regarding the financial condition of our manager.

Our manager must maintain a sufficient net worth and cash flow in order to continue to provide services to us. This may require our manager to make decisions regarding investments and other aspects of our business to allow it to collect fees and expense reimbursements, which actions could negatively affect our net income and cash available from operations.

Conflicts may arise if we participate in loans with other programs organized by our manager.

In certain limited circumstances and subject to compliance with applicable regulations or guidelines, we may participate in loans or joint ventures with other programs organized by our manager, where we purchase a direct or indirect partial interest in a loan. Our portion of the total loan may be smaller or greater than the portion of the loan made by the other programs. Participating in loans or joint ventures with other programs organized by our manager could result in a conflict of interest between us and our manager as well as between us and such other programs, in the event that the borrower defaults on the loan and our manager protects the interests of other programs, which it has organized, in the loan and in the underlying security.

Certain officers and other key personnel of our manager will face competing demands relating to their time and this may cause our operations and our investors' investments to suffer.

We rely on the executive officers and key personnel of our manager to provide services to us for the day-to-day operation of our business. In particular, as to Mr. Michael Burwell, President, Director, and Secretary/Treasurer of RMC, if he were to terminate his employment the manager's capacity/capability to continue business operations and maintain loan origination volumes could be impacted adversely. As a result of our executive officers' and key personnel's interests in other programs and business activities and their obligations to other investors, a failure by these persons or the manager to devote sufficient time or resources to our business, may have an adverse effect on our business and financial results, and the value of our units may decline.

We are dependent on the information systems of our manager and systems failures could significantly disrupt our business, which may, in turn, negatively affect our liquidity, financial condition or results of operations.

The business of mortgage lending/investing is dependent on third party communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control, such as:

- sudden electrical or telecommunications outages;
- natural disasters;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our operating results and negatively affect the value of our units and our ability to pay distributions.

Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our data or confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be intentional or unintentional and could involve bad actors gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include:

- disrupted operations;
- misstated or unreliable financial data;
- liability for stolen assets or information;
- increased cybersecurity protection and insurance costs;
- litigation; and
- damage to our investor relationships.

We have in the past experienced cyber security incidents which have not materially adversely impacted our business and/or operations. While we have taken measures to enhance protection against cyber security incidents and may engage in other actions from time to time to reduce our exposure to cyber security risks both to our internal systems and from outsourcing, these measures may not be sufficient to prevent future threats which may result in unauthorized access, loss, exposure or destruction of data, or other cybersecurity incidents, with increased costs and other consequences, including those described above. Privacy and information security laws and regulation changes, and compliance with those changes, may also result in cost increases due to system changes and the development of new administrative processes.

A mortgage lending transaction involves various diligence and other procedures that we and other service providers must undertake, and if we or the third party service providers do not accurately or completely execute the necessary checks and procedures for a lending transaction or fail to detect fraudulent activity, we may experience increased costs, loss, regulatory investigations or other adverse consequences.

The business of mortgage lending/investing regularly involves a significant number of complicated, technically demanding transactions and undertakings. For example, while we perform basic diligence on borrowers, we rely primarily on title and escrow service providers to ensure we have a valid lien on collateral securing our mortgage loans. We could experience increased costs, loss, regulatory investigations, or other adverse consequences if we do not accurately or completely execute a process or transaction, whether due to human error or otherwise; if we are unable to detect and prevent fraudulent activity; or if an employee or third-party service provider fails to comply with applicable policies and procedures, inappropriately circumvents controls, or engages in other misconduct. In the recent past, we detected a fraudulent mortgage lending transaction involving misrepresentation of the borrower's identity. While we were able to recover the full amount of the loss through insurance, there cannot be any assurance that insurance will cover any loss in any future incident.

RISKS RELATED TO TAXES AND ERISA

Members' ability to offset income with our losses may be limited.

We take the position that we are engaged in the active conduct of the trade or business of mortgage lending, as a result of which all or a portion of the income earned by members with respect to their investment in our units will be treated as ordinary income. Under the applicable Treasury regulations, each member is required to report separately on their income tax return all or a portion of the member's distributive share of our income as nonpassive income. Each member's distributive share of our losses, if any, will be reported as passive losses. Passive losses may be used to offset passive income. To the extent that passive losses do not offset passive income, they may be carried forward to offset passive income in future years. It is possible, however, that the Internal Revenue Service (the "IRS") could assert that our income is properly treated as portfolio income for purposes of those limitations. Such treatment is subject to the interpretation of complex Treasury regulations, and is dependent upon a number of factors, such as whether we are engaged in a trade or business, the extent to which we incur liabilities in connection with our activities, and the proper matching of the allocable expenses incurred in the production of income. There can be no assurance that an IRS challenge to our characterization of our income will not succeed. It also is possible that members may be subject to other limitations on the deductibility of our expenses and losses.

Members' tax liability may exceed the cash they receive.

Members' tax liabilities associated with an investment in the units for a given year may exceed the amount of cash we distribute during such year. Members will be taxed on their allocable share of our taxable income whether or not they actually receive cash distributions from us. Members' taxable income could exceed cash distributions they receive, for example, if a member elects to reinvest into additional units the cash distributions the member would otherwise have received. Taxable income in excess of cash distributions also could result if we were to generate so-called "phantom income" (taxable income without an associated receipt of cash). Phantom income could be recognized from a number of sources, including, without limitation, any established loan loss reserves. Under very limited circumstances, members could receive a special distribution to enable them to pay taxes on specified types of income.

We expect to generate unrelated business taxable income.

Tax-exempt investors (such as an employee pension benefit plan or an IRA) may be subject to tax to the extent that income from the units is treated as unrelated business taxable income, or UBTI. Funds we borrow cause a portion of income to be treated as UBTI. Investors that are tax-exempt entities are urged to consult their own tax advisors regarding the suitability of an investment in units. In particular, an investment in units may not be suitable for charitable remainder trusts.

Members may be subject to state and local tax laws.

The state in which a member resides may impose an income tax upon the member's share of our taxable income. Furthermore, states such as California, in which we own property, generally impose income tax upon a member's share of the company's taxable income considered allocable to such states, whether or not a member resides in that state. As a result, a nonresident member may be required to file a tax return in California. Members are urged to consult with their own tax advisers with respect to state and local tax consequences of an investment in our units.

Changes in tax laws could have an adverse effect on members' investment.

Changes in federal, state or local tax law could have an adverse effect on the rate of return on members' investment in our units or on the market value of our assets. Members are urged to consult with their own tax advisor with respect to the impact of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our units.

Risks of investment by ERISA plan investors and other tax-exempt investors.

A Benefit Plan Investor as defined by and subject to the requirements of ERISA should consider, among other things, (i) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA; and (ii) whether their investment is prudent, since it is not expected that there will be a market created in which a member can sell or otherwise dispose of the units. In addition if a member is a Benefit Plan Investor that is a tax-qualified pension or 401(k) plan, an IRA or a similar plan, the member should consider (i) whether a distribution of units in kind from the plan or IRA would be accepted as a rollover by a trustee or custodian of a successor plan or IRA, and if not accepted, whether the automatic 20% income tax withholding would create the need to effectuate the rollover using assets other than the units; and (ii) whether a required distribution from a tax-qualified pension or 401(k) plan or IRA commencing on the April 1 following the calendar year in which the beneficiary attains age 70 1/2 (or if later with respect to a tax-qualified plan distribution, the date the beneficiary retires) could cause the beneficiary to become subject to income tax that the beneficiary would need to satisfy out of assets other than the units if such beneficiary were not able to transfer the units for cash.

Finally, Benefit Plan Investors, including tax-qualified pension and 401(k) plans and IRAs, should consider (i) whether the investment will impair the liquidity of their plan, IRA or other entity; and (ii) whether interests in us or the underlying assets owned by us constitute "plan assets" for purposes of Section 406 of ERISA or Section 4975 of the Internal Revenue Code (the "Code") which could cause certain transactions with us to constitute non-exempt prohibited transactions. ERISA requires that the assets of a plan be valued at their fair market value as of the close of the plan year, and it may not be possible to adequately value the units from year to year, since there will not be a market for those units and the appreciation of any property may not be shown in the value of the units until we sell or otherwise dispose of our investments. If a member is an employee benefit plan subject to federal, state or local law that is substantially similar to ERISA, it should consider whether an investment in the units satisfies the requirements of such similar law.

Item 1B – Unresolved Staff Comments

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

Item 1C – Cybersecurity

Our manager has processes in place for assessing, identifying, and managing material risks from potential unauthorized occurrences on or through its electronic information systems that could adversely affect the confidentiality, integrity, or availability of its information systems or the information residing on those systems. These include a variety of mechanisms, controls, protocols, technologies, methods, systems/network architecture, and other processes that are designed to prevent, detect, and/or mitigate unauthorized access, data loss, theft, and/or misuse, or other security incidents or vulnerabilities affecting the data. The data include confidential, proprietary, and business and personal information that RMC collects, processes, stores, and transmits as part of our business, including on behalf of third parties. Our manager also use systems and processes designed to reduce the impact of a security incident at a third-party vendor or customer. Additionally, our manager uses processes to oversee and identify material risks from cybersecurity threats associated with its use of third-party technology and systems, including: technology and systems we use for encryption and authentication; employee email; content delivery to customers; back-office support; and other functions.

As part of our manager’s risk management process, it conducts application security assessments, vulnerability management, penetration testing, security audits, and ongoing risk assessments. RMC maintains a variety of incident response plans that are to be utilized when incidents are detected. RMC requires employees with access to information systems, including all corporate employees, to undertake data protection and cybersecurity training and compliance programs annually.

Our security vendor is responsible for implementing and maintaining centralized cybersecurity and data protection practices at RMC in close coordination with RMC’s senior leadership and other teams across RMC. The vendor has a number of experienced information security team members responsible for various parts of our business, all of whom are supported by a team of trained cybersecurity professionals and at times may engage assessors, consultants, auditors, or other third parties to assist with assessing, identifying, and managing cybersecurity risks.

Cybersecurity risks and associated mitigations are evaluated by RMC’s senior leadership bimonthly. Additionally reviewed in these bimonthly meetings are hardware and software used throughout the business operation, from firewall devices to endpoints and peripherals, as well as internally hosted software and applications to SaaS and vendor sites.

As of the date of this filing, we have not identified any cybersecurity threats or incidents that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, there can be no assurance that we, or our third-party business partners or service providers, will not experience a cybersecurity threat or incident in the future that could materially adversely affect our business strategy, results of operations, or financial condition. For further discussion of cybersecurity risks we face, see the risk factors discussed under “*Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our data or confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results*” in Risk Factors in Item 1A of this Form 10-K.

Item 2 – Properties

As of December 31, 2025, the company does not own (and has not owned since its inception) any real property.

The company’s mailing address is at RMC’s leased office space at 155 Bovet Road, Suite 302, San Mateo, CA 94402.

Item 3 – Legal Proceedings

See Note 6 (Commitments and Contingencies, Other Than Loan Commitments) to the financial statements included in Part II, Item 8 of this report for information regarding legal proceedings and government proceedings, which presentation is incorporated by reference into this Item 3.

Item 4 – Mine Safety Disclosures

Not Applicable.

Part II

Item 5 – Market for the Registrant’s Units, Related Unitholder Matters and Issuer Purchases of Equity Securities

Investors have limited ability to sell their units, as units are not listed on an exchange or quoted through a quotation system, and there is no secondary market. The Operating Agreement imposes substantial restrictions upon transfer of units. Units may not be accepted by a lender as security for borrowing. Therefore, an investment in our units is not suitable for investors who expect to require short-term liquidity from their investments. See “Liquidity and unit redemption program” in Part I of this report. As of February 28, 2026, there were 1,150 unit-holders, who held approximately \$62.2 million units.

Recent sales of unregistered securities

All sales of our units within the past three years were registered under the Securities Act.

DRIP/ SEC registrations, closed July 2024

On May 9, 2019, the company filed a Registration Statement on Form S-3 with the SEC (SEC File No. 333-231333) to offer up to 15,000,000 units (\$15,000,000) to members of record as of April 30, 2019 that had previously elected to participate in the DRIP or that elect to participate in the DRIP in those states in which regulatory approval has been obtained. The Registration Statement on Form S-3 became effective on May 9, 2019. The gross proceeds from sales of units to our members under our DRIP pursuant to the May 9, 2019 Form S-3 Registration Statement (after May 9, 2019) were approximately \$9.6 million, which proceeds were used for general corporate operations.

In July 2024, members who had elected to participate in the DRIP were notified by a letter included with their June 2024 monthly statements that the DRIP was closed. As a result of this plan closure, members that previously did not receive quarterly income distributions because of their enrollment in the DRIP received income distribution checks for the quarter ended September 30, 2024 and continue to receive quarterly income distributions to the extent of cash available for distribution.

Redemption of units

The Operating Agreement provides for a unit redemption program, whereby a member may redeem all or part of their units, subject to certain limitations. For more information about the unit redemption program, see Item 1- Business – “Liquidity and unit redemption program” of this report.

Units redeemed in 2025 and 2024 by quarter are presented in the following table (\$ in thousands). All redemptions are made on the last business day of the quarter and valued at \$1 per unit.

For the quarterly period ended	2025		2024	
March 31	\$	840	\$	882
June 30		834		865
September 30		821		859
December 31		812		852
Total	\$	<u>3,307</u>	\$	<u>3,458</u>
Total withdrawals since formation	\$	37,174	\$	33,867

Eligible members’ capital redemption requests at December 31, 2025 approximated \$25.8 million, of which

- \$24.3 million were received at or prior to September 30, 2025 and
- \$1.5 million were received in the quarter ended December 31, 2025 and will be eligible at March 31, 2026.

Eligible members’ capital redemption requests at December 31, 2024 approximated \$24.3 million, of which

- \$22.2 million were received in 2024 at or prior to September 30, 2024 and
- \$2.1 million were received in the quarter ended December 31, 2024 and became eligible at March 31, 2025.

Distributions

Distributions to members totaled approximately \$2.5 million and \$3.1 million in 2025 and 2024, respectively. See “Distribution policy” under Item 1- Business in Part I of this report, which discussion is incorporated by reference herein.

Fair market value / unit value

In compliance with FINRA Rule 2310 concerning direct-participation-program value per unit estimates, RMC obtained information regarding fair market valuations of the net assets and unit value as of December 31, 2025, for RMI IX. The valuations were performed with the assistance of an independent valuation firm that provides asset valuations to retirement plan sponsors, plan administrators, banking and trust companies, and ERISA plans. The fair values of the individual properties were taken from appraisals which referenced the most current available market information such as listing agreements, offers, and pending and closed sales. Industry standard valuation approaches, including the Income Approach (as described below), were utilized in deriving the fair values, as appropriate. There is no assurance that this estimated fair value of the membership units is or will remain accurate, and it does not determine the amount that a member is entitled to receive upon redemption of units. The redemption amount is determined by the applicable provisions of the Operating Agreement.

Based on the analysis summarized in Exhibit 99.1 (Fair Value per Unit), the fair value of a unit of RMI IX was determined to be \$1.00.

The fair value of loan balances (i.e., principal plus interest) secured by deeds of trust, per the Market Approach (as described below), is deemed to approximate the recorded amount (per the financial statements) as the 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; and
- are not yet sellable into an established secondary market as companies or individuals originating loans similar to those originated by RMC on behalf of the company typically intend to hold the loans until maturity.

Market Approach - The market approach measures value based on what other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued. When the market approach is utilized, data is collected on the prices paid for reasonably comparable assets. Adjustments are made to the comparable assets to compensate for differences between those assets and the asset being valued. In the case of real estate for example, adjustments might be made for location, quality or construction, and/or building amenities. The application of the market approach results in an estimate of the price reasonably expected to be realized from the sale of the property.

Income Approach - The income approach is a valuation technique that provides an estimation of the fair value of an asset, such as RMI IX's loans, based on the cash flows that an asset can be expected to generate over its estimated remaining economic term. This approach begins with an estimation of the annual cash flows a prudent investor would expect the subject asset to generate over a discrete projection period. The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the asset's projected cash flows.

The primary purpose of the valuation was to determine the fair value of a unit of membership interest in RMI IX. There is no assurance that this estimated value is or will remain accurate, and it does not determine the amount that a member is entitled to receive upon withdrawal of units. RMC makes no representation, express or implied, that a unit of RMI IX could or would be transferred by an investor for the stated fair value.

Commissions for unit sales to new members paid to broker-dealers/formation loan

The company ceased offering units to new members on April 30, 2019. Prior to April 2019, commissions for unit sales to new members paid to broker-dealers ("B/D sales commissions") and premiums paid to certain investors upon the purchase of units were paid by RMC and were not paid directly by us out of unit-sales proceeds. Instead, the company advanced to RMC amounts sufficient to pay the B/D sales commissions and premiums to be paid to investors. Such advances in total were not to exceed seven percent (7%) of offering proceeds. The receivable arising from the advances is unsecured and non-interest bearing and is referred to as the "formation loan."

As of December 31, 2025, such advances totaled approximately \$5.6 million, of which \$2.6 million was then outstanding. Please refer to the information under "—Formation loan" and "—Organization and offering expenses" in Note 3 (Manager and Other Related Parties) to the financial statements included in Part II, Item 8 of this report for a discussion of the formation loan and organization and offering expenses, which discussions are incorporated herein by this reference.

The formation loan is repayable by RMC in annual installments of approximately \$208 thousand which may be paid by RMC either in full on December 31 of each calendar year during the term of the company or in four equal quarterly installments. Any amount of the formation loan remaining unpaid on the last day of the company term, if any, is payable in full on that date.

Item 6 – [Reserved.]

Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the audited financial statements and notes thereto, which are included in Part II, Item 8 of this report.

Manager and Other Related Parties

Note 1 (Organization and General) and Note 3 (Manager and Other Related Parties) to the financial statements included in Part II, Item 8 of this report present details as to the company activities for which related parties are compensated and related transactions, including the formation loan to RMC, which presentation is incorporated by this reference into this Item 7.

Critical Accounting Estimates

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 credit losses, including determining the fair value of the collateral, and the valuation of real estate owned (RMI IX has not acquired real estate owned (“REO”) since it commenced operations in 2009). Actual results could differ significantly from these estimates.

Allowance for credit losses

Accounting Standards Codification 326, Financial Instruments – Credit Losses (ASC 326) requires a lifetime, current expected credit loss (CECL) measurement objective for the recognition of credit losses at the time a loan is originated or acquired. The allowance for credit losses is adjusted each period for changes in expected lifetime credit losses for loans and accrued interest.

The determination of the amount of the allowance for credit losses considers historical loss experience, current fair value of collateral and the resultant LTV, current real estate and financial markets, as well as reasonable and supportable forecasts about future economic scenarios. The forward-looking estimates consider the likelihood that any combination of events would adversely impact economic conditions and real estate markets in California such that the substantial protective equity (measured net of senior debt and claims) would no longer be sufficient to collect the recorded amounts of principal, advances and accrued interest due on the loan.

- Fair value estimates - real property collateral for loans

The fair value of real property (as to loan collateral and REO, if any) is determined by exercise of judgment based on RMC’s management’s experience informed by appraisals (by licensed appraisers), brokers’ opinion of values, and publicly available information on in-market transactions. Three methods are utilized: 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 and income approach may yield different values depending on certain basic assumptions, including comparables sales, market capitalization rates and certain components of net operating income as well as 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, and 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.

Results of Operations

The following discussion describes our results of operations for 2025 and 2024.

Key performance indicators

Key performance indicators are presented in the following table (\$ in thousands).

	2025	2024
Members' capital, gross – end of period balance	\$ 61,788	\$ 65,995
Members' capital, gross – average daily balance	\$ 64,650	\$ 68,831
Member redemptions ⁽¹⁾	\$ 3,307	\$ 3,458
Secured loans principal – end of period balance	\$ 58,163	\$ 53,475
Secured loans principal – average daily balance	\$ 48,243	\$ 67,014
First trust deeds	30	27
Principal – first trust deeds	\$ 49,788	\$ 46,945
Weighted average OLTV – first trust deeds ⁽²⁾	55.5%	59.3%
Second trust deeds	6	9
Principal – second trust deeds	\$ 8,375	\$ 6,530
Weighted average OLTV – second trust deeds ⁽²⁾	57.0%	55.9%
Interest income	\$ 5,042	\$ 6,818
Portfolio interest rate ⁽³⁾	10.1%	9.4%
Effective yield rate ⁽⁴⁾	10.5%	10.2%
Line of credit – end of period balance	\$ —	\$ 4,000
Line of credit – average daily balance ⁽⁵⁾	\$ 244	\$ 6,937
Interest expense	\$ 51	\$ 675
Interest rate – line of credit ⁽⁵⁾	0.5%	8.6%
Provision for credit losses	\$ 335	\$ 90
Total operations expense ⁽⁹⁾	\$ 2,918	\$ 2,719
Net income ⁽⁹⁾	\$ 1,825	\$ 3,388
Percent of average members' capital ⁽⁶⁾⁽⁷⁾	2.8%	4.9%
Member distributions	\$ 2,485	\$ 3,122
Percent of average members' capital ⁽⁶⁾⁽⁸⁾	3.8%	4.5%

(1) Eligible redemption requests at December 31, 2025 of approximately \$25.8 million are carried forward to subsequent quarters until paid. See Note 3 (Manager and Other Related Parties) to the financial statements included in Part II, Item 8 of this report for a detailed discussion of redemptions of members' capital.

(2) The LTVs use the fair value at origination of the loans (OLTV). See table below for LTVs based on updated collateral fair market values and loan balances.

(3) Stated note interest rate, weighted daily average (annualized).

(4) Percent of secured loans – average daily balance (annualized). In 2025 and 2024, the company collected post-maturity and default interest of \$205 thousand and \$552 thousand, respectively, with respect to multiple loans, which amounts were above the interest rates on the related notes.

(5) Interest rate of Line of Credit, weighted daily average (annualized). See Note 5 (Line of Credit) to the financial statements included in Part II, Item 8 of this report for a presentation of the activity and discussion of the terms and conditions of the loan agreement.

- (6) Percent of members' capital, gross – average daily balance (annualized).
- (7) Percent based on the net income available to members (excluding 1% allocated to manager).
- (8) Members Distributions is net of O&O expenses allocated to members' accounts during the year.
- (9) In 2024, RMC – at its sole discretion – collected less than the maximum allowable reimbursement of qualifying costs attributable to RMI IX (Costs from RMC on the Statements of Income), which increased the net income, cash available for distribution, and the net-distribution rate. See Note 3 (Manager and Other Related Parties) to the financial statements included in Part II, Item 8 of this report for a detailed discussion of fees and cost reimbursements to which the manager is entitled.

Redemptions of members' capital

The Operating Agreement provides for a unit redemption program, whereby a member may redeem all or part of their units, subject to certain limitations. For more information about the unit redemption program, see Item 1- Business – “Liquidity and unit redemption program” of this report.

Eligible members' capital redemption requests at December 31, 2025 approximated \$25.8 million, of which

- \$24.3 million were received at or prior to September 30, 2025; and
- \$1.5 million were received in the quarter ended December 31, 2025 and will be eligible at March 31, 2026.

Eligible members' capital redemption requests at December 31, 2024 approximated \$24.3 million, of which

- \$22.2 million were received at or prior to September 30, 2024; and
- \$2.1 million were received in the quarter ended December 31, 2024 and became eligible at March 31, 2025.

Secured loans

The secured loans principal – average daily balance in 2025 decreased by approximately \$18.8 million compared to 2024. This decrease is primarily due to a reduced availability of loans qualifying under the company's lending criteria.

Secured loans, principal, advances and interest unpaid, by LTV and lien position.

LTVs presented in the following tables (and the supplemental information following them) have been updated for changes in fair values of the collateral as indicated by appraisals, broker opinion of value, or other external market evidence received by the manager after the origination of the loan, if any, and for the loan balance (the sum of principal, advances and interest unpaid) at December 31, 2025.

Secured loans, principal by LTV and lien position at December 31, 2025 are presented in the following table (\$ in thousands).

LTV ⁽¹⁾	Secured loans, principal					
	First trust deeds	Percent ⁽²⁾	Second trust deeds	Percent ⁽²⁾	Total principal	Percent ⁽²⁾
<40%	\$ 7,117	12.2%	\$ 1,100	1.9%	\$ 8,217	14.1%
40-49%	1,955	3.4	—	0.0	1,955	3.4
50-59%	15,067	25.8	4,800	8.3	19,867	34.1
60-69%	13,234	22.8	1,250	2.1	14,484	24.9
Subtotal <70%	37,373	64.2	7,150	12.3	44,523	76.5
70-79%	10,469	18.0	-	0.0	10,469	18.0
Subtotal <80%	47,842	82.2	7,150	12.3	54,992	94.5
≥80% ⁽³⁾	1,946	3.4	1,225	2.1	3,171	5.5
Total	\$ 49,788	85.6%	\$ 8,375	14.4%	\$ 58,163	100.0%

(1) LTV classifications in the table above are based on the sum of principal, advances and interest unpaid at December 31, 2025.

(2) Percent of secured loans principal, end of period balance.

(3) See the table below for specific details of the loans that have an LTV over 80%.

Secured loans (loan balance), with payments in arrears, by LTV and lien position at December 31, 2025 are presented in the following tables (\$ in thousands).

LTV ⁽⁴⁾	Secured loans with payments in arrears, principal					
	First trust deeds		Second trust deeds		Total principal	
		Percent ⁽⁵⁾		Percent ⁽⁵⁾		Percent ⁽⁵⁾
<40%	\$ 319	0.5%	\$ —	0.0%	\$ 319	0.5%
40-49%	—	0.0	—	0.0	—	0.0
50-59%	—	0.0	—	0.0	—	0.0
60-69%	8,570	14.7	1,250	2.1	9,820	16.8
Subtotal <70%	8,889	15.2	1,250	2.1	10,139	17.3
70-79%	8,165	14.1	—	0.0	8,165	14.1
Subtotal <80%	17,054	29.3	1,250	2.1	18,304	31.4
≥80%	1,946	3.4	1,225	2.1	3,171	5.5
Total	\$ 19,000	32.7%	\$ 2,475	4.2%	\$ 21,475	36.9%

(4) LTV classifications in the table above are based on the sum of principal, advances and interest unpaid at December 31, 2025.

(5) Percent of secured loans principal at December 31, 2025.

The \$21.5 million of secured loans (loan balance) with payments in arrears, including loans past maturity, is comprised of the following eleven loans:

- In San Bruno, San Mateo County (LTV 120%, principal \$955 thousand), a commercial building operated as an owner/user restaurant (first lien deed of trust) – The borrower is delinquent on monthly payments (180 days or more), has forced place insurance and is delinquent on property taxes. In January 2026, the collateral was acquired by foreclosure sale (and possession of the property was taken).
- In San Francisco (LTV 98%, principal \$990 thousand), a three-unit mixed use building (first lien deed of trust) – The loan matured in December 2025, and the borrower is 180 days or more delinquent on monthly payments.
- In Los Angeles (LTV 83%, principal \$625 thousand), a multi-family building (second lien deed of trust) – The loan matured in August 2025 and the borrower continues making monthly payments.
- In Los Angeles (LTV 81%, principal \$600 thousand), a multi-family building (second lien deed of trust) – The loan matured in April 2025 and the borrower continues making monthly payments.
- In Palo Alto, Santa Clara County (LTV 77%, principal \$4.7 million), an office building with approved plans for a senior living housing facility (first lien deed of trust) – The loan matured in October 2023. A forbearance agreement dated October 31, 2025, provided for a payment of \$973 thousand (received in October 2025) that was applied approximately \$191 thousand to principal, approximately \$671 thousand to accrued interest (the full amount owing including for October 2025), and the remainder to advances and late fees, and for the final payment in full by the borrower by January 15, 2026, on which the borrower defaulted. On March 31, 2026, the borrower and the company entered into an agreement (the “2026 agreement”), pursuant to which the borrower agreed to a payment plan consisting of ten (10) weekly payments of \$20 thousand (commencing March 31, 2026 to June 2, 2026) and payment in full of the note balance on or before June 17, 2026.
- In Pleasanton, Alameda County (LTV 72%, principal \$2.8 million), a single-family residence (first lien deed of trust) and another single-family home in San Jose (second lien deed of trust). The borrower was delinquent 30-89 days on monthly payments. In March 2026, the San Jose property sold and the company received \$1.8 million which was applied to late fees, interest and then to principal, resulting in unpaid principal of \$1.2 million (LTV 52%).
- In Napa (LTV 71%, principal \$633 thousand), a single-family residence (first lien deed of trust) – The loan matured in December 2024, and the borrower is 180 days or more delinquent on monthly payments.
- In Los Angeles (LTV 69%, principal \$1.3 million), an office building (2nd lien deed of trust) – The loan matured in December 2025, and the borrower continues making monthly payments.
- In Livermore, Alameda County (LTV 64%, principal \$1.2 million), a commercial condominium (first lien deed of trust) – The loan matured in October 2025.
- In San Diego (LTV 60%, principal \$7.4 million), an industrial building (first lien deed of trust) – The borrower is 30-89 days delinquent on monthly payments. The loan matured in March 2026.

- In Oakley, Contra Costa County (LTV 40%, principal \$318 thousand), a single-family home (first lien deed of trust) – The borrower is 90-179 days delinquent on monthly payments. The loan was paid off in February 2026.

At December 31, 2025, payments in arrears (i.e., principal and interest payments past due 30 or more days) for the above eleven secured loans totaled approximately \$10.4 million of which approximately \$10.0 million was principal and approximately \$357 thousand was accrued interest. As noted above, a loan with principal of \$4.7 million had a forbearance agreement dated October 31, 2025, that provided for final payment in full by the borrower by January 15, 2026 on which the borrower defaulted. Subsequent to December 31, 2025, pursuant to the 2026 agreement, the borrower agreed to a payment plan consisting of ten (10) weekly payments of \$20 thousand (commencing March 31, 2026 to June 2, 2026) and payment in full of the note balance on or before June 17, 2026.

Secured loans (loan balance) for matured loans, by LTV and lien position at December 31, 2025 are presented in the following table (\$ in thousands).

LTV ⁽⁶⁾	Secured loans past maturity, principal					
	First trust deeds		Second trust deeds		Total principal	
		Percent ⁽⁷⁾		Percent ⁽⁷⁾		Percent ⁽⁷⁾
<40%	\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
40-49%	—	0.0	—	0.0	—	0.0
50-59%	—	0.0	—	0.0	—	0.0
60-69%	1,170	2.0	1,250	2.1	2,420	4.1
Subtotal <70%	1,170	2.0	1,250	2.1	2,420	4.1
70-79%	5,366	9.2	—	0.0	5,366	9.2
Subtotal <80%	6,536	11.2	1,250	2.1	7,786	13.3
≥80%	990	1.7	1,225	2.1	2,215	3.8
Total	\$ 7,526	12.9%	\$ 2,475	4.2%	\$ 10,001	17.1%

(6) LTV classifications in the table above are based on the sum of principal, advances and interest unpaid at December 31, 2025.

(7) Percent of secured loans principal, end of period balance.

The \$10.0 million of secured loans (loan balance) with past maturity comprised of the following seven loans:

- In San Francisco (LTV 98%, principal \$990 thousand), a three-unit mixed use building (first lien deed of trust) – The loan matured in December 2025, and the borrower is 180 days or more delinquent on monthly payments.
- In Los Angeles (LTV 83%, principal \$625 thousand), a multi-family building (second lien deed of trust) – The loan matured in August 2025 and the borrower continues making monthly payments.
- In Los Angeles (LTV 81%, principal \$600 thousand), a multi-family building (second lien deed of trust) – The loan matured in April 2025 and the borrower continues making monthly payments.
- In Palo Alto, Santa Clara County (LTV 77%, principal \$4.7 million), an office building with approved plans for a senior living housing facility (first lien deed of trust) – The loan matured in October 2023. A forbearance agreement dated October 31, 2025, provided for a payment of \$973 thousand (received in October 2025) that was applied approximately \$191 thousand to principal, approximately \$671 thousand to accrued interest (the full amount owing including for October 2025), and the remainder to advances and late fees, and for the final payment in full by the borrower by January 15, 2026, on which the borrower defaulted. Subsequent to December 31, 2025, pursuant to the 2026 agreement the borrower agreed to a payment plan consisting of ten (10) weekly payments of \$20 thousand (commencing March 31 to June 2, 2026) and payment in full of the note balance on or before June 17, 2026.
- In Napa (LTV 71%, principal \$633 thousand), a single-family residence (first lien deed of trust) – The loan matured in December 2024, and the borrower is 180 days or more delinquent on monthly payments.
- In Los Angeles (LTV 69%, principal \$1.3 million), an office building (2nd lien deed of trust) – The loan matured in December 2025, and the borrower continues making monthly payments.
- In Livermore, Alameda County (LTV 64%, principal \$1.2 million), a commercial condominium (first lien deed of trust) – The loan matured in October 2025.

See Note 4 (Loans) to the financial statements included in Part II, Item 8 of this report for detailed presentations as to the secured loan portfolio, including loan characteristics, scheduled maturities, delinquency and payments in arrears, loans in non-accrual status and the allowance for credit losses.

Performance overview/net income 2025 v. 2024

Net income available to members as a percent of members' capital, gross – average daily balance was 2.8% and 4.9% for the year ended December 31, 2025 and 2024, respectively. Net income decreased by approximately \$1.6 million in 2025 as compared to 2024 due to a decrease in net interest income of approximately \$1.2 million, an increase in provision for credit losses of approximately \$245 thousand and an increase in operations expenses of approximately \$199 thousand, partially offset by an increase in late fees of approximately \$49 thousand. The portfolio interest rate on secured loans has increased by 0.7 percentage points to 10.1% since December 31, 2024; the effective yield rate increased by 0.3 percentage points to 10.5%.

Analysis and discussion of income from operations 2025 v. 2024

Significant changes to net income are summarized in the following table (\$ in thousands).

Year ended	Net interest income	Provision for credit losses	Operations expense	Net income
December 31, 2025	\$ 4,991	335	2,918	\$ 1,825
December 31, 2024	6,143	90	2,719	3,388
Change	<u>\$ (1,152)</u>	<u>245</u>	<u>199</u>	<u>\$ (1,563)</u>
Change				
Decrease in secured loans principal - average daily balance	\$ (1,846)	—	(46)	\$ (1,800)
Effective yield rate	71	—	—	71
Increase in RMI IX capital as a percent of total related mortgage funds capital managed by RMC	—	—	47	(47)
Interest on line of credit	586	—	—	586
Allowance for credit losses, specific reserve	—	245	—	(245)
Late fees	—	—	—	49
Gain on sale, loans	—	—	—	(16)
Decrease in allocable expenses from RMC	—	—	(14)	14
RMC fees/costs reimbursements collected	—	—	163	(163)
Interest on notes receivable from related parties	6	—	—	6
Interest on unsecured borrowings	32	—	—	32
Tax compliance services	—	—	8	(8)
Legal services	—	—	(226)	226
Timing of services rendered	—	—	(9)	9
Independent contractors	—	—	(3)	3
Audit services	—	—	225	(225)
Other	(1)	—	54	(55)
Change	<u>\$ (1,152)</u>	<u>245</u>	<u>199</u>	<u>\$ (1,563)</u>

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 \$1.2 million (18.8%) in 2025 compared to 2024. Interest income decreased approximately \$1.8 thousand (26.0%) resulting from a decrease in the average daily balance of secured loans principal of approximately \$18.8 million (28.0%). In 2025 and 2024 the company collected post-maturity and default interest of \$205 thousand and \$552 thousand, respectively, with respect to multiple loans, which amounts were above the interest rates on the related notes.

Interest expense on the line of credit decreased approximately \$587 thousand (96.9%) in 2025 compared to 2024 due to a decrease in the line of credit – average daily balance of approximately \$6.7 million (96.5%). Interest expense on intercompany promissory notes and intercompany unsecured borrowings decreased approximately \$38 thousand (100%). See Key performance indicators table included above in Part II, Item 7 of this report for details on the average interest rate on the line of credit.

Provision/allowance for credit losses

The increase in the provision for credit losses to \$335 thousand in 2025 reflects the decrease in the expected net proceeds to the company – for two collateral-dependent loans – upon foreclosure and subsequent sale of the underlying collateral, due to a decline in the fair value of the collateral and/or an increase in the amount of the senior debt and claims (e.g., delinquent property taxes). See the presentation on secured loans, principal, advances and interest unpaid, by LTV and lien position in this Item 8 for a detailed presentation of current loan status.

Operations expense 2025 v. 2024

Significant changes to operations expense are summarized in the following table (\$ in thousands).

Year ended	Mortgage servicing fees	Asset management fees	Costs from RMC, net	Professional services	Other	Total
December 31, 2025	\$ 123	472	592	1,666	65	\$ 2,918
December 31, 2024	169	471	396	1,655	28	2,719
Change	<u>\$ (46)</u>	<u>1</u>	<u>196</u>	<u>11</u>	<u>37</u>	<u>\$ 199</u>
Change						
Decrease in secured loans principal - average daily balance	\$ (46)	—	—	—	—	\$ (46)
Decrease in members' capital - average daily balance	—	1	—	—	—	1
Increase in RMI IX capital as a percent of total related mortgage funds capital managed by RMC	—	—	47	—	—	47
Decrease in allocable expenses from RMC	—	—	(14)	—	—	(14)
RMC fees/costs reimbursements collected	—	—	163	—	—	163
Tax compliance services	—	—	—	8	—	8
Legal services	—	—	—	(226)	—	(226)
Timing of services rendered	—	—	—	(9)	—	(9)
Independent contractors	—	—	—	(3)	—	(3)
Audit services	—	—	—	225	—	225
Other	—	—	—	16	37	53
Change	<u>\$ (46)</u>	<u>1</u>	<u>196</u>	<u>11</u>	<u>37</u>	<u>\$ 199</u>

Mortgage servicing fees

The decrease in mortgage servicing fees of approximately \$46 thousand in 2025 compared to 2024 was due to a decrease in the average daily balance – secured loans of approximately \$18.8 million at the annual mortgage servicing fee to RMC of 0.25%. The decrease in the average daily balance – secured loans was due to a reduction in members' capital.

Asset Management Fees

The asset management fees were about the same in 2025 and 2024. The asset management fee is computed using the prior year end member's capital base which is the then fair value of the company's loans plus working capital reserves less outstanding debt.

Costs from RMC, net

RMC is entitled to request reimbursement for operations expense incurred on behalf of RMI IX, including without limitation, RMC's personnel and non-personnel costs incurred for qualifying business activities, including investor services, accounting, tax and data processing, postage and out-of-pocket general and administration expenses.

The amount of qualifying costs attributable to RMI IX incurred by RMC was approximately \$592 thousand and \$545 thousand in 2025 and 2024, respectively. The reimbursement of costs from RMC waived was approximately \$149 thousand in 2024. In October 2024, RMC began collecting the full amount of the qualifying costs attributable to RMI IX to which it was entitled.

Professional services

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

The increase in professional services of approximately \$11 thousand in 2025 compared to 2024 was due to an increase in audit fees, partially offset by a decrease in legal fees due to reduced legal services and a decrease due to timing differences of services rendered. Costs for these professional services have been increasing – and are expected to continue to increase – as the demands (and complexity) of regulatory, accounting and tax compliance increase and the rate at which firms charge for their services increases.

Cash flows and liquidity

Cash flows by business activity are presented in the following table (\$ in thousands).

	2025	2024
Members' capital		
Distributions to members, net of DRIP	\$ (2,503)	\$ (2,713)
Redemptions, net	(3,307)	(3,472)
O&O expenses repaid by RMC	19	31
Cash – members' capital, net	(5,791)	(6,154)
Borrowings		
Line of credit borrowings (payments), net	(4,000)	1,847
Interest paid	(75)	(621)
Debt issuance costs paid	—	(66)
Promissory note received from related party	—	940
Promissory note repaid to related party	—	(940)
Promissory note received from third party	—	1,500
Promissory note repaid to third party	—	(1,500)
Unsecured borrowings received from related mortgage funds	—	2,500
Unsecured borrowings repaid to related mortgage funds	—	(2,500)
Cash – borrowings, net	(4,075)	1,160
Cash – members' capital and borrowings, net	(9,866)	(4,994)
Loan principal/advances/interest		
Loans funded & advances, net	(40,332)	(42,440)
Principal collected	35,620	46,747
Loans sold to non-affiliate	1,076	4,068
Interest received, net	5,023	6,657
Late fees	79	27
Promissory note repaid by related mortgage fund	—	2,800
Cash – loans, net	1,466	17,859
Formation loan collected	104	208
Operations expense	(3,200)	(2,727)
Net change in cash	\$ (11,496)	\$ 10,346
Cash, end of year	\$ 562	\$ 12,058

Distributions to members

To determine the amount of cash to be distributed in any month, the company relies in part on its forecast of full-year net income, which takes into account the difference between the forecasted net income for the remainder of the year and actual results in the year to date and the requirement to maintain cash sufficient to support ongoing operations and meet obligations timely. As of December 31, 2025, the difference between earnings allocated to members' capital accounts and net income available to members was approximately \$380 thousand resulting in a decrease in members' capital, and is expected to be offset by future earnings in excess of net distributions in 2026 resulting from the collection of foregone interest, late fees and post-maturity interest.

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

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

There is no requirement in the Operating Agreement for a required level of distributions to members. The amount of distributions to members is determined by the manager based on financial results and cash available for distribution taking into consideration the need to maintain adequate cash balances to support ongoing operations. The manager has broad discretion in determining the dollar amount of cash balances required.

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

In July 2024, members who had elected to participate in the DRIP were notified by a letter included with their June 2024 monthly statements that the DRIP was closed. As a result of this closure, members that previously did not receive quarterly income distributions because of their enrollment in the DRIP received income distribution checks for the quarter ended September 30, 2024 and continue to receive quarterly income distributions to the extent of cash available for distribution.

Liquidity, borrowings and capital resources

The ongoing sources of funds are the proceeds from:

- loan payoffs;
- borrowers' monthly principal and interest payments;
- line of credit advances (to fund secured loans only);
- loan sales to unaffiliated third parties; and
- payments from RMC on the outstanding balance of the formation loan.

The company's cash balances are maintained at levels sufficient to support on-going operations and satisfy obligations, without reducing loan fundings or suspending distributions or redemptions, although these options are available if future circumstances warrant. If at any time the company has fully deployed the capital available to lend, the manager would continue to utilize loan assignments to related mortgage funds and loan sales to unaffiliated third parties to maintain liquidity of the company. The manager believes these sources of funds will provide sufficient funds to adequately meet financial obligations for the next twelve months.

In addition, the company has a \$10 million revolving line of credit (subject to a borrowing base) and term loan facility which expires on March 13, 2028. Advances on the line of credit are to be used exclusively to fund secured loans. The credit agreement for the facility contains various covenants, including a credit payment delinquency rate (measured quarterly), which, if exceeded, would not allow the company to make further borrowings under the facility until the company regains compliance. See Note 5 (Line of Credit) to the financial statements included in Part II, Item 8 of this report for a detailed presentation of the activity and discussion on additional terms and provisions of the credit agreement (and subsequent modifications), which presentation is incorporated by this reference into this Item II. There can be no assurance that the company will have adequate funds from which loans may be funded.

Contractual obligations and commitments

At December 31, 2025, the company had no construction or rehabilitation loans outstanding, no loan commitments pending, and no off-balance sheet arrangements as such arrangements are not permitted by the Operating Agreement. Note 3 (Manager and Other Related Parties) to the financial statements included in Part II, Item 8 of this report presents detailed discussion of the company's contractual obligations to RMC.

Item 7A – Quantitative and Qualitative Disclosures About Market Risk

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

Item 8 – Financial Statements and Supplementary Data

The following financial statements of Redwood Mortgage Investors IX, LLC at and for the years ended December 31, 2025 and 2024 are included in Item 8:

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Members and Board of Directors
Redwood Mortgage Investors IX, LLC
San Mateo, California

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Redwood Mortgage Investors IX, LLC (a Delaware Limited Liability Company) (the "Company") as of December 31, 2025 and 2024, the related statements of income, changes in members' and manager's capital, and cash flows for each of the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the Board of Directors and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses ("ACL")

As described in the Company's financial statements, the Company had a gross loan portfolio of \$58.9 million and related ACL of \$0.5 million as of December 31, 2025. The ACL estimates the lifetime expected credit losses for each loan utilizing a credit loss model. The determination of whether an ACL is necessary considers historical loss experience, current fair value of collateral, current real estate and financial market conditions, and reasonable and supportable forecasts about future economic scenarios. The evaluation of the fair value of the collateral involves significant estimates that require a high degree of management judgment. Management utilizes significant judgment to appropriately determine the fair value of collateral obtained from third-party appraisals.

We identified the appropriateness of comparable sales, market capitalization rates, and certain components of net operating income ("NOI") used in appraisals or management analyses to determine the fair value of collateral underlying certain loans to be a critical audit matter. Auditing these assumptions involved especially challenging auditor judgment due to the nature and extent of audit evidence and effort required to address these matters, including the extent of specialized skill or knowledge needed.

The primary procedures we performed to address this critical audit matter included:

- Utilizing personnel with specialized skill and knowledge in real estate valuation to assist in assessing the relevance and reliability of comparable sales, market capitalization rates, or certain components of NOI used in appraisals or management analyses to determine the fair value of collateral underlying certain loans. This involved evaluating the recency and comparability of market transactions used in the appraisals or management analyses, and comparing market capitalization rates or certain components of NOI to third-party sources.

/s/ BDO USA, P.C.

We have served as the Company's auditor since 2015.

San Francisco, California

April 14, 2026

REDWOOD MORTGAGE INVESTORS IX, LLC
Balance Sheets
December 31, 2025 and 2024
(\$ in thousands)

<u>ASSETS</u>	December 31, 2025	December 31, 2024
Cash, in banks	\$ 562	\$ 12,058
Loan payments in trust	28	29
Loan held for sale	—	1,065
Loans		
Principal	58,163	53,475
Advances	81	54
Accrued interest	615	611
Prepaid interest	—	(11)
Loan balances secured by deeds of trust	58,859	54,129
Allowance for credit losses	(545)	(210)
Loan balances secured by deeds of trust, net	58,314	53,919
Debt issuance costs, net	8	41
Other receivable	228	3
Total assets	<u>\$ 59,140</u>	<u>\$ 67,115</u>
<u>LIABILITIES AND MEMBERS' CAPITAL</u>		
Liabilities		
Accounts payable and accrued liabilities	\$ 25	\$ 109
Payable to related mortgage fund (Note 3)	2	—
Payable to manager (Note 3)	62	93
Line of credit	—	4,000
Total liabilities	89	4,202
Commitments and contingencies (Note 6)		
Members' and manager's capital, net	61,641	65,607
Receivable from manager (formation loan) (Note 3)	(2,590)	(2,694)
Members' and manager's capital, net of formation loan	59,051	62,913
Total liabilities and members' capital	<u>\$ 59,140</u>	<u>\$ 67,115</u>

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

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Income
For the Years Ended December 31, 2025 and 2024
(\$ in thousands)

	<u>2025</u>	<u>2024</u>
Revenue		
Interest income	\$ 5,042	\$ 6,818
Interest expense	(51)	(675)
Net interest income	4,991	6,143
Late fees	79	30
Gain on sale, loans	8	24
Total revenue, net	<u>5,078</u>	<u>6,197</u>
Provision for credit losses	335	90
Operations expense		
Mortgage servicing fees to Redwood Mortgage Corp. (RMC)	123	169
Asset management fees to RMC	472	471
Costs from RMC, net (Note 3)	592	396
Professional services	1,666	1,655
Other	65	28
Total operations expense	<u>2,918</u>	<u>2,719</u>
Net income	<u>\$ 1,825</u>	<u>\$ 3,388</u>
Net income		
Members (99%)	\$ 1,807	\$ 3,354
Manager (1%)	18	34
	<u>\$ 1,825</u>	<u>\$ 3,388</u>

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

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Changes in Members' and Manager's Capital
For the Years Ended December 31, 2025 and 2024
(\$ in thousands)

	Members' Capital	Manager's Capital	Unallocated Organization and Offering Expenses	Members' and Manager's Capital, net
Balance at December 31, 2024	\$ 65,995	\$ 83	\$ (471)	\$ 65,607
Net income	1,807	18	—	1,825
Distributions	(2,485)	(18)	—	(2,503)
Redemptions	(3,307)	—	—	(3,307)
Organization and offering expenses allocated	(222)	—	222	—
Organization and offering expenses repaid by RMC	—	—	19	19
Balance at December 31, 2025	<u>\$ 61,788</u>	<u>\$ 83</u>	<u>\$ (230)</u>	<u>\$ 61,641</u>

	Members' Capital	Manager's Capital	Unallocated Organization and Offering Expenses	Members' and Manager's Capital, net
Balance at December 31, 2023	\$ 69,018	\$ 82	\$ (742)	\$ 68,358
Net income	3,354	34	—	3,388
Distributions	(3,122)	(33)	—	(3,155)
Distributions reinvested (DRIP)	442	—	—	442
Redemptions	(3,458)	—	—	(3,458)
Organization and offering expenses allocated	(239)	—	239	—
Organization and offering expenses repaid by RMC	—	—	32	32
Balance at December 31, 2024	<u>\$ 65,995</u>	<u>\$ 83</u>	<u>\$ (471)</u>	<u>\$ 65,607</u>

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

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024
(\$ in thousands)

	2025	2024
Operations		
Interest income received	\$ 5,023	\$ 6,657
Interest expense paid	(75)	(621)
Late fees and other loan income	79	27
Operations expense	(3,200)	(2,727)
Total cash provided by operations	1,827	3,336
Investing		
Loans funded	(40,307)	(42,389)
Principal collected	35,620	46,747
Proceeds from loans sold to non-affiliate, net	1,076	4,068
Advances (made)	(25)	(51)
Promissory note repaid by related mortgage fund	—	2,800
Total cash (used in) provided by investing	(3,636)	11,175
Financing		
Members' and manager's capital		
Distributions to members and manager		
Distributions, net of DRIP	(2,503)	(2,713)
Redemptions, net of early withdrawal penalties (Note 3)	(3,307)	(3,472)
Total distributions to members and manager	(5,810)	(6,185)
Organization and offering expenses repaid by RMC, net	19	31
Cash (used in) members' and manager's capital	(5,791)	(6,154)
Promissory note received from related mortgage funds and manager	—	940
Promissory note repaid to related mortgage funds and manager	—	(940)
Promissory note received from third party	—	1,500
Promissory note repaid to third party	—	(1,500)
Line of credit		
Advances	2,000	23,250
Repayments	(6,000)	(21,403)
Debt issuance costs	—	(66)
Cash (used in) provided by line of credit	(4,000)	1,781
Unsecured borrowings received from related mortgage funds	—	2,500
Unsecured borrowings repaid to related mortgage funds	—	(2,500)
Formation loan collected	104	208
Total cash (used in) financing	(9,687)	(4,165)
Net (decrease) increase in cash	(11,496)	10,346
Cash, beginning of year	12,058	1,712
Cash, end of year	\$ 562	\$ 12,058

Non-cash investing activities for 2024 include five loans transferred to held for sale of approximately \$5.1 million. Four loans were sold to an unaffiliated bank on May 31, 2024 for the amount owed on the note plus a premium, resulting in a gain of approximately \$24 thousand. One loan held for sale of approximately \$1.1 million at December 31, 2024 was sold to an unaffiliated bank in January 2025 for the amount owed on the note plus a premium, resulting in a gain of approximately \$8 thousand.

Non-cash financing activities for 2024 include distribution reinvested to the DRIP of approximately \$442 thousand.

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

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024
(\$ in thousands)

Reconciliation of net income to total cash provided by operations	2025	2024
Net income	\$ 1,825	\$ 3,388
Adjustments to reconcile net income to total cash provided by operations		
Gain on sale, loans	(8)	(24)
Amortization of debt issuance costs	32	32
Provision for credit losses	335	90
Change in operating assets and liabilities		
Loan payments in trust	—	(3)
Accrued interest	(8)	(65)
Prepaid interest	(11)	(96)
Other receivable	(225)	(3)
Accounts payable and accrued liabilities	(84)	(1)
Payable to related parties	(29)	18
Total adjustments	<u>2</u>	<u>(52)</u>
Total cash provided by operations	<u>\$ 1,827</u>	<u>\$ 3,336</u>

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

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Notes to Financial Statements
December 31, 2025 and 2024

NOTE 1 – ORGANIZATION AND GENERAL

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

The company is externally managed by Redwood Mortgage Corp. (“RMC” or “the manager”).

- RMC is solely responsible for managing the business and affairs of RMI IX, subject to the voting rights of the members on specified matters. The manager acting alone has the power and authority to act for and bind the company.
- RMC provides personnel and services necessary for RMI IX to conduct its business as the company has no employees of its own.
- The mortgage loans the company funds and invests in are arranged and generally are serviced by RMC.

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

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

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

The company’s primary investment objectives are to:

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

Net income (or loss) is allocated among the members according to their respective capital accounts after one percent (1%) of the net income (or loss) is allocated to the manager. The monthly results are subject to subsequent adjustment as a result of quarterly and year-end accounting and reporting.

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

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

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

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Notes to Financial Statements
December 31, 2025 and 2024

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

- loan payoffs;
- borrowers' monthly principal and interest payments;
- line of credit advances;
- loan sales to unaffiliated third parties; and
- payments from RMC on the outstanding balance of the formation loan.

Lending and investment guidelines and criteria

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

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

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

Distribution policy

Cash available for distribution at the end of each calendar month is allocated ninety-nine percent (99%) to the members and one percent (1%) to the manager. Cash available for distribution means cash flow from operations (excluding repayments for loan principal and other capital transaction proceeds) less amounts set aside for creation or restoration of reserves. The manager may withhold from cash otherwise distributable to the members with respect to any period the respective amounts of organization and offering expenses ("O&O expenses") allocated to the members' accounts for the applicable period pursuant to the company's reimbursement to RMC and allocation to members' accounts of O&O expenses. The amount otherwise distributable, less the respective amounts of O&O expenses allocated to members, is the net distribution. Pursuant to the terms of the Operating Agreement, cash available for distribution to the members is allocated among the members in proportion to their percentage interests (except with respect to differences in the amounts of O&O expenses allocated to the respective members during the applicable period) and in proportion to the number of days during the applicable month that they owned such percentage interests. (See Note 3 (Manager and Other Related Parties) to the financial statements for a detailed discussion on the allocation of O&O expenses to members' accounts.)

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

As of December 31, 2025, the difference between earnings allocated to members' capital accounts and net income available to members was approximately \$380 thousand, and is expected to be offset by future earnings in excess of net distributions in 2026.

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Notes to Financial Statements
December 31, 2025 and 2024

Distribution reinvestment plan (“DRIP”), closed July 2024

The distribution reinvestment plan (“DRIP”) provision of the Operating Agreement permitted members to elect to have all or a portion of their monthly distributions reinvested in the purchase of additional units. Cash available for distributions allocable to members who had elected to participate in the DRIP was distributed and reinvested in units at each month end. In July 2024, members who had elected to participate in the DRIP were notified by a letter included with their June 2024 monthly statements that the DRIP was closed. As a result of this plan closure, members that previously did not receive quarterly income distributions because of their enrollment in the DRIP received income distribution checks for the quarter ended September 30, 2024 and continue to receive quarterly income distributions to the extent of cash available for distribution.

Liquidity and unit redemption program

There are substantial restrictions on transferability of units, and there is no established public trading and/or secondary market for the units and none is expected to develop. In order to provide liquidity to members, the Operating Agreement includes a unit redemption program, whereby a member may redeem all or part of their units, subject to certain limitations. The price paid for redeemed units is based on the lesser of the purchase price paid by the redeeming member or the member’s capital account balance as of the date of each redemption payment. The company redeems units quarterly, and under the Operating Agreement, the maximum number of units which may be redeemed per quarter per individual member may not exceed the greater of (i) 100 thousand units, or (ii) 25% of the member’s total outstanding units.

Pursuant to the Operating Agreement, eligible redemption requests are to be honored in the following order of priority:

- first, to redemptions upon the death of a member, subject to a cap of \$100 thousand per quarter for each deceased member’s account; and
- next, to all other eligible redemption requests on a pro rata basis.

Pursuant to the Operating Agreement, the company will not, in any calendar year, redeem more than five percent (5%) and in any calendar quarter one and one-quarter percent (1.25%) of the weighted average number of units outstanding during the twelve (12) month period immediately prior to the date of the redemption; however, the manager may, but is not required to, waive this limitation if it deems it in the best interest of the company. In the event unit withdrawal requests exceed 5% in any calendar year, and are held by the company, units will be redeemed in the order of priority provided in the Operating Agreement. The manager may, in its sole discretion, waive any applicable holding periods or penalties in the event of the death of a member or other exigent circumstances or if the manager believes such waiver is in the best interests of the company. The manager has no present intention to exercise its discretionary power to waive or modify the enforcement of the redemption limitations in the foreseeable future.

The company has not established a cash reserve from which to fund redemptions. The company’s capacity to redeem units upon request is limited by the availability of cash and the company’s cash flow. The manager also has the right, in its sole discretion, at any time, to reject any request for redemption, or to suspend or terminate the acceptance of new redemption requests without prior notice, or to terminate, suspend or amend the unit redemption program upon 30-days’ notice.

Manager’s interest

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

Term of the company

The term of the company will terminate on December 31, 2038 unless: (i) the term is further extended by RMC with the affirmative consent of a majority interest of the members; or (ii) the company is earlier terminated pursuant to the Operating Agreement or by operation of law.

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Notes to Financial Statements
December 31, 2025 and 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Management estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions about the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Such estimates involve a significant level of uncertainty and have had or are reasonably likely to have a material impact on the company’s financial condition or results of operations. Such estimates relate principally to the determination of the allowance for credit losses (including the fair value of the collateral), and the valuation of real estate owned (“REO”) at acquisition and subsequently. Actual results could differ materially from these estimates.

Fair value estimates

The fair value of real property (as to loan collateral and REO) is determined by exercise of judgment based on RMC’s 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 and income approach may yield different values depending on certain basic assumptions, including comparables sales, market capitalization rates and certain components of net operating income as well as 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, and 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.

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

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

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

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Notes to Financial Statements
December 31, 2025 and 2024

Cash in banks

Certain of the company's cash balances in banks exceed federally insured limits. The bank or banks in which funds are deposited are reviewed periodically for their general creditworthiness/investment grade credit rating.

Loans and interest income

Loans are carried at amortized cost, which is generally equal to the unpaid principal balance (principal).

The company may fund a specific loan net of an interest reserve (one to two years) to insure timely interest payments at the inception of the loan. Any interest reserve is amortized over the period that the amount is prepaid. In the event of an early loan payoff, any unapplied interest reserves would be first applied to any accrued but unpaid interest and then as a reduction to the principal.

Payments on loans are applied in the following order: accrued interest, advances, and lastly to principal, consistent with the terms of the notes. Late fees and post-maturity/default interest are recognized in the period received, as collectability is not assured until then. Amounts are calculated based on the terms of the note. Pursuant to California regulatory requirements, borrower payments are deposited into a trust account established by RMC with an independent bank (and are presented on the balance sheet as "Loan payments in trust"). Funds are disbursed to the company's bank account as collected, which can range from same day for wire transfers and to two weeks after deposit for checks.

The company funds loans with the intent to hold until maturity or for the foreseeable future. From time to time the company may sell certain loans to unaffiliated third parties. Loans are classified as held-for-sale once a decision has been made to sell loans and the loans to be held-for-sale have been identified. Loans classified as held-for-sale are carried at the lower of amortized cost or fair value.

Performing loans that are maturing or have matured may be renewed at then current market rates of interest and terms for new loans. Such loan extensions are typically deemed to be modifications rather than new originations under GAAP per the manager's evaluation of the changes to terms of the notes.

Loans are placed on non-accrual status when the manager determines that the primary source of repayment will come from the acquisition by foreclosure (or acquisition by deed in lieu of foreclosure) and subsequent sale of the collateral securing the loan (e.g., a notice of sale is filed and/or when a borrower files for bankruptcy) or when the loan is no longer considered well-secured (i.e., the LTV for the loan based on the estimated net realizable value of the collateral and the total principal, advances and accrued interest (at the note rate) is at or greater than eighty percent (80%), seventy-five percent (75%) for lands outside of metropolitan areas) and the borrower has payments in arrears.

When a loan is placed on non-accrual status, the accrual of interest (and the corresponding recognition of interest revenue) is discontinued – beginning with the then current month – for accounting purposes only; previously recorded interest is not reversed. A loan may return to accrual status when all delinquent loan payments are cured and the loan becomes current in accordance with the terms of the loan agreement and the loan balance is considered well collateralized.

Payments received on loans on non-accrual status are applied using the cash basis method, whereby payments received by the creditor are recorded as interest income provided the amount does not exceed the amount that would have been earned at the asset's original effective interest rate.

Allowance for credit losses

The allowance for credit losses is recognized based on current expected lifetime credit losses at the time a loan is originated or acquired. For RMI IX's loans, generally no loss is expected at origination, given the substantial protective equity (resulting from low LTVs), the predominance of first lien loans, the short duration of the loans, and the property-type and location of the collateral.

The present fair values of the collateral are reassessed periodically (determined by the manager's assessment of markets and/or property types that are deemed possibly to have changed and the time since the last valuation of the loan's collateral) and the resultant protective equity for each loan is determined. 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 and claims, exceeds the loan balance.

Loan balances (as stated on the Balance Sheets, is the sum of principal, advances and interest) are analyzed on a periodic basis for ultimate recoverability, and the allowance for credit losses is adjusted each period for changes in expected credit losses. The ultimate collectability of the amounts owed is reliant on the estimation of the present fair value of the real property collateral and the remaining time to maturity.

REDWOOD MORTGAGE INVESTORS IX, LLC
(A Delaware Limited Liability Company)
Notes to Financial Statements
December 31, 2025 and 2024

The determination of the probability-of-loss (and, accordingly, the determination of the amount of the allowance for expected credit losses) begins with:

- familiarity with - and risk & opportunity analysis of - the current and near-term state of the local real estate markets in which loan collateral is located, with due consideration of property type;
- determination of the current fair value of the collateral, and the resultant protective equity;
- identification and valuation of existing senior debt and/or claims (including property taxes, if unpaid); and
- historical loss experience.

Then, the time to maturity – by lien position – is scheduled, with expected weighted average LTV and with consideration of costs to sell and senior debt and claims.

The manager consults government, banker, real estate firm, law firm and academic studies and forecasts (typically covering forward periods of one or two years), and reverts immediately to historical loss experience beyond that period. A determination is then made as to the likelihood that any combination of events would adversely impact real estate markets (and economic conditions) in California – in the time to maturity – such that the substantial protective equity existing for the loans would no longer be sufficient to collect the recorded amounts of principal, advances and accrued interest due on the loan. Any loans requiring individual consideration/analysis due to its LTV, property type, payment status and/or having matured, are evaluated.

Expected credit losses are determined on a collective (pool) basis when similar risk characteristic(s) exist. When determining risk characteristics to include in its pooling assessment, the following are most determinant.

- LTV: The ratio of the outstanding loan balance to the fair value of the underlying collateral, and thereby the amount of protective equity of the company's loans, is the most determinant attribute at inception of the loan and ongoing in estimating incurred and lifetime expected credit losses. Further to reducing the risk of loss, the company's loans are predominantly first mortgages, but second lien deeds of trust are not infrequent nor insignificant.
- Term: The duration (or expected term) of loan is a determinant attribute as the duration of the company's loans are less than those of other conventional commercial real estate lenders (e.g., institutions, such as banks, insurance companies, private equity firms), as the notes typically are written with terms to maturity of one to five years and typically are written without a prepayment penalty.
- Location and property type: The company's loans are secured by commercial and residential real estate in coastal California metropolitan areas, typically in the Bay Area (including Silicon Valley) but also elsewhere in Northern and Southern California.

Given the limited number of loans and the short terms for which the loans are written (and the potentially even shorter duration given that the loans are written without a prepayment penalty), at each reporting date the company performs a risk analysis as to real estate market conditions (by property type) in the California areas in which loan collateral is located and performs a loan-by-loan analysis to determine the current net realizable value of the real property collateral and the remaining time to maturity. Loans with similar LTVs are included in pools and the weighted average LTVs in forward periods are forecasted – by lien position – for those loans expected (on a contractual maturity basis) to be then outstanding. No expected extensions, renewals, or modifications are factored in as the company's loans do not contain renewal options that can be unconditionally exercised by the borrowers. This methodology/analysis determines if there is any amount outstanding in any future period in the contractual lifetime of the loan(s) in which a real estate market decline in values is expected to occur that would be sufficient to put at risk – given the protective equity provided by the excess of the net realizable value of the collateral to the loan balance at origination – the collection in full of amounts owed, including accrued interest and advances, if any, secured by the deeds of trust. For loans (and/or pools of loans) for which the LTVs are such that a loss within the contractual lifetime is expected, loan by loan analyses are undertaken using the likelihood of loss and the percentage (and/or amount) of the loss to determine the expected loss.

If foreclosure (or negotiation of a deed in lieu of foreclosure) is concluded to be probable, the loan is considered to be collateral-dependent and the recorded investment in the loan would be adjusted to an amount not to exceed the net realizable value of the real estate and other assets to be acquired, net of senior liens/mortgage debt plus the liabilities to be assumed. The determination of whether a loan is determined to be collateral-dependent requires judgment and considers the status of the loan (i.e., legal action is undertaken to enforce the lender's rights to repayment) and the status of the borrower (e.g., has the borrower filed for bankruptcy protection).

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For a loan that is deemed collateral dependent for repayment, a provision for credit losses is recorded, if necessary, to adjust the allowance for credit losses by an amount such that the net carrying amount would be reduced to the lower of the net realizable value of the related collateral, net of any senior liens (and/or claims) or the note balance.

Uncollectible loans are charged off directly to the allowance for credit losses once it is determined the full amount is not collectible. Any amounts collected after a charge off is deemed a recovery.

Real estate owned (“REO”)

Real estate owned, or REO, is property acquired in full or partial settlement of loan obligations generally through foreclosure (and a correlated trustee sale of the collateral) and is recorded at acquisition at the property’s fair value less estimated costs to sell. In conjunction with the acquisition, other assets may be acquired and senior debt and claims assumed (or for senior debt may be ‘taken subject to’ versus ‘assumed’). 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 credit losses and any subsequent valuation reserves. After acquisition, costs incurred relating to the development and improvement of property are capitalized to the extent they do not cause the recorded value to exceed the net realizable value, whereas costs relating to holding and disposition of the property are expensed as incurred. REO is analyzed periodically for changes in fair values and any subsequent write down is charged to operations expenses. Any recovery in the fair value subsequent to such a write down is recorded and is not to exceed the value recorded at acquisition. Recognition of gains or losses on the sale of real estate is dependent upon the transaction meeting certain criteria related to the nature of the property and the terms of the sale including potential seller financing.

Debt issuance costs

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

Recent accounting pronouncements not yet adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) which requires disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, and are expected to require little, if any, additional disclosure for the company.

NOTE 3 – MANAGER AND OTHER RELATED PARTIES

The Operating Agreement provides for compensation to the manager and for the reimbursement of qualifying costs as detailed below. RMC is entitled to 1% of the net income or loss of the company. RMC, at its sole discretion, collected less than the maximum allowable reimbursement of qualifying costs attributable to RMI IX (Costs from RMC on the Statements of Income), which increased the net income, cash available for distribution, and the net-distribution rate. The cost-reimbursement waivers in 2025 and 2024 by RMC were not made for the purpose of providing RMI IX with sufficient funds to satisfy any required level of distributions, as the Operating Agreement has no such required level of distributions, nor to meet withdrawal requests.

Mortgage servicing fees

The manager is entitled to receive a servicing fee of up to one-quarter of one percent (0.25%) annually of secured loan principal. The mortgage servicing fees are accrued monthly on all loans. Remittance to RMC is made monthly unless the loan has been assigned a specific loss reserve, at which point remittance is deferred until the specific loss reserve is no longer required, or the property securing the loan has been acquired by the company.

Asset Management Fees

The manager is entitled to receive a monthly asset management fee for managing RMI IX’s assets, liabilities, and operations in an amount up to three-quarters of one percent (0.75%) annually of the portion of the capital originally committed to investment in mortgages, not including leverage, and including up to two percent (2%) of working capital reserves.

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Costs from RMC, net

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

The amount of qualifying costs attributable to RMI IX incurred by RMC was approximately \$592 thousand and \$545 thousand in 2025 and 2024, respectively. The reimbursement of costs waived by RMC, at its sole discretion, was approximately \$149 thousand in 2024. In October 2024, RMC began collecting the full amount of the qualifying costs attributable to RMI IX to which it was entitled.

Loan administrative fees

The manager is entitled to receive a loan administrative fee of up to one percent (1%) of the principal amount of each new loan funded or acquired for services rendered in connection with the selection and underwriting of loans payable upon the closing or acquisition of each loan. Since August 2015, RMC, at its sole discretion, has waived loan administrative fees on new originations. The total amount of loan administrative fees waived was approximately \$465 thousand and \$439 thousand in 2025 and 2024, respectively.

Formation loan

Commissions for unit sales to new members paid to broker-dealers (“B/D sales commissions”) and premiums paid to certain investors upon the purchase of units were paid by RMC and were not paid directly by RMI IX out of unit-sales proceeds. Instead, RMI IX advanced to RMC amounts sufficient to pay the B/D sales commissions and premiums to be paid to investors. Such advances in total were not to exceed seven percent (7%) of offering proceeds, and when offerings of units to new members ended on April 30, 2019, totaled approximately \$5.6 million. The receivable arising from the advances is unsecured and non-interest bearing and is referred to as the “formation loan”.

Formation loan transactions for 2025 and 2024 are presented in the following table (\$ in thousands).

	2025	2024
Balance, January 1	\$ 2,694	\$ 2,902
Payments received from RMC	(104)	(208)
Balance, December 31	<u>\$ 2,590</u>	<u>\$ 2,694</u>

The formation loan is being repaid in annual installments of approximately \$208 thousand to coincide with the term of the company. The installments may be paid by RMC either in full on December 31st of each calendar year during the term of the company or in four equal quarterly installments. In 2025, \$104 thousand was received from RMC on the formation loan. The remaining \$104 thousand was paid in January 2026. The primary source of repayment of the formation loan is the loan brokerage commissions earned by RMC. The formation loan is forgiven if the manager is removed and RMC is no longer receiving payments for services rendered. As such, the formation loan is presented as contra equity.

Redemptions of members’ capital

Redemptions of members’ capital for 2025 and 2024 were approximately \$3.3 million and \$3.5 million, respectively.

Pursuant to the Operating Agreement, unless waived by the manager, the company will not redeem in any calendar year more than five percent (5.0%) and in any calendar quarter one and one-quarter percent (1.25%) of the weighted average number of units outstanding in the twelve (12) month period immediately prior to the date of redemption. The manager has no present intention to exercise its discretionary power to waive or modify the enforcement of the redemption limitation in the foreseeable future.

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Redemptions of members' capital received by the manager and unpaid at December 31, 2025 approximated \$25.8 million, of which,

- \$24.3 million were received at or prior to September 30, 2025, and
- \$1.5 million were received in the quarter ended December 31, 2025 and will be eligible at March 31, 2026.

Eligible redemption requests are to be honored in the following order of priority:

- first, to redemptions upon the death of a member, subject to a cap of \$100 thousand per quarter for each deceased member's account; and
- next, to all other eligible redemption requests on a pro rata basis.

Organization and offering expenses

The manager is required to be reimbursed for O&O expenses incurred in connection with the organization of the company and the offering of the units of membership interest including, without limitation, attorneys' fees, accounting fees, printing costs and other selling expenses (other than sales commissions) in a total amount not exceeding 4.5% of the original purchase price of all units (other than DRIP units) sold in all offerings (hereafter, the "maximum O&O expenses"). RMC paid the O&O expenses in excess of the maximum O&O expenses.

The O&O expenses incurred by RMI IX are allocated to the members as follows – for each of forty (40) calendar quarters or portion thereof after December 31, 2015 that a member holds units (other than DRIP units), the O&O expenses incurred by RMI IX are allocated to and debited from that member's capital account in an annual amount equal to 0.45% of the member's original purchase price for those units, in equal quarterly installments of 0.1125% each commencing with the later of the first calendar quarter of 2016 or the first full calendar quarter after a member's purchase of units, and continuing through forty (40) calendar quarters or the quarter in which such units are redeemed.

Unallocated O&O transactions for the years ended December 31 are summarized in the following table (\$ in thousands).

	2025	2024
Balance, January 1	\$ 471	\$ 742
O&O expenses allocated	(222)	(239)
O&O expenses paid by RMC ⁽¹⁾	(19)	(32)
Balance, December 31	<u>\$ 230</u>	<u>\$ 471</u>

- (1) RMC is obligated per the Operating Agreement to repay RMI IX for the amount of unallocated O&O expenses attributed to a member's capital account if the member redeems prior to the 40 quarterly allocations. RMC estimated its future obligation to repay unallocated O&O expenses on scheduled redemptions as of December 31, 2025 to be approximately \$3 thousand.

Other transactions with related mortgage funds and manager

- *Payable to/receivable from related mortgage funds and manager*

From time to time, in the normal course of business operations, the company may have payables to and/or receivables from related parties. At December 31, 2025, the payable to related party balance of approximately \$64 thousand consisted of accounts payable of approximately \$62 thousand to the manager and \$2 thousand to a related mortgage fund.

At December 31, 2024, the payable to related parties balance of approximately \$93 thousand consisted exclusively of accounts payable to the manager.

- *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 value, which approximates market value.

No loans were transferred to or from related mortgage funds in 2025 and 2024.

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- *Promissory notes with related parties*

In May 2024, RMI IX borrowed a total of \$940 thousand from related mortgage funds and the manager pursuant to a series of secured promissory notes issued by RMI IX to the applicable affiliates (the “May Notes”). Each of the May Notes was secured by the applicable affiliate’s pro rata share (based upon relative principal advanced) of all proceeds payable to RMI IX under a single mortgage loan in the principal amount of \$9.1 million with a contractual maturity date of June 1, 2027. The maturity dates for each of the May Notes was July 15, 2024. All obligations of RMI IX under the May Notes were satisfied in full on May 31, 2024.

In June 2024, RMI IX borrowed a total of \$2.5 million from related mortgage funds pursuant to two unsecured promissory notes issued by RMI IX to the applicable affiliates (the “June Notes”). The loans evidenced by the June Notes were unsecured obligations of RMI IX with a contractual maturity date of August 12, 2024. All obligations of RMI IX under the June Notes were satisfied in full by September 2024.

NOTE 4 – LOANS

Loans generally are funded at a fixed interest rate with a loan term of up to five years. See Note 3 (Manager and Other Related Parties) for a description of loans transferred by executed assignments between the related mortgage funds.

The company’s loans are secured generally by real estate in coastal California metropolitan areas. The portfolio segments are first and second trust deeds mortgages and the key credit quality indicator is the LTV. First mortgages are predominant, but second lien deeds of trust are not infrequent nor insignificant. First-mortgage loans comprised 86% of the portfolio at December 31, 2025 (88% at December 31, 2024).

Secured loans unpaid principal balance (principal)

Secured loan transactions for 2025 and 2024 are summarized in the following table (\$ in thousands).

	2025			2024		
	Total	First Trust Deeds	Second Trust Deeds	Total	First Trust Deeds	Second Trust Deeds
Principal, beginning of period	\$ 53,475	\$ 46,945	\$ 6,530	\$ 62,916	\$ 52,263	\$ 10,653
Loans funded	40,307	32,186	8,121	42,389	41,101	1,288
Principal collected ⁽¹⁾	(35,619)	(29,343)	(6,276)	(46,747)	(41,336)	(5,411)
Loans transferred to held for sale	—	—	—	(1,065)	(1,065)	—
Loans sold to non-affiliate	—	—	—	(4,018)	(4,018)	—
Principal, end of period	<u>\$ 58,163</u>	<u>\$ 49,788</u>	<u>\$ 8,375</u>	<u>\$ 53,475</u>	<u>\$ 46,945</u>	<u>\$ 6,530</u>

(1) For 2025, includes principal collected and held in trust at December 31, 2025 of \$0 offset by principal collected and held in trust at December 31, 2024 of approximately \$1 thousand which was disbursed to the company in January 2025.

In 2025 and 2024, the company renewed four and eight maturing (or matured) loans, respectively, with aggregate principal of approximately \$4.6 million and \$19.5 million, respectively, which are not included in the activity shown in the table above. The loans have an average extension period of approximately 14 months and seven months in 2025 and 2024, respectively, and were current and deemed well collateralized (i.e., the current LTV for the collateral was within lending guidelines as discussed in Note 2 to these financial statements). Interest rates charged to borrowers may be adjusted in conjunction with the loan extensions to reflect current market conditions (in 2025, one extension included a rate increase).

In 2025, one loan – classified as loan held-for-sale – with principal of approximately \$1.1 million was sold to an unaffiliated third party at a gain of approximately \$8 thousand, net of a commission. In 2024, four loans with principal of approximately \$4.0 million were sold to an unaffiliated third party. The company recognized a gain of approximately \$24 thousand, net of a commission.

As of December 31, 2025, there were no commitments to lend outstanding and no construction or rehabilitation loans outstanding. In 2025 and 2024, the company collected post-maturity and default interest of \$205 thousand and \$552 thousand, respectively, with respect to multiple loans, which amounts were above the interest rates on the related notes.

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Loan characteristics

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

	December 31, 2025	December 31, 2024
Number of secured loans	36	36
First trust deeds	30	27
Second trust deeds	6	9
Secured loans – principal	\$ 58,163	\$ 53,475
First trust deeds	\$ 49,788	\$ 46,945
Second trust deeds	\$ 8,375	\$ 6,530
Secured loans – lowest interest rate (fixed)	7.8%	7.8%
Secured loans – highest interest rate (fixed)	12.8%	12.5%
Average secured loan – principal	\$ 1,616	\$ 1,485
Average principal as percent of total principal	2.8%	2.8%
Average principal as percent of members' and manager's capital, net	2.6%	2.3%
Average principal as percent of total assets	2.7%	2.2%
Largest secured loan – principal	\$ 7,400	\$ 8,106
Largest principal as percent of total principal	12.7%	15.2%
Largest principal as percent of members' and manager's capital, net	12.0%	12.4%
Largest principal as percent of total assets	12.5%	12.1%
Smallest secured loan – principal	\$ 194	\$ 185
Smallest principal as percent of total principal	0.3%	0.3%
Smallest principal as percent of members' and manager's capital, net	0.3%	0.3%
Smallest principal as percent of total assets	0.3%	0.3%
California counties where security is located	12	13
Largest percentage of principal in one California county	26.6%	19.7%
Secured loans with filed notice of default	1	—
Secured loans in foreclosure – principal	\$ 955	\$ —
Secured loans with prepaid interest	—	1
Prepaid interest	\$ —	\$ 11

As of December 31, 2025, 25 loans with principal of approximately \$49.4 million provide for monthly payments of interest only, with the principal due at maturity, and 11 loans with principal of approximately \$8.8 million (representing 15% of the aggregate principal of the company's loan portfolio) provide for monthly payments of principal and interest, typically calculated on a 30-year amortization, with the remaining principal due at maturity.

As of December 31, 2025, RMI IX's largest loan with principal of \$7.4 million, has an LTV at origination (OLTV) of 59%, and is in first lien position. The loan is secured by an industrial property located in San Diego County, California with an interest at 12.50% and matured on March 1, 2026. The loan was delinquent one monthly payment (due December 1, 2025) at December 31, 2025. In 2026, the borrower remitted the December 1, 2025 payment and is pursuing refinancing with other lenders.

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As of December 31, 2025, there were six loans in second lien position. The aggregate principal of these loans was approximately \$8.4 million and the weighted average OLTV was 56.96%. Of the six loans, three were delinquent as of December 31, 2025. One of the three delinquent loans has principal outstanding of \$625 thousand (OLTV 75%), is secured by a multi-family property located in Los Angeles County, bears interest at a rate of 11.75% and matured on August 1, 2025. The second delinquent loan has principal outstanding of \$600 thousand (OLTV 71%), is secured by a multi-family property located in Los Angeles County, bears interest at a rate of 8.99% and matured on April 1, 2025. The third delinquent loan has principal outstanding of \$1.3 million (OLTV 69%), is secured by an office property located in Los Angeles County, bears interest at a rate of 12.75% and matured on December 1, 2025.

Lien position/OLTV

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

	December 31, 2025			December 31, 2024		
	Loans	Principal	Percent	Loans	Principal	Percent
First trust deeds	30	\$ 49,788	86%	27	\$ 46,945	88%
Second trust deeds	6	8,375	14	9	6,530	12
Total principal, secured loans	<u>36</u>	<u>58,163</u>	<u>100%</u>	<u>36</u>	<u>53,475</u>	<u>100%</u>
Liens due other lenders at loan closing		21,055			19,442	
Total debt		<u>\$ 79,218</u>			<u>\$ 72,917</u>	
Appraised property value at loan closing		<u>\$ 147,542</u>			<u>\$ 132,521</u>	
OLTV (weighted average)		<u>55.7%</u>			<u>58.9%</u>	

At the time a loan is funded, the LTV is such that the protective equity in the collateral securing the loan is sufficient to preclude any expected credit losses unless there is a forward period adverse event that is uninsured and/or there are market conditions so adverse (and are other-than-temporary) that the protective equity is reduced to an amount not sufficient to recover the principal owed.

Secured loans, principal by OLTV and lien position at December 31, 2025 are presented in the following table (\$ in thousands).

LTV ⁽²⁾	Secured loans, principal							
	First trust deeds	Percent	Count	Second trust deeds	Percent	Count	Total principal	Percent
<40%	\$ 1,847	3.2%	6	\$ 1,100	1.9%	1	\$ 2,947	5.1%
40-49%	7,225	12.4	3	—	0.0	0	7,225	12.4
50-59%	15,066	25.9	7	4,800	8.3	2	19,866	34.2
60-69%	21,625	37.2	10	1,250	2.1	1	22,875	39.3
Subtotal <70%	45,763	78.7	26	7,150	12.3	4	52,913	91.0
70-79%	4,025	6.9	4	1,225	2.1	2	5,250	9.0
Subtotal <80%	49,788	85.6	30	8,375	14.4	6	58,163	100.0
≥80%	—	0.0	—	—	0.0	—	—	0.0
Total	<u>\$ 49,788</u>	<u>85.6%</u>	<u>30</u>	<u>\$ 8,375</u>	<u>14.4%</u>	<u>6</u>	<u>\$ 58,163</u>	<u>100.0%</u>

(2) LTV classifications in the table above are based on principal, advances and interest unpaid at December 31, 2025.

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Property type

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

	December 31, 2025			December 31, 2024		
	Loans	Principal	Percent	Loans	Principal	Percent
Single family ⁽³⁾	8	\$ 9,369	16%	15	\$ 15,081	28%
Commercial						
Office	4	6,908	12	3	5,725	11
Retail	6	6,921	12	3	2,512	5
Industrial	4	11,024	18	5	10,463	20
Commercial – Other	6	14,899	26	5	14,972	27
Commercial Total	20	39,752	68	16	33,672	63
Multi-family	8	9,042	16	5	4,722	9
Total principal, secured loans	36	\$ 58,163	100%	36	\$ 53,475	100%

(3) Single family includes one to four unit residential buildings, condominium units, townhouses and condominium complexes. At December 31, 2025, single family consisted of four loans with aggregate principal of approximately \$6.0 million that are owner occupied and four loans with principal of \$3.4 million that are non-owner occupied. At December 31, 2024, single family consisted of eight loans with an aggregate principal of approximately \$7.3 million that are owner occupied and seven loans with an aggregate principal of approximately \$7.7 million that are non-owner occupied.

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Distribution of secured loans - principal by California counties

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

	December 31, 2025		December 31, 2024	
	Principal	Percent	Principal	Percent
San Francisco Bay Area⁽⁴⁾				
San Francisco	\$ 7,863	13.5%	\$ 8,377	15.7%
San Mateo	5,455	9.4	8,305	15.5
Santa Clara	4,733	8.1	10,074	18.8
Alameda	6,821	11.7	2,021	3.8
Contra Costa	319	0.6	1,220	2.3
Napa	632	1.1	636	1.2
Solano	—	0.0	185	0.3
Marin	400	0.7	400	0.8
	26,223	45.1	31,218	58.4
Other Northern California				
Butte	—	0.0	1,203	2.2
Santa Cruz	1,410	2.4	—	0.0
	1,410	2.4	1,203	2.2
Northern California total	27,633	47.5	32,421	60.6
Southern California Coastal				
Los Angeles	15,448	26.6	10,533	19.7
Orange	—	0.0	1,675	3.1
San Diego	8,141	14.0	6,946	13.0
	23,589	40.6	19,154	35.8
Other Southern California				
Riverside	2,025	3.5	1,900	3.6
San Luis Obispo	4,675	8.0	—	0.0
	6,700	11.5	1,900	3.6
Southern California total	30,289	52.1	21,054	39.4
California total	57,922	99.6	53,475	100.0
Illinois ⁽⁵⁾	241	0.4	—	0.0
Total principal, secured loans	\$ 58,163	100.0%	\$ 53,475	100.0%

(4) Includes Silicon Valley.

(5) The loan with collateral in Illinois is the balance remaining from a loan with principal at funding of \$2.9 million that was secured by a multi-family property in San Francisco County.

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Scheduled maturities/Secured loans - principal

Secured loans scheduled to mature in periods as of and after December 31, 2025 are presented in the following table (\$ in thousands).

	First Trust Deeds		Second Trust Deeds		Total		
	Loans	Principal	Loans	Principal	Loans	Principal	Percent
2026	7	\$ 14,498	—	\$ —	7	\$ 14,498	25%
2027	9	16,916	2	3,125	11	20,041	35
2028	3	1,984	1	2,775	4	4,759	8
2029	2	5,241	—	—	2	5,241	9
2030	3	3,035	—	—	3	3,035	5
Thereafter	2	588	—	—	2	588	1
Total scheduled maturities	26	42,262	3	5,900	29	48,162	83
Matured ⁽⁶⁾⁽⁷⁾	4	7,526	3	2,475	7	10,001	17
Total principal, secured loans	30	\$ 49,788	6	\$ 8,375	36	\$ 58,163	100%

(6) See Delinquency/Secured loans with payments in arrears below for additional information on matured loans.

(7) A matured loan with principal of \$4.7 million (past due 180 or more days at December 31, 2025) had a forbearance agreement dated October 31, 2025, that provided for payment (received in October 2025) that was applied to the amounts owed of \$973 thousand of which approximately \$191 thousand was to principal, approximately \$671 thousand was to interest (including interest for October 2025), and final payment in full by the borrower by January 15, 2026, on which the borrower defaulted. On March 31, 2026, the borrower and the company entered into an agreement (the “2026 agreement”), pursuant to which the borrower agreed to a payment plan consisting of ten (10) weekly payments of \$20 thousand (commencing March 31, 2026 to June 2, 2026) and payment in full of the note balance on or before June 17, 2026

Scheduled maturities are presented based on the most recent in-effect agreement with the borrower, including forbearance agreements, if any. As a result, matured loans at December 31, 2025, for the scheduled maturities table above may differ from the same captions in the tables of delinquencies and payment in arrears presented below that do not consider forbearance agreements. For matured loans, the company may continue to accept payments while pursuing collection of principal or while negotiating an extension of the maturity date. Loans are written without a prepayment penalty causing an uncertainty/a lack of predictability as to the expected duration versus the scheduled maturity.

One loan included above with principal of \$5.3 million (\$9.1 million at funding) at December 31, 2025 has payment terms that provide for principal reductions upon the sale of the office condominiums. Sales commenced in 2024 resulting in principal reduction of \$2.8 million and \$1.0 million for 2025 and 2024, respectively. The maturity table above does not reflect these periodic principal payments, which will result in an acceleration of the payoff of the loan as or if they continue to occur. Another loan included above with principal of \$3.6 million (\$4.6 million at funding) at December 31, 2025 has payment terms that provide for principal reductions upon the sale of individual tenants in common (TIC) units. Sales commenced in 2025 resulting in principal reduction of \$1.0 million in 2025. The maturity table above does not reflect these periodic principal payments, which will result in an acceleration of the payoff of the loan as or if they continue to occur.

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Delinquency/Secured loans

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

	December 31, 2025		December 31, 2024	
	Loans	Principal	Loans	Principal
Current	25	\$ 36,688	30	\$ 42,309
Past Due				
30-89 days	3	11,450	3	4,476
90-179 days	3	2,114	—	—
180 or more days ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	5	7,911	3	6,690
Total past due	11	21,475	6	11,166
Total principal, secured loans	36	\$ 58,163	36	\$ 53,475

(8) See Delinquency/Secured loans with payments in arrears below for additional information on matured loans.

(9) A loan (principal of \$955 thousand past due 365 days at December 31, 2025) had forced place insurance and was delinquent on property taxes. The collateral was acquired by foreclosure sale (and possession of the property was taken) in January 2026.

(10) A matured loan with principal of \$4.7 million (past due 180 or more days at December 31, 2025) had a forbearance agreement dated October 31, 2025, that provided for payment (received in October 2025) that was applied to the amounts owed of \$973 thousand of which approximately \$191 thousand was to principal, approximately \$671 thousand was to interest (including interest for October 2025), and final payment in full by the borrower by January 15, 2026, on which the borrower defaulted. Subsequent to December 31, 2025, pursuant to the 2026 agreement the borrower agreed to a payment plan consisting of ten (10) weekly payments of \$20 thousand (commencing March 31 to June 2, 2026) and payment in full of the note balance on or before June 17, 2026.

Eight of the eleven loans past due at December 31, 2025 were in first lien position and had principal payments in arrears of approximately \$7.5 million. The remaining three loans past due at December 31, 2025 were in second lien position and had principal payments in arrears of approximately \$2.5 thousand.

At December 31, 2025 and December 31, 2024, there were two loans and one loan with forbearance agreements in effect with principal of \$5.7 million and \$990 thousand, respectively, included in the table above as 180 or more days delinquent.

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Delinquency/Secured loans with payments in arrears

Secured loans with payments in arrears (eleven loans), principal by OLV and lien position at December 31, 2025 are presented in the following table (\$ in thousands).

LTV ⁽¹¹⁾	Secured loans with payments in arrears, principal					
	First trust deeds	Percent ⁽¹²⁾	Second trust deeds	Percent ⁽¹²⁾	Total principal	Percent ⁽¹²⁾
<40%	\$ 319	0.5%	\$ —	0.0%	\$ 319	0.5%
40-49%	—	0.0	—	0.0	—	0.0
50-59%	—	0.0	—	0.0	—	0.0
60-69%	16,103	27.8	1,250	2.1	17,353	29.9
Subtotal <70%	16,422	28.3	1,250	2.1	17,672	30.4
70-79%	2,578	4.4	1,225	2.1	3,803	6.5
Subtotal <80%	19,000	32.7	2,475	4.2	21,475	36.9
≥80%	—	0.0	—	0.0	—	0.0
Total	\$ 19,000	32.7%	\$ 2,475	4.2%	\$ 21,475	36.9%

(11) LTV classifications in the table above are based on principal, advances and interest unpaid at December 31, 2025.

(12) Percent of total principal of secured loans (totaling \$58.2 million) at December 31, 2025.

Payments in arrears for secured loans at December 31, 2025 are presented in the following tables (\$ in thousands).

At December 31, 2025	Loans		Principal		Interest ⁽¹³⁾		Total payments in arrears
	Past maturity	Monthly payments	Past maturity	Monthly payments	Past maturity	Monthly payments	
Past due							
30-89 days (1-3 payments)	1	2	\$ 1,250	\$ —	\$ —	\$ 124	\$ 1,374
90-179 days (4-6 payments)	2	1	1,795	1	—	7	1,803
180 or more days (more than 6 payments) ⁽¹⁴⁾⁽¹⁵⁾	4	1	6,956	10	145	81	7,192
Total past due	7	4	\$ 10,001	\$ 11	\$ 145	\$ 212	\$ 10,369

(13) December 2025 interest is due January 1, 2026 and is not included in the payments in arrears at December 31, 2025.

(14) A matured loan past due 180 or more days with principal of \$4.7 million has a forbearance agreement dated October 31, 2025, that provided for a payment (received in October 2025) that was applied to the amounts owed of \$973 thousand of which approximately \$191 thousand was to principal, approximately \$671 thousand was to interest (including interest for October 2025), and the remainder to advances and late fees and for final payment in full by January 15, 2026, on which the borrower defaulted. Subsequent to December 31, 2025, pursuant to the 2026 agreement the borrower agreed to a payment plan consisting of ten (10) weekly payments of \$20 thousand (commencing March 31 to June 2, 2026) and payment in full of the note balance on or before June 17, 2026.

(15) A loan (principal of \$955 thousand past due 180 or more days) had forced place insurance and was delinquent on property taxes. The collateral was acquired by foreclosure sale (and possession of the property was taken) in January 2026.

One loan included above as delinquent on monthly payments, with principal of approximately \$319 thousand, was paid off in full in the first quarter of 2026. Another loan included above as delinquent on monthly payments, with principal of \$2.8 million, became current in the first quarter of 2026.

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Matured loans, principal by OLTV and lien position at December 31, 2025 are presented in the following table (\$ in thousands).

LTV ⁽¹⁶⁾	Secured loans past maturity, principal					
	First trust deeds	Percent ⁽¹⁷⁾	Second trust deeds	Percent ⁽¹⁷⁾	Total principal	Percent ⁽¹⁷⁾
<70%	\$ 5,903	10.1	\$ 1,250	2.1	\$ 7,153	12.2
70-79%	1,623	2.8	1,225	2.1	2,848	4.9
Subtotal <80%	7,526	12.9	2,475	4.2	10,001	17.1
≥80%	—	0.0	—	0.0	—	0.0
Total	<u>\$ 7,526</u>	<u>12.9%</u>	<u>\$ 2,475</u>	<u>4.2%</u>	<u>\$ 10,001</u>	<u>17.1%</u>

(16) LTV classifications in the table above are based on principal, advances and interest unpaid at December 31, 2025.

(17) Percent of total principal of secured loans (totaling \$58.2 million) at December 31, 2025.

The matured loans are managed and evaluated individually by the manager. The administration (including loss mitigation/collection) of the loan is undertaken with consideration of the protective equity associated with the loan with consideration of market risk, property type and an assessment of the borrower's capacity and intent to perform in compliance with the contractual terms of the note and the deed of trust. Accordingly, collateral fair values are generally updated based on appraisals and/or from internal valuation sources every three to twelve months, either by obtaining a new appraisal or by performing an internal analysis, with consideration of both borrower, property type, and market specific factors, which may result in obtaining appraisal updates or broker price opinions at more frequent intervals.

- In Palo Alto, a loan (first lien) with principal of \$4.7 million matured October 2023 and had only the principal owing at October 31, 2025. The borrower has not made payments subsequently, and the loan balance at December 31, 2025, was \$4.8 million. Property taxes owed at December 31, 2025 approximate \$195 thousand. The collateral is land and a vacant office building that appraised for \$6.2 million in October 2025.
- In San Francisco, a loan (first lien) with principal of \$990 thousand matured in December 2025 and had a loan balance of \$1.1 million at December 31, 2025. The collateral is a three-unit mixed use building that appraised for \$1.2 million in September 2025. The loan had payments in arrears of 180 or more days. Property taxes owed at December 31, 2025 approximate \$81 thousand.
- In Livermore, a loan (first lien) with principal of \$1.2 million matured in October 2025. The borrower is making monthly payments. The collateral is a commercial condominium that appraised for \$1.8 million in August 2022.
- In Napa, a loan (first lien) with principal of \$633 thousand matured in December 2024 and had a loan balance of \$684 thousand at December 31, 2025. The collateral is a single-family residence that appraised for \$970 thousand in December 2025. The borrower is 180 or more days delinquent on monthly payments.
- In Los Angeles, a loan (second lien) with principal of \$1.3 million matured in December 2025. The borrower is making monthly payments. The collateral is an office building that appraised for \$8.1 million in August 2025, with senior debt of \$4.4 million at origination of the RMI IX loan in August 2025.
- In Los Angeles, a loan (second lien) with principal of \$625 thousand matured in August 2025. The borrower is making monthly payments. The collateral is a multi-family building that appraised for \$4.8 million in May 2023, with senior debt of \$2.9 million as of March 2025.
- In Los Angeles, a loan (second lien) with principal of \$600 thousand matured in April 2025. The borrower is making monthly payments. The collateral is a multi-family building that appraised for \$6.2 million in October 2019, with senior debt of \$3.8 million at origination of the loan in March 2020.

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Non-accrual status/Secured loans

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of loans ⁽¹⁸⁾	4	3
Principal	\$ 7,311	\$ 6,887
Advances	63	23
Accrued interest ⁽¹⁹⁾	112	316
Total recorded investment	<u>\$ 7,486</u>	<u>\$ 7,226</u>
Foregone interest	\$ 170	\$ 116

(18) A matured loan in non-accrual status past due 180 or more days with principal of \$4.7 million had a forbearance agreement dated October 31, 2025, that provided for a payment (received in October 2025) that was applied to the amounts owed of \$973 thousand of which approximately \$191 thousand was to principal, approximately \$671 thousand was to interest (including interest for October 2025), and the remainder to advances and late fees, and for final payment in full by January 15, 2026, on which the borrower defaulted. Subsequent to December 31, 2025, pursuant to the 2026 agreement the borrower agreed to a payment plan consisting of ten (10) weekly payments of \$20 thousand (commencing March 31, 2026 to June 2, 2026) and payment in full of the note balance on or before June 17, 2026. Principal, advances and interest for this loan in the above table are \$4.7 million, \$0 and \$61 thousand at year-end 2025 and \$4.9 million, \$8 thousand and \$351 thousand at year-end 2024, respectively.

(19) 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. Interest income of \$546 thousand and \$430 thousand was recognized for loans in non-accrual status in 2025 and 2024, respectively.

Provision/allowance for credit losses

Activity in the allowance for credit losses for the years ended December 31 are presented in the following table (\$ in thousands).

	<u>2025</u>			<u>2024</u>		
	<u>Principal and Advances</u>	<u>Interest</u>	<u>Total</u>	<u>Principal and Advances</u>	<u>Interest</u>	<u>Total</u>
Balance, January 1	\$ 150	\$ 60	\$ 210	\$ 60	\$ 60	\$ 120
Reclassification	60	(60)	—	—	—	—
Provision for credit losses	335	—	335	90	—	90
Charge-offs	—	—	—	—	—	—
Balance, December 31	<u>\$ 545</u>	<u>\$ —</u>	<u>\$ 545</u>	<u>\$ 150</u>	<u>\$ 60</u>	<u>\$ 210</u>

Each secured 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. The increase in the provision for credit losses in 2025 compared to the same period in 2024 is due to a decrease in the expected net proceeds to the company – for two collateral-dependent loans – upon foreclosure and subsequent sale of the underlying collateral, due to a decline in the fair value of the collateral and/or an increase in the amount of the senior debt and claims (e.g., delinquent property taxes).

Secured loans count, principal and weighted average OLV at December 31, 2025 and the projected year-end count, principal and weighted average OLV based on contractual maturities (by lien position) are presented in the following table (\$ in thousands).

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				First Trust Deeds			Second Trust Deeds		
	Loans	Principal	OLTV	Loans	Principal	OLTV	Loans	Principal	OLTV
December 31, 2025	36	\$ 58,163	55.7%	30	\$ 49,788	55.5%	6	\$ 8,375	57.0%
December 31,									
2026	22	33,664	52.1	19	27,764	52.4	3	5,900	51.1
2027	11	13,623	54.0	10	10,848	52.5	1	2,775	59.7
2028	7	8,864	52.4	7	8,864	52.4	—	—	0.0
2029	5	3,623	46.2	5	3,623	46.2	—	—	0.0
2030	2	588	23.0	2	588	23.0	—	—	0.0
2033	1	194	32.9	1	194	32.9	—	—	0.0
2035	—	—	0.0	—	—	0.0	—	—	0.0

The above analysis does not include any forward period extensions, renewals or modifications that the company may undertake at its sole and unconditional discretion, which could extend the contractual maturities. In the event a loan does not pay-off at or before the contractual maturity date, the company may continue to accept payments while pursuing collection of principal or while negotiating an extension of the maturity date.

One loan included above with principal of \$5.3 million (\$9.1 million at funding) at December 31, 2025, has payment terms that provide for principal reductions upon the sale of the office condominiums. Sales commenced in 2024 resulting in principal reduction of \$2.8 million and \$1.0 million for 2025 and 2024, respectively. The maturity table above does not reflect these periodic principal payments, which will result in an acceleration of the payoff of the loan as or if they continue to occur. Another loan included above with principal of \$3.6 million (\$4.6 million at funding) at December 31, 2025 has payment terms that provide for principal reductions upon the sale of individual tenants in common (TIC) units. Sales commenced in 2025 resulting in principal reduction of \$1.0 million in 2025. The maturity table above does not reflect these periodic principal payments, which will result in an acceleration of the payoff of the loan as or if they continue to occur.

Fair Value

The following methods and assumptions are used when estimating fair value (Level 3 inputs).

Secured loans/performing

The fair value of the company's secured loan balances is deemed to approximate the amortized cost, net of the allowance for credit losses.

- Terms to maturity are typically one to five years at origination and are shorter than commercial real estate loans by conventional/institutional lenders and conventional single-family home mortgage lenders;
- Loans are written without a prepayment penalty causing uncertainty/a lack of predictability as to the expected duration; and
- Interest rates are at a premium to rates charged by conventional lenders.

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

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

Commercial — Management’s preferred method for determining the fair value of its commercial buildings is the sale comparison method. Sale comps are typically provided in appraisals, or by realtors who specialize in commercial properties. Sale comps are reviewed for similarity to the subject property, examining features such as proximity to subject, rental income, number of units, composition of units, common areas, and year built.

Management’s secondary method for valuing its commercial buildings is the direct capitalization method. In order to determine market cap rates for properties of the same class and location as the subject, management refers to reputable third-party sources such as the CBRE Cap Rate Survey. Management then applies the appropriate cap rate to the subject’s most recent available annual net operating income to determine the property’s value as an income-producing commercial rental project.

When adequate sale comps are not available or reliable net operating income information is not available or the project is under development or is under-performing to market, management will seek additional information and analysis to determine the cost to improve and the intrinsic fair value and/or management will seek additional information in the form of brokers’ opinion of value or appraisals.

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

NOTE 5 – LINE OF CREDIT

Activity involving the line of credit in 2025 and 2024 is presented in the following table (\$ in thousands).

	2025	2024
Balance, January 1	\$ 4,000	\$ 2,153
Advances	2,000	23,250
Repayments	(6,000)	(21,403)
Balance, December 31	\$ —	\$ 4,000
Line of credit – average daily balance	\$ 244	\$ 6,937

On March 11, 2026, RMI IX entered into a Third Modification Agreement (“the 2026 modification agreement”) with Western Alliance Bank (“WAB”), which extended the company’s revolving line of credit under the Business Loan Agreement between WAB and the company entered into in March 2020, as amended by the First Loan Modification Agreement effective March 4, 2022 and the Second Loan Modification Agreement, effective March 13, 2024 (as so extended and amended, the “credit agreement”). Advances on the line of credit are to be used exclusively to fund secured loans.

Under the terms of the credit agreement, RMI IX can borrow up to a maximum principal of \$10 million pursuant to a line of credit subject to a borrowing base calculation set forth in the credit agreement and the amounts advanced are secured by a first priority security interest in the notes and deeds of trust of the pledged loans in the borrowing base. At December 31, 2025 and December 31, 2024, aggregate principal of pledged loans was approximately \$6.9 million and \$18.3 million, respectively, with a maximum allowed advance thereon of approximately \$10 million, subject to the borrowing base calculation. The maturity date of the credit agreement, as extended by the 2026 modification agreement, is March 13, 2028. Interest on the outstanding principal is payable monthly and accrues at the annual rate that is the greater of: (i) the one-month Term SOFR Reference Rate (“Term SOFR”) plus three and one-half percent (3.5%) and (ii) six percent (6.0%). Term SOFR is published for loans in United States dollars by CME Group Benchmark Administration Limited and is obtained from Bloomberg Financial Services Systems with the code TSFR1M or, if no longer available, any similar or successor publication selected by WAB. At December 31, 2025, there were no amounts outstanding under the credit agreement.

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The credit agreement provides for customary financial and borrowing base reporting by the company to the bank and specifies that the company shall maintain (i) minimum tangible net worth of \$50 million, net of amounts due from related companies; (ii) debt service coverage ratio at all times of not less than 2.00 to 1.00; (iii) liquid assets (excluding restricted cash or cash pledged to persons other than WAB) of at least \$1.0 million measured on a quarterly basis; and (iv) loan payment delinquency of less than ten percent (10.0%) at calendar quarter-end, calculated as the principal of loans with payments over 61-days past due as determined by the bank's guidance, less loan loss allowances, divided by total principal of the company's loans. The credit agreement provides that in the event the credit payment delinquency rate exceeds 10.0% for two consecutive quarters or exceeds 20% as of the end of any quarter, the bank will cease to make any further advances until the company is compliant with the covenant but agrees not to accelerate repayment of the loan as long as no event of default (as defined in the credit agreement) has occurred, provided that WAB reserves the right to accelerate repayment of the loans upon the occurrence of any additional event of default under the credit agreement. At December 31, 2025, the loan payment delinquency – as determined by the terms of the credit agreement – was 4.04%.

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

For each calendar quarter during which the aggregate average daily outstanding principal is less than fifty percent (50%) of the maximum credit amount 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 credit amount of \$10 million. For 2025 and 2024, the unused line fee expense was \$24 thousand and \$4 thousand, respectively.

As of December 31, 2024, the fair value of the balance on the line of credit is deemed to approximate the recorded amount as the interest rate and the other terms and conditions, including the two-year term, of the credit agreement as then in effect was reflective of market rate terms (Level 2 inputs).

The debt issuance costs of approximately \$66 thousand from the credit agreement, as in effect on December 31, 2025, are being amortized on a straight line basis over the two-year term. Amortized debt issuance costs included in interest expense approximated \$33 thousand and \$32 thousand for 2025 and 2024, respectively.

The credit agreement contains customary events of default for facilities of its type. The company was in compliance with all covenants under the credit agreement at December 31, 2025. At March 31, 2026, the company's loan portfolio had a loan delinquency rate of 23.57% which exceeded the 20% maximum loan delinquency rate allowed under credit agreement. As the company was not in compliance with this covenant, it could not access the credit agreement for any borrowings as of March 31, 2026.

Amounts borrowed under the revolving credit facility may be converted to a two-year term loan at the election of the company upon the expiration of the commitment term, subject to certain conditions, with monthly installments of principal and interest payable in an amount sufficient to fully amortize the outstanding principal balance over a 120-month period and interest at the related note rate. In addition, quarterly installment payments of principal would be due after a specified date.

NOTE 6 – COMMITMENTS AND CONTINGENCIES, OTHER THAN LOAN COMMITMENTS

Commitments

Note 3 (Manager and Other Related Parties) presents a detailed discussion of the company's contractual obligations to RMC and scheduled redemptions of members' capital at December 31, 2025.

Legal proceedings and government proceedings

As of December 31, 2025, the company was not involved in any legal proceedings or governmental proceedings other than those that would be considered part of the normal course of business as discussed below and no such legal proceedings were terminated by the year ended 2025.

In the normal course of its business, the company may become involved in legal proceedings (such as bankruptcy proceedings, judicial foreclosures, appointment of receivers, assignment of rents, unlawful detainers, etc.) to collect the debt owed under the promissory notes, to enforce the provisions of the deeds of trust, to protect its interest in the real property subject to the deeds of trust and to resolve disputes with borrowers, lenders, lien holders and mechanics. None of these actions, in and of themselves, typically would be of any material financial impact to the net income or balance sheet of the company.

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NOTE 7 – SEGMENT REPORTING

The company operates as a single reportable segment with one economic activity – to invest in real estate loans secured by California real estate, preferably income-producing properties geographically situated in the San Francisco Bay area and the coastal metropolitan regions of Southern California. There is one loan, with principal of \$241 thousand that was secured by a multi-family property in Illinois that is a follow on to a loan that was secured by a multi-family property in California.

The Chief Operating Decision Maker (“CODM”) is the Company’s external manager, RMC, and the measure of segment performance is net income as presented in the Statements of Income. Significant segment expenses are consistent with those presented on the Statements of Income, and segment assets are consistent with total assets as presented on the Balance Sheets.

The accounting policies of the single reportable segment are the same as those described in the summary of significant accounting policies. The CODM assesses performance for the segment and decides how to allocate resources based on consolidated net income as reported on the income statement.

NOTE 8 – SUBSEQUENT EVENTS

The manager evaluated events subsequent to December 31, 2025 and determined that there were no events or transactions occurring during this reporting period other than those disclosed in Note 4 – Loans and Note 5 – Line of Credit that require recognition or disclosure in the financial statements.

Item 9 – Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A – Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

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

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

RMC, as the manager, carried out an evaluation, with the participation of RMC’s President (acting as principal executive officer/principal financial officer) of the effectiveness of the design and operation of the manager’s controls and procedures over financial reporting and disclosure (as defined in Rule 13a-15 of the Exchange Act) as of and for the period covered by this report and through the date this report is filed. 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.

Manager’s Report on Internal Control over Financial Reporting

RMC, as the manager, is responsible for establishing and maintaining adequate internal control over financial reporting; as such term is defined in the Exchange Act Rule 13a-15(f). The internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. RMC, with the participation of RMC’s principal executive officer/principal financial officer, assessed the effectiveness of the manager’s internal control over financial reporting based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on those criteria, management concluded that its internal control over financial reporting was effective as of December 31, 2025.

Remediation of Material Weaknesses

As reported in Part II, Item 9A of our 2024 Annual Report, RMC had not engaged professional staff sufficient to timely obtain refreshed collateral values and did not appropriately develop accounting policies, and design and implement internal controls at a sufficient level of precision around the estimate of current expected future credit losses (“CECL”). As a result, the Company’s evaluation of expected future credit losses, including determination of the current fair value of certain real properties collateralized against respective loans, was not prepared or reviewed in a timely manner.

As part of the previously disclosed remediation plan, RMC continued efforts to design and implement effective internal control measures, which included hiring additional personnel and operationalizing and documenting certain processes related to the implementation of the current expected credit loss model. Management completed implementation of all of the remedial measures outlined in the remediation plan as of the end of the first quarter of fiscal 2025 and tested the applicable controls during the last three quarters of the year ended December 31, 2025, and has concluded that the material weakness has been remediated as of December 31, 2025.

Changes to Internal Control Over Financial Reporting

Except for the actions taken under the remediation plan described above, there have not been any changes in internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the fourth quarter of 2025 that have materially affected, or are reasonably likely to materially affect, the manager’s or company’s internal control over financial reporting.

Item 9B – Other Information

None.

The company is externally managed by RMC and has no officers or directors of its own and, thus, the company has no Rule 10b5-1 plan or other trading arrangements. There was no adoption, modification or termination of any Rule 10b5-1 plan or other trading arrangements by directors and officers of RMC during the quarter ended December 31, 2025.

Item 9C – Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10 – Directors, Executive Officers and Corporate Governance

The company is externally managed by Redwood Mortgage Corp. (“RMC” or the “manager”). The manager is responsible for managing the business and affairs of the company, subject to the voting rights of the members on specified matters. The manager acting alone has the power and authority to act for and bind the company. RMC provides the personnel and services necessary for us to conduct our business as we have no employees of our own.

The mortgage loans the company funds and/or invests in are arranged and generally are serviced by RMC.

The rights, duties and powers of the members and manager of the company are governed by the company’s Operating Agreement, the Delaware Limited Liability Company Act and the California Revised Uniform Limited Liability Company Act. Members should refer to the company’s Operating Agreement for complete disclosure of its provisions. Members representing a majority of the outstanding units may, without the concurrence of the manager, vote to:

- dissolve the company;
- amend the Operating Agreement, subject to certain limitations;
- approve or disapprove the sale of all or substantially all of the assets of the company; or
- remove or replace the manager.

Where there is only one manager, a majority in interest of the members is required to elect a new manager to continue the company business after a manager ceases to be a manager due to its withdrawal.

The company does not have a board of directors or an audit committee. Accordingly, the manager serves the equivalent function of an audit committee for, among other things, the following purposes: appointment, compensation, review and oversight of the work of our independent public accountants, and establishing and enforcing of the Code of Ethics. Since the company does not have an audit committee and the manager is not independent of the company, the company does not have an “audit committee financial expert.” The company does not have an insider trading policy as it has no employees and employees of the manager do not hold any limited partnership interests, nor are partnership interests listed for trading on any securities exchange.

The Manager

Redwood Mortgage Corp. Redwood Mortgage Corp. is a licensed real estate broker incorporated in 1978 under the laws of the State of California, and is engaged primarily in the business of arranging and servicing mortgage loans. Redwood Mortgage Corp. acts as the loan broker and servicing agent in connection with loans, as it has done on behalf of several other affiliate mortgage funds formed by the manager.

Officers and Directors of RMC

Michael R. Burwell. Michael R. Burwell, age 69, President, Secretary/Treasurer and Director, Redwood Mortgage Corp. (1979-present); Director, Secretary and Treasurer A & B Financial Services, Inc. (1980-2009); President, Director, Chief Financial Officer and Secretary of Gymno Corporation (1986-September 2011) and, the manager of Gymno LLC, the entity into which Gymno Corporation was converted (September 2011- June 30, 2015); President, Director, Secretary and Treasurer of The Redwood Group, Ltd. (1979-September 2011); past member of Board of Trustees and Treasurer, Mortgage Brokers Institute (1984-1986). Mr. Burwell is licensed as a real estate sales person. Mr. Burwell was a general partner of each of the RMI, RMI II, RMI III, RMI IV, RMI V, RMI VI, and RMI VII limited partnerships. Mr. Burwell is a general partner of RMI VIII limited partnership. Mr. Burwell attended the University of California, at Davis from 1975-1979, playing NCAA soccer for three seasons. Michael R. Burwell is the brother of Thomas R. Burwell.

Lorene A. Randich. Lorene A. Randich, age 68, has served as a Director of Redwood Mortgage Corp. since November 2011. Ms. Randich joined Redwood Mortgage Corp. in 1991 and retired on December 31, 2020 as Executive Vice President of Lending Operations. Ms. Randich held the real estate broker's license of record for Redwood Mortgage Corp. from November 2011 through the third quarter of 2019. Ms. Randich has been a licensed real estate broker since 1996. She is a member of the National Association of Mortgage Brokers, the California Mortgage Bankers Association, the California Association of Mortgage Professionals (past Board Member—San Francisco/Peninsula Chapter) and the California Mortgage Association (Board Member and immediate past Education Committee Chair). Ms. Randich received a BA from the University of California at Berkeley in 1980. In addition to Ms. Randich's service on the company Board of Directors, Ms. Randich continues her association with Redwood Mortgage Corp. as a Broker-Associate. Ms. Randich also offers mortgage industry consulting services through her firm, Bay Laurel Financial.

Thomas R. Burwell. Thomas R. Burwell, age 58, joined Redwood Mortgage Corp. in 2007 and has served as Marketing and Sales Director since 2012; Loan Officer-Builder Division Wells Fargo Bank, N.A (Westwood, CA 2005-2007); Loan Officer, Wells Fargo Bank, N.A. (Beverly Hills 2004-2005); Loan Officer Wells Fargo Bank, N.A. (New York, NY 2002-2004). Mr. Burwell is a member of the Financial Planning Association, San Francisco, CA. Mr. Burwell received a BA from the University of California at Davis in 1990. Mr. Burwell is a former ATP (Association of Tennis Professionals) world tour professional and was a NCAA Team and Individual Finalist, Team Captain, (Three-time) All-American, #1 Singles and #1 Doubles Player for University of California at Davis. Thomas R. Burwell is the brother of Michael R. Burwell.

Code of Ethics

Since the company has no employees of its own and it is operated by the employees and independent contractors retained by RMC, the company has not adopted a Code of Ethics or insider trading policies and procedures that govern the purchase, sale or other disposition of company securities by directors, officers and employees that are reasonably designed to promote compliance with insider trading laws, rules and regulations. RMC has adopted a Code of Ethics applicable to its general partners and to any agents, employees or independent contractors engaged by the general partners to perform the functions of a principal chief executive officer, a principal financial officer, principal accounting officer or controller of the company, if any. This Code of Ethics is designed to promote (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between the agents, employees or independent contractors of RMC and the companies it manages, such as the company, (ii) full, fair, accurate, timely, and understandable disclosure in reports and documents that RMC, on behalf of the companies it manages, files with, or submits to, the SEC and in other public communications made by RMC's personal and professional relationships, (iii) compliance with applicable governmental laws, rules and regulations, (iv) the prompt internal reporting of violations of the Code of Ethics to an appropriate person or persons identified in the Code of Ethics, (v) accountability for adherence to the Code of Ethics and (vi) promote compliance with insider trading laws, rules and regulations.

The Code of Ethics is filed as Exhibit 14.1 to the company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 31, 2023. A copy of this Code of Ethics may be obtained, without charge, upon request by calling our Investor Services Department at (650) 365-5341, option 5.

Item 11 – Executive Compensation

As indicated above in Item 10, the company is externally managed and has no officers or directors and therefore the company does not pay any compensation directly to any named executive officers of the company for the services provided to the company. The manager is solely responsible for managing the business and affairs of the company, subject to the voting rights of the members on specified matters.

Compensation of the manager

RMC is the manager of the company. The mortgage loans the company invests in are arranged and are generally serviced by RMC. Michael R. Burwell is the president and majority shareholder (through his holdings and beneficial interests in certain trusts) of RMC.

See Note 3 (Manager and Other Related Parties) to the financial statements included in Part II, Item 8 of this report which presents detail as to amounts received by the manager from the company in 2025 and 2024, including brokerage commissions related to loan originations, which presentation is incorporated herein by reference.

Outstanding Equity Awards at Fiscal Year-End

Since the company has no, and never had, named employees, there are no unexercised options for any named employees nor are there units of membership interest that have not vested or equity incentive plan awards for named employees outstanding currently or as of December 31, 2025. The company has not awarded RMC – nor any RMC employee, officer, or director – any options, units of membership interest that has not vested or equity incentive plan awards.

Potential Payments Upon Termination or Change-In-Control

Neither RMC nor the company is obligated by a contract or other agreement to make any payments or provide benefits to any person in the event of a termination of such person's employment with the manager or upon a change-in-control of RMC or the company.

Recovery of Erroneously Awarded Compensation

The company is not required to prepare an accounting restatement that required recovery of erroneously awarded compensation to (i) the manager or (ii) any person or entity, and there was no outstanding balances as of the end of the last completed fiscal year of erroneously awarded compensation to (i) the manager or (ii) any person or entity recovered from a prior restatement.

Item 12 – Security Ownership of Certain Beneficial Owners and Management, and Related Stockholder Matters

Since the company does not have, and never had, employees, the company does not have, and never had, a shareholder approved equity compensation plan or a non-shareholder approved equity compensation plan.

No person or entity owns beneficially more than five percent (5%) of the units. The manager does not own any units, but has, per the Operating Agreement, made capital contributions of one-tenth of one percent (0.1%) of the aggregate capital accounts of the members, and is allocated one percent (1%) of the net income and losses of the company.

The company is not aware of any arrangements, including any pledge by any person of company securities, the operation of which may result in a change in control of the company.

Item 13 – Certain Relationships and Related Transactions, and Director Independence

Note 1 (Organization and General) and Note 3 (Manager and Other Related Parties) to the Financial Statements in Part II item 8, presents detail as to certain relationships and related transactions and related party fees, which presentation is incorporated herein by reference.

The company is managed externally and does not have any directors, including the equivalent of independent directors, or employees. Since the company has no board of directors or employees, there is no separately designated compensation, nominating or audit committee, except that the Board of Directors of RMC acts as the Audit Committee of RMI IX. In 2025 and 2024, there were no transactions with RMC or any other arguably related parties involving the lesser of \$120,000 or 1% of total assets (other than payments to RMC as discussed herein). Note 3 (Manager and Other Related Parties) to the financial statements included in Part II, Item 8 of this report presents detail as to amounts received by the manager in 2025 and 2024, which is incorporated by reference herein.

Item 14 – Principal Accountant Fees and Services

Fees for services performed for the company by the principal accountant for 2025 and 2024 are as follows:

Audit Fees. The aggregate fees during 2025 and 2024 for professional services rendered for the audit of the company's annual financial statements included in the company's Annual Report on Form 10-K, review of financial statements included in the company's Quarterly Reports on Form 10-Q and for services provided in connection with regulatory filings were approximately \$586 thousand and \$669 thousand, respectively.

Audit Related Fees. There were no fees billed for audit related services by the principal accountants during 2025 and 2024.

Tax fees. There were no fees billed for professional services rendered by the principal accountants during 2025 and 2024 for tax compliance, tax advice, and tax planning.

All Other Fees. There were no other fees billed for any other products and services provided by the principal accountants during 2025 and 2024.

The company is managed externally and does not have an audit committee. All audit and non-audit services are approved by the manager's board of directors acting as the Audit Committee of RMI IX.

Part IV

Item 15 – Exhibits and Financial Statement Schedules

A. Documents filed as part of this report are incorporated:

1. In Part II, Item 8
2. None.
3. Exhibits listed below.

<u>Exhibit No.</u>	<u>Description of Exhibits</u>
3.1	Ninth Amended and Restated Limited Liability Company Operating Agreement **
3.2	Certificate of Formation **
3.3	First Amendment to Ninth Amended and Restated Limited Liability Company Operating Agreement of Redwood Mortgage Investors IX, LLC dated June 20, 2018 (incorporated herein by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed with the SEC on June 22, 2018 (File No. 000-55601))
3.4	Second Amendment to Ninth Amended and Restated Limited Liability Company Operating Agreement of Redwood Mortgage Investors IX, LLC dated effective March 11, 2022 (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on March 11, 2022 (File No. 000-55601))
4.1	Subscription Agreement and Power of Attorney, including Special Notice for California Residents *
10.1	Form of Distribution Reinvestment Plan *
10.2	Loan Servicing Agreement *
10.3	Form of Note *
10.4	Form of Deed of Trust *
10.5	Form of Participating Broker-Dealer Agreement *
10.6	Form of Advisory Agreement ***
10.7	Form of Formation Loan Promissory Note *
10.8	Business Loan Agreement dated as of March 13, 2020 (incorporated herein by reference to Exhibit 10.1 to the Company's Form 10-Q filed with the SEC on May 15, 2020 (File No. 000-55601))
10.9	First Loan Modification Agreement dated as of March 4, 2022 (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 11, 2022 (File No. 000-55601))
10.10	Second Loan Modification Agreement, dated as of March 13, 2024 (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 13, 2024 (File No. 000-55601))
10.11	Third Loan Modification Agreement, dated as of March 11, 2026 (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 17, 2026 (File No. 000-55601))
14.1	Code of Ethics (incorporated herein by reference to Exhibit 14.1 to the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the SEC on March 31, 2023 (File No. 000-55601))
31.1	Certification of Manager pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Manager pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Report by Redwood Mortgage Corp. of the estimated fair value at December 31, 2024 of a unit of Redwood Mortgage Investors IX, LLC
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 With Embedded Linkbase Documents

* Incorporated by reference to the item under the corresponding exhibit number in the registrant's annual report on Form 10-K for the fiscal year ended December 31, 2015 filed with the SEC on March 30, 2015 (File no. 000-55601).

** Incorporated by reference to the item in the corresponding exhibit number in the registrant's registration statement on Form 8-A12G filed on March 25, 2016 (File no. 000-55601).

*** Incorporated by reference to Exhibit 10.7 in the registrant's quarterly report on Form 10-Q for the nine months ended September 30, 2016 filed with the SEC on November 10, 2016 (File no. 000-55601).

Item 16 – Form 10-K Summary

None.

PRESIDENT'S CERTIFICATION

I, Michael R. Burwell, certify that:

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

/s/ Michael R. Burwell

Michael R. Burwell, President,
(principal executive officer and principal financial officer)
Redwood Mortgage Corp.,
Manager
April 14, 2026

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

In connection with the Annual Report of Redwood Mortgage Investors IX, LLC (the “Company”) on Form 10-K for the period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Michael R. Burwell, certify that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

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

/s/ Michael R. Burwell

Michael R. Burwell, President,
(principal executive officer and principal financial officer)
Redwood Mortgage Corp.,
Manager
April 14, 2026

Redwood Mortgage Investors IX, a Delaware Limited Liability Company**Fair Value per Unit****December 31, 2025****Background**

Redwood Mortgage Corp. (RMC or the manager) obtained information regarding the fair value of a unit of member's interest and of net assets at December 31, 2025 (the valuation date) for Redwood Mortgage Investors IX, a Delaware Limited Liability Company (RMI IX or the company). An independent valuation firm that provides asset valuations to retirement plan sponsors, plan administrators, banking and trust companies, and ERISA plans performed the unit value analysis in accordance with scope criteria, objectives and an overall approach set by RMC. The purpose of their valuation was to provide an opinion of the fair value of a unit of membership interest, which is determined principally by the fair value of the commercial mortgage loans held in portfolio and the liquidity available to the members, inclusive of redemption price and distribution factors. The firm understood that the valuation report would be used by the manager for financial and regulatory reporting purposes, specifically FINRA Rule 2310 and NASD Rule 2340.

As of the valuation date, RMI IX had total assets with a book value of approximately \$59.1 million (\$67.1 million in 2024), the primary components of which were \$562 thousand in cash and \$58.2 million in secured-loans principal (\$12.1 million and \$53.5 million in 2024, respectively).

As of the valuation date, the balance on the line of credit was \$0 (\$4.0 million in 2024), members' and manager's capital was \$61.6 million (\$65.6 million in 2024) and the formation loan balance was \$2.6 million (\$2.7 million in 2024).

Fair Value of a Unit of Membership Interest for RMI IX

Based on the analysis summarized below, RMC concurred with the firm's conclusion that the fair value of a unit of membership interest, as of the valuation date, is \$1.00, as the unit price at redemption is capped at \$1.00 per unit per the RMI IX Operating Agreement.

RMI IX membership units have restrictions on transferability and redemptions, including a minimum investment period of five years and a maximum total annual redemption of five percent (5%) of beginning members' capital. The Operating Agreement provides that members may withdraw all or a portion of their capital accounts in quarterly installments or longer, as determined by RMC in light of the company's cash flow and subject to the 5% annual maximum for the company. There is also a limited right of liquidation for an investor's heirs upon an investor's death. The company has established a cash reserve but it is not specifically allocated to fund withdrawals and, accordingly, the company's capacity to return capital is subject to the availability of cash. A members' capital account continues to receive distributions equal to its pro-rata share of the company's net income, if applicable, in the period during which the balance is being redeemed.

Valuation of the Commercial Mortgage Loan Portfolio

The fair value of the loan portfolio approximates the book value as evidenced by the gains on sale net of the cost to sell for the loan sales in 2025, 2024 and 2023. In those sales, the acquiring bank selected loans to be purchased from a list of loans offered for sale. It is noted that RMI IX's loans:

- Are of shorter terms at origination than commercial real estate loans by institutional lenders;
- Are written without a prepayment penalty causing uncertainty/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.

RMC projects credit losses at the time of loan funding to be zero dollars due to the low LTV's at origination and the location of the collateral in favorable real estate markets (San Francisco Bay Area and Los Angeles, coastal Southern California primarily). Management reviews the values of collateral periodically to validate the "protective equity."

Sources of Information

RMC provided financial and other information to the firm and it accessed other information from various public, financial, and industry sources. The principal sources of information used in performing the valuation included the following:

- Draft Form 10-K for 2025 and the as filed Forms 10-K for 2024 and 2023
- Historical capital contributions and redemptions
- The Operating Agreement (ninth amended and restated), and
- Discussions with Management regarding the historical and expected future performance of RMI IX, as well as related information contained in management reports.

Procedures and Analytic Approaches

The firm performed the following customary procedures:

- Received a description of the subject items;
- Reviewed the methodologies used to estimate the fair value of the loan portfolio;
- Considered the commercial-mortgage-loan sales data.

The valuation firm primarily utilized the cost or book value analysis. Book value may approximate fair value for assets or liabilities with a relatively short term to maturity, provided there is little or no risk of material changes before maturity and the disparity between the assets' or liabilities' current rate and that of the quoted market rate is minimal. Any mark-to-market adjustment for these short-term assets or liabilities would presumably be immaterial.