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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2020.

OR

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

For the transition period from __ to ___

Commission file number 001-38156

TPG RE Finance Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**36-4796967**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

888 Seventh Avenue, 35th Floor
New York, New York 10106
(Address of principal executive offices)(Zip Code)

(212) 601-4700
(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
Common Stock, par value $0.001 per share	TRTX	New York Stock Exchange

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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

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

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

As of July 27, 2020, there were 76,756,317 shares of the registrant's common stock, $0.001 par value per share, and 0 shares of the registrant's Class A common stock, $0.001 par value per share, outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believe," "expect," "potential," "continue," "may," "should," "seek," "approximately," "predict," "intend," "will," "plan," "estimate," "anticipate," the negative version of these words, other comparable words or other statements that do not relate strictly to historical or factual matters. By their nature, forward-looking statements speak only as of the date they are made, are not statements of historical fact or guarantees of future performance and are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and projections will occur or be achieved, and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-Q. Such risks, uncertainties and other important factors include, among others, the risks, uncertainties and factors set forth under the heading "Risk Factors" in this Form 10-Q , in our Form 10-Q filed with the Securities and Exchange Commission (the "SEC") on May 11, 2020 and in our Form 10-K filed with the SEC on February 19, 2020, as such risk factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Such risks, uncertainties and other factors include, but are not limited to, the following:

- the general political, economic and competitive conditions in the markets in which we invest;
- the level and volatility of prevailing interest rates and credit spreads;
- adverse changes in the real estate and real estate capital markets;
- general volatility of the securities markets in which we participate;
- changes in our business, investment strategies or target assets;
- difficulty in obtaining financing or raising capital;
- reductions in the yield on our investments and increases in the cost of our financing;
- adverse legislative or regulatory developments, including with respect to tax laws;
- acts of God such as hurricanes, floods, earthquakes, wildfires, mudslides, volcanic eruptions, and other natural disasters, acts of war and/or terrorism and other events that may cause unanticipated and uninsured performance declines and/or losses to us or the owners and operators of the real estate securing our investments;
- the ultimate geographic spread, severity and duration of pandemics such as the recent outbreak of novel coronavirus ("COVID-19"), actions that may be taken by governmental authorities to contain or address the impact of such pandemics, and the potential negative impacts of such pandemics on the global economy and our financial condition and results of operations;
- changes in the availability of attractive loan and other investment opportunities, whether they are due to competition, regulation or otherwise;
- deterioration in the performance of properties securing our investments that may cause deterioration in the performance of our investments, adversely impact certain of our financing arrangements and our liquidity, and potentially expose us to principal losses on our investments;
- defaults by borrowers in paying debt service on outstanding indebtedness;
- the adequacy of collateral securing our investments and declines in the fair value of our investments;
- adverse developments in the availability of desirable investment opportunities;
- difficulty in successfully managing our growth, including integrating new assets into our existing systems;
- the cost of operating our platform, including, but not limited to, the cost of operating a real estate investment platform and the cost of operating as a publicly traded company;

- the availability of qualified personnel and our relationship with our Manager (as defined below);
- the potential unavailability of the London Interbank Offered Rate ("LIBOR") after December 31, 2021;
- conflicts with TPG (as defined below) and its affiliates, including our Manager, the personnel of TPG providing services to us, including our officers, and certain funds managed by TPG;
- our qualification as a real estate investment trust ("REIT") for U.S. federal income tax purposes and our ability to maintain our exemption or exclusion from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"); and
- authoritative U.S. generally accepted accounting principles (or "GAAP") or policy changes from such standard-setting bodies such as the Financial Accounting Standards Board, the SEC, the Internal Revenue Service, the New York Stock Exchange and other authorities that we are subject to, as well as their counterparts in any foreign jurisdictions where we might do business.

There may be other risks, uncertainties or factors that may cause our actual results to differ materially from the forward-looking statements, including risks, uncertainties, and factors disclosed under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q. You should evaluate all forward-looking statements made in this Form 10-Q in the context of these risks, uncertainties and other factors.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. All forward-looking statements in this Form 10-Q apply only as of the date made and are expressly qualified in their entirety by the cautionary statements included in this Form 10-Q and in other filings we make with the SEC. We undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Except where the context requires otherwise, the terms "Company," "we," "us," and "our" refer to TPG RE Finance Trust, Inc., a Maryland corporation, and its subsidiaries; the term "Manager" refers to our external manager, TPG RE Finance Trust Management, L.P., a Delaware limited partnership; and the term "TPG" refers to TPG Global, LLC, a Delaware limited liability company, and its affiliates.

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Part I. Financial Information

Item 1. Financial Statements

TPG RE Finance Trust, Inc.
Consolidated Balance Sheets (Unaudited)
(in thousands, except share and per share data)

	June 30, 2020	December 31, 2019
ASSETS[1]		
Cash and Cash Equivalents	$ 196,237	$ 79,182
Restricted Cash	180	484
Accounts Receivable	36	2,344
Accounts Receivable from Servicer/Trustee	80,219	13,741
Accrued Interest and Fees Receivable	29,962	28,107
Loans Held for Investment	5,042,125	4,980,389
Allowance for Credit Losses	(53,557)	—
Loans Held for Investment, Net (includes $2,738,774 and $2,585,030, respectively, pledged as collateral under secured revolving repurchase and secured credit agreements)	4,988,568	4,980,389
Investment in Available-for-Sale CRE Debt Securities, net (includes $0 and $786,408, respectively, pledged as collateral under secured revolving repurchase agreements)	—	787,552
Other Assets, Net	1,102	1,071
Total Assets	$ 5,296,304	$ 5,892,870
LIABILITIES AND EQUITY[1]		
Liabilities		
Accrued Interest Payable	$ 3,453	$ 6,665
Accrued Expenses and Other Liabilities	18,679	8,176
Secured Revolving Repurchase, Senior Secured, and Secured Credit Agreements (net of deferred financing costs of $10,313 and $11,632, respectively)	1,845,926	2,448,422
Collateralized Loan Obligations (net of deferred financing costs of $11,305 and $13,632, respectively)	1,823,456	1,806,428
Asset-Specific Financings (net of deferred financing costs of $106 and $294, respectively)	76,894	76,706
Payable to Affiliates	11,025	9,520
Deferred Revenue	149	164
Dividends Payable	48,669	32,835
Total Liabilities	3,828,251	4,388,916
Commitments and Contingencies—See Note 14		
Temporary Equity		
Series B Cumulative Redeemable Preferred Stock ($0.001 par value per share; 13,000,000 and 0 shares authorized, respectively; 9,000,000 and 0 shares issued and outstanding, respectively), Net	196,832	—
Permanent Equity		
Series A Preferred Stock ($0.001 par value per share; 100,000,000 shares authorized; 125 and 125 shares issued and outstanding, respectively)	—	—
Common Stock ($0.001 par value per share; 302,500,000 and 300,000,000 shares authorized, respectively; 76,792,432 and 74,886,113 shares issued and outstanding, respectively)	77	75
Class A Common Stock ($0.001 par value per share; 0 and 2,500,000 shares authorized, respectively; 0 and 1,136,665 shares issued and outstanding, respectively)	—	1
Additional Paid-in-Capital	1,559,684	1,530,935
Accumulated Deficit	(288,540)	(28,108)
Accumulated Other Comprehensive Income	—	1,051
Total Stockholders' Equity	1,271,221	1,503,954
Total Permanent Equity	1,271,221	1,503,954
Total Liabilities and Equity	$ 5,296,304	$ 5,892,870

(1) The Company's consolidated Total Assets and Total Liabilities at June 30, 2020 include assets and liabilities of variable interest entities ("VIEs") of $2.3 billion and $1.8 billion, respectively. The Company's consolidated Total Assets and Total Liabilities at December 31, 2019 include assets and liabilities of VIEs of $2.2 billion and $1.8 billion, respectively. These assets can be used only to satisfy obligations of the VIEs, and creditors of the VIEs have recourse only to these assets, and not to TPG RE Finance Trust, Inc. See Note 5 to the Consolidated Financial Statements for details.

See accompanying notes to the Consolidated Financial Statements

TPG RE Finance Trust, Inc.
Consolidated Statements of Income
and Comprehensive Income (Unaudited)
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
INTEREST INCOME				
Interest Income	$ 70,051	$ 88,254	$ 151,800	$ 164,855
Interest Expense	(25,865)	(46,426)	(64,322)	(85,793)
Net Interest Income	44,186	41,828	87,478	79,062
OTHER REVENUE				
Other Income, net	119	412	447	834
Total Other Revenue	119	412	447	834
OTHER EXPENSES				
Professional Fees	4,036	593	5,855	1,272
General and Administrative	860	1,041	1,840	1,485
Stock Compensation Expense	1,686	633	3,087	1,514
Servicing and Asset Management Fees	261	431	537	944
Management Fee	5,115	5,323	10,115	10,466
Incentive Management Fee	—	2,048	—	3,413
Total Other Expenses	11,958	10,069	21,434	19,094
Securities Gains (Impairments)	96	—	(203,397)	—
Credit Loss Benefit (Expense)	10,546	—	(52,802)	—
Income (Loss) Before Income Taxes	42,989	32,171	(189,708)	60,802
Income Tax Expense, net	(61)	(202)	(154)	(421)
Net Income (Loss)	$ 42,928	$ 31,969	$ (189,862)	$ 60,381
Series A Preferred Stock Dividends	(5)	(4)	(8)	(7)
Series B Cumulative Redeemable Preferred Stock Dividends	(2,250)	—	(2,250)	—
Net Income (Loss) Attributable to TPG RE Finance Trust, Inc.	$ 40,673	$ 31,965	$ (192,120)	$ 60,374
Basic Earnings (Loss) per Common Share	$ 0.52	$ 0.43	$ (2.53)	$ 0.85
Diluted Earnings (Loss) per Common Share	$ 0.52	$ 0.43	$ (2.53)	$ 0.85
Weighted Average Number of Common Shares Outstanding				
Basic:	76,644,038	73,963,337	76,554,680	71,144,696
Diluted:	76,644,038	73,963,337	76,554,680	71,144,696
OTHER COMPREHENSIVE INCOME (LOSS)				
Net Income (Loss)	$ 42,928	$ 31,969	$ (189,862)	$ 60,381
Unrealized Gain (Loss) on Available-for-Sale Debt Securities	(77)	3,112	(1,051)	3,218
Comprehensive Net Income (Loss)	$ 42,851	$ 35,081	$ (190,913)	$ 63,599

See accompanying notes to the Consolidated Financial Statements

TPG RE Finance Trust, Inc.
Consolidated Statements of
Changes in Equity (Unaudited)
(In thousands, except share and per share data)

	Permanent Equity										Temporary Equity
	Series A Preferred Stock		Common Stock		Class A Common Stock						
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Series B Preferred Stock
January 1, 2020	125	$ —	74,886,113	$ 75	1,136,665	$ 1	$ 1,530,935	$ (28,108)	$ 1,051	$ 1,503,954	$ —
Issuance of Common Stock	—	—	628,218	1	—	—	12,894	—	—	12,895	—
Conversions of Class A Common Stock to Common Stock	—	—	1,136,665	1	(1,136,665)	(1)	—	—	—	—	—
Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	—	—	—	—	—	—	(206)	—	—	(206)	—
Amortization of Share-Based Compensation	—	—	—	—	—	—	1,401	—	—	1,401	—
Cumulative Effect of Adoption of ASU 2016-13 (See Note 2)	—	—	—	—	—	—	—	(19,645)	—	(19,645)	—
Net Loss	—	—	—	—	—	—	—	(232,790)	—	(232,790)	—
Other Comprehensive Loss	—	—	—	—	—	—	—	—	(974)	(974)	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(3)	—	(3)	—
Dividends on Common Stock (Dividends Declared per Share of $0.43)	—	—	—	—	—	—	—	(33,219)	—	(33,219)	—
March 31, 2020	125	$ —	76,650,996	$ 77	—	$ —	$ 1,545,024	$ (313,765)	$ 77	$ 1,231,413	$ —
Issuance of Series B Cumulative Redeemable Preferred Stock	—	—	—	—	—	—	—	—	—	—	210,598
Issuance of Warrants to Purchase Common Stock	—	—	—	—	—	—	14,402	—	—	14,402	—
Issuance of Common Stock	—	—	160,278	—	—	—	—	—	—	—	—
Retirement of Common Stock	—	—	(18,842)	—	—	—	—	—	—	—	—
Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	—	—	—	—	—	—	(985)	—	—	(985)	(14,209)
Amortization of Share-Based Compensation	—	—	—	—	—	—	1,686	—	—	1,686	—
Net Income	—	—	—	—	—	—	—	42,928	—	42,928	—
Other Comprehensive Loss	—	—	—	—	—	—	—	—	(77)	(77)	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(2,255)	—	(2,255)	—
Accretion of Discount on Series B Cumulative Redeemable Preferred Stock	—	—	—	—	—	—	(443)	—	—	(443)	443
Dividends on Common Stock (Dividends Declared per Share of $0.20)	—	—	—	—	—	—	—	(15,448)	—	(15,448)	—
June 30, 2020	125	$ —	76,792,432	$ 77	—	$ —	$ 1,559,684	$ (288,540)	$ —	$ 1,271,221	$ 196,832

	Permanent Equity										Temporary Equity
	Series A Preferred Stock		Common Stock		Class A Common Stock						
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Series B Preferred Stock
January 1, 2019	—	$ —	66,020,387	$ 67	1,143,313	$ 1	$ 1,355,002	$ (25,915)	$ (1,985)	$ 1,327,170	$ —
Issuance of Common Stock	—	—	6,000,000	6	—	—	119,094	—	—	119,100	—
Repurchases of Common Stock	—	—	(2,324)	—	—	—	—	(42)	—	(42)	—
Issuance of Series A Preferred Stock	125	—	—	—	—	—	125	—	—	125	—
Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	—	—	—	—	—	—	(300)	—	—	(300)	—
Amortization of Share-Based Compensation	—	—	—	—	—	—	633	—	—	633	—
Net Income	—	—	—	—	—	—	—	28,412	—	28,412	—
Other Comprehensive Income	—	—	—	—	—	—	—	—	106	106	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(3)	—	(3)	—
Dividends on Common Stock (Dividends Declared per Share of $0.43)	—	—	—	—	—	—	—	(31,160)	—	(31,160)	—
Dividends on Class A Common Stock (Dividends declared per Share of $0.43)	—	—	—	—	—	—	—	(492)	—	(492)	—
March 31, 2019	125	$ —	72,018,063	$ 73	1,143,313	$ 1	$ 1,474,554	$ (29,200)	$ (1,879)	$ 1,443,549	$ —
Issuance of Common Stock	—	—	978,033	—	—	—	17,432	—	—	17,432	—
Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	—	—	—	—	—	—	(197)	—	—	(197)	—
Amortization of Share-Based Compensation	—	—	—	—	—	—	881	—	—	881	—
Net Income	—	—	—	—	—	—	—	31,969	—	31,969	—
Other Comprehensive Income	—	—	—	—	—	—	—	—	3,112	3,112	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(4)	—	(4)	—
Dividends on Common Stock (Dividends Declared per Share of $0.43)	—	—	—	—	—	—	—	(31,494)	—	(31,494)	—
Dividends on Class A Common Stock (Dividends declared per Share of $0.43)	—	—	—	—	—	—	—	(491)	—	(491)	—
June 30, 2019	125	$ —	72,996,096	$ 73	1,143,313	$ 1	$ 1,492,670	$ (29,220)	$ 1,233	$ 1,464,757	$ —

See accompanying notes to the Consolidated Financial Statements

TPG RE Finance Trust, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2020	**2019**
Cash Flows from Operating Activities:		
Net Income (Loss)	$ (189,862)	$ 60,381
Adjustment to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Amortization and Accretion of Premiums, Discounts and Loan Origination Fees, Net	(5,627)	(7,898)
Amortization of Deferred Financing Costs	6,539	9,393
Increase in Capitalized Accrued Interest	(550)	—
Loss on Sales of Loans Held for Investment and CRE Debt Securities, Net	217,170	—
Stock Compensation Expense	3,087	1,514
Allowance for Credit Loss Expense	39,029	—
Cash Flows Due to Changes in Operating Assets and Liabilities:		
Accounts Receivable	2,308	(4)
Accrued Interest Receivable	(1,078)	(12,224)
Accrued Expenses and Other Liabilities	1,414	(3,525)
Accrued Interest Payable	(3,212)	3,458
Payable to Affiliates	1,505	1,653
Deferred Fee Income	(15)	(72)
Other Assets	(31)	315
Net Cash Provided by Operating Activities	70,677	52,991
Cash Flows from Investing Activities:		
Origination of Loans Held for Investment	(351,650)	(1,133,817)
Advances on Loans Held for Investment	(123,692)	(117,131)
Principal Repayments of Loans Held for Investment	333,715	608,338
Sales of Loans Held for Investment	5,295	—
Purchase of Available-for-Sale CRE Debt Securities	(168,888)	(632,267)
Sales and Principal Repayments of Available-for-Sale CRE Debt Securities	766,437	6,641
Net Cash Provided by (Used in) Investing Activities	461,217	(1,268,236)
Cash Flows from Financing Activities:		
Payments on Collateralized Loan Obligations	—	(311,672)
Payments on Secured Financing Agreements - Loan Investments	(606,265)	(807,471)
Proceeds from Secured Financing Agreements - Loan Investments	695,250	1,746,297
Payments on Secured Financing Agreements - CRE Debt Securities	(824,920)	(4,958)
Proceeds from Secured Financing Agreements - CRE Debt Securities	132,122	550,850
Payment of Deferred Financing Costs	(1,769)	(3,817)
Payments to Repurchase Common Stock	—	(42)
Proceeds from Issuance of Series A Preferred Stock	—	125
Proceeds from Issuance of Series B Cumulative Redeemable Preferred Stock	210,598	—
Proceeds from Issuance of Warrants to Purchase Common Stock	14,402	—
Proceeds from Issuance of Common Stock	12,895	136,532
Dividends Paid on Common Stock	(32,551)	(59,649)
Dividends Paid on Class A Common Stock	(284)	(983)
Dividends Paid on Series A Preferred Stock	(6)	(7)
Dividends Paid on Series B Cumulative Redeemable Preferred Stock	(2,250)	—
Payment of Equity Issuance and Equity Distribution Agreement Transaction Costs	(12,365)	(188)
Net Cash Provided by (Used in) Financing Activities	(415,143)	1,245,017
Net Change in Cash, Cash Equivalents, and Restricted Cash	116,751	29,772
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	79,666	40,720
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 196,417	$ 70,492
Supplemental Disclosure of Cash Flow Information:		
Interest Paid	$ 60,995	$ 72,942
Taxes Paid	$ 5	$ 368
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Principal Repayments of Loans Held for Investment Held by Servicer/Trustee, Net	$ 80,205	$ 208,697
Sales and Principal Repayments of Available-for-Sale CRE Debt Securities Held by Servicer/Trustee, Net	—	960
Proceeds from Secured Financing Agreements Held by Trustee	—	103
Dividends Declared, not paid	48,669	31,985
Accrued Equity Issuance and Transaction Costs	3,035	309
Change in Accrued Deferred Financing Costs	937	1,148
Unrealized Gain (Loss) on Available-for-Sale CRE Debt Securities	(1,051)	3,218

See accompanying notes to the Consolidated Financial Statements

(1) Business and Organization

TPG RE Finance Trust, Inc. (together with its consolidated subsidiaries, "we," "us," "our" or the "Company") is a Maryland corporation that was incorporated on October 24, 2014 and commenced operations on December 18, 2014 ("Inception"). We are organized as a holding company and conduct our operations primarily through TPG RE Finance Trust Holdco, LLC ("Holdco"), a Delaware limited liability company that is wholly owned by the Company, and Holdco's direct and indirect subsidiaries. We conduct our operations as a real estate investment trust ("REIT") for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our REIT taxable income to the extent that we annually distribute all of our REIT taxable income to stockholders and maintain our qualification as a REIT. We also operate our business in a manner that permits us to maintain an exclusion from registration under the Investment Company Act of 1940, as amended.

The Company's principal business activity is to directly originate and acquire a diversified portfolio of commercial real estate related assets, consisting primarily of first mortgage loans and senior participation interests in first mortgage loans secured by institutional-quality properties in primary and select secondary markets in the United States. The Company has in the past invested in commercial real estate debt securities ("CRE debt securities") including commercial mortgage-backed securities ("CMBS") and commercial real estate collateralized loan obligation securities ("CRE CLOs").

(2) Summary of Significant Accounting Policies

Basis of Presentation

The interim consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The interim consolidated financial statements include the Company's accounts, consolidated variable interest entities for which the Company is the primary beneficiary, and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated. These interim consolidated financial statements should be read in conjunction with the Company's Form 10-K filed with the SEC on February 19, 2020.

Risks and Uncertainties

The recent outbreak of the coronavirus pandemic ("COVID-19") around the globe continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The impact of the outbreak has evolved rapidly around the globe, with many countries taking drastic measures to limit the spread of the virus by instituting quarantines or lockdowns and imposing travel restrictions. Such actions have created significant disruptions to global supply chains, and adversely impacted several industries, including but not limited to, airlines, hospitality, retail and the broader real estate industry.

The major disruptions caused by COVID-19 brought to a halt most economic activity in most of the United States resulting in a significant increase in unemployment claims and material fiscal stimulus expenditures by the federal government. COVID-19 will also likely result in a significant decline in the U.S. Gross Domestic Product.

COVID-19 could have a continued and prolonged adverse impact on economic and market conditions and trigger a period of global economic slowdown which has and could continue to have a material adverse effect on the Company's results and financial condition. Many jurisdictions have begun to "reopen" by reducing measures that were previously taken to limit the spread of COVID-19, but the Company cannot predict the length of time that it will take for a meaningful economic recovery to take place. In a number of jurisdictions, these reopening measures led to a surge in new cases of COVID-19 which, in turn, led governmental authorities to reimpose certain of the restrictions that previously had been lifted, which could further materially and adversely affect the Company's results and financial condition.

The full impact of COVID-19 on the real estate industry, the credit markets and consequently on the Company's financial condition and results of operations is uncertain and cannot be predicted currently since it depends on several factors beyond the control of the Company including, but not limited to (i) the uncertainty surrounding the severity and duration of the outbreak, including possible recurrences and differing economic and social impacts of the outbreak in various regions of the United States, (ii) the effectiveness of the United States public health response, (iii) the pandemic's impact on the U.S. and global economies, (iv) the timing, scope and effectiveness of additional governmental responses to the pandemic, (v) the timing and speed of economic recovery, including the availability of a treatment or vaccine for COVID-19, changes in how certain types of commercial property are used while maintaining social distancing and other techniques intended to control the impact of COVID-19, and (vi) the negative impact on the Company's borrowers, real estate values and cost of capital.

Reclassifications

Certain amounts in the Company's prior period consolidated financial statements have been reclassified to conform to the presentation of the Company's current period consolidated financial statements. These reclassifications had no effect on the Company's previously reported net income. These reclassifications include the separate presentation of stock compensation on the consolidated statements of income and comprehensive income, and the disaggregation of proceeds and payments from secured financing agreements secured by loans and secured financing agreements secured by CRE debt securities on the consolidated statements of cash flows.

Use of Estimates

The preparation of the interim consolidated financial statements in conformity with GAAP requires estimates of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements. Actual results could differ from management's estimates, and such differences could be material. Significant estimates made in the interim consolidated financial statements include, but are not limited to: the adequacy of provisions for credit losses and the valuation inputs related thereto; and the valuation of financial instruments. Actual amounts and values as of the balance sheet dates may be materially different than the amounts and values reported due to the inherent uncertainty in the estimation process and the limited availability of observable pricing inputs due to market dislocation resulting from the COVID-19 pandemic. Also, future amounts and values could differ materially from those estimates due to changes in values and circumstances after the balance sheet date and the limited availability of observable prices.

Principles of Consolidation

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810—*Consolidation ("ASC 810")* provides guidance on the identification of a VIE (a variable interest entity for which control is achieved through means other than voting rights) and the determination of which business enterprise, if any, should consolidate the VIE. An entity is considered a VIE if any of the following applies: (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest; (2) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support; or (3) the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined as the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the VIE's performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

At each reporting date, the Company reconsiders its primary beneficiary conclusion to determine if its obligation to absorb losses of, or its rights to receive benefits from, the VIE could potentially be more than insignificant, and will consolidate or not consolidate accordingly (see Note 5 for details).

Revenue Recognition

Interest income on loans is accrued using the interest method based on the contractual terms of the loan, adjusted for expected or realized credit losses, if any. The objective of the interest method is to arrive at periodic interest income including recognition of fees and costs at a constant effective yield. Premiums, discounts, and origination fees are amortized or accreted into interest income over the lives of the loans using the interest method, or on a straight-line basis when it approximates the interest method. Extension and modification fees are accreted into income on a straight-line basis, when it approximates the interest method, over the related extension or modification period. Exit fees are accreted into income on a straight-line basis, when it approximates the interest method, over the lives of the loans to which they relate unless they can be waived by the Company or a co-lender in connection with a loan refinancing. Prepayment penalties from borrowers are recognized as interest income when received. Certain of the Company's loan investments have in the past, and may in the future, provide for additional interest based on the borrower's operating cash flow or appreciation of the underlying collateral. Such amounts are considered contingent interest and are reflected as interest income only upon certainty of collection. Certain of the Company's loan investments have in the past, and may in the future, provide for the accrual of interest (in part, or in whole) instead of its current payment in cash, with the accrued interest ("PIK interest") added to the unpaid principal balance of the loan. Such PIK interest is recognized currently as interest income unless the Company concludes eventual collection is unlikely, in which case a collection reserve is recorded or the PIK interest is written off.

Loans Held for Investment

Loans that the Company has the intent and ability to hold for the foreseeable future, or until maturity or repayment, are reported at their outstanding principal balances net of any cumulative charge-offs, interest applied to principal (for loans accounted for using the cost recovery method), unamortized premiums, discounts, unamortized net loan origination fees and costs. Loan origination fees and direct loan origination costs are deferred and recognized in interest income over the estimated life of the loans using the interest method, or on a straight-line basis when it approximates the interest method, adjusted for actual prepayments. Accrued but not yet collected interest is separately reported as accrued interest receivable on the Company's consolidated balance sheets.

When loans are designated as held for investment, the Company's intent is to hold the loans for the foreseeable future or until maturity or repayment. If subsequent changes in real estate or capital markets occur, the Company may change its intent or its assessment of its ability to hold these loans. Once a determination has been made to sell such loans, they are immediately transferred to loans held for sale and carried at the lower of cost or fair value.

Non-Accrual Loans

Loans are placed on non-accrual status when the full and timely collection of principal and interest is doubtful, generally when the loan becomes 90 days or more past due for principal and interest. The Company considers an account past due when an obligor fails to pay substantially all (defined as 90%) of the scheduled payment by the due date. In each case, the period of delinquency is based on the number of days payments are contractually past due. All interest accrued but not received for loans placed on non-accrual status is subtracted from interest income at the time the loan is placed on non-accrual. Payments received on non-accrual loans are accounted for using either the cash method, or the cost recovery method which applies any cash collected to first reduce the principal balance. A loan may be returned to accrual status if all delinquent principal and interest payments are brought current, and collectability of the remaining principal and interest payments in accordance with the loan agreement is reasonably assured. Loans that in the judgment of the Company's external manager, TPG RE Finance Trust Management, L.P., a Delaware limited partnership (the "Manager"), are adequately secured and in the process of collection are maintained on accrual status, even if they are 90 days or more past due.

Troubled Debt Restructurings

A loan is accounted for and reported as a troubled debt restructuring ("TDR") when, for economic or legal reasons, the Company grants a concession to a borrower experiencing financial difficulty that we would not otherwise consider. The Company does not consider as a concession a restructuring that includes an insignificant delay in payment. A delay may be considered insignificant if the payments subject to the delay are insignificant relative to the unpaid principal balance of the loan or collateral value, and the contractual amount due, or the delay in timing of the restructured payment period, is insignificant relative to the frequency of payments, the debt's original contractual maturity or original expected duration.

TDRs that are performing and on accrual status as of the date of the modification remain on accrual status. TDRs that are nonperforming as of the date of modification usually remain on non-accrual status until the prospect of future payments in accordance with the modified loan agreement is reasonably assured, which is generally demonstrated when the borrower maintains compliance with the restructured terms for a predetermined period, normally at least six months. TDRs with temporary below-market concessions remain designated as a TDR regardless of the accrual or performance status until the loan is paid off. However, if the TDR loan has been modified in a subsequent restructure with market terms and the borrower is not currently experiencing financial difficulty, then the loan may be de-designated as a TDR.

Allowance for Credit Losses for Loans Held for Investment

The allowance for credit losses is measured under the Current Expected Credit Loss ("CECL") accounting framework, represents an estimate of current expected losses for the Company's existing portfolio of loans held for investment, and is presented as a valuation reserve on the Company's consolidated balance sheets. Expected credit losses inherent in non-cancelable unfunded loan commitments are accounted for as separate liabilities included in accrued expenses and other liabilities on the consolidated balance sheets. The allowance for credit losses for loans held for investment, as reported in the Company's consolidated balance sheets, is adjusted by a credit loss expense, which is reported in earnings in the consolidated statements of income and comprehensive income and reduced by the charge-off of loan amounts, net of recoveries and additions related to purchased credit-deteriorated ("PCD") assets, if relevant. The allowance for credit losses includes a modeled component and an individually-assessed component. The Company has elected to not measure an allowance for credit losses on accrued interest receivables related to all of its loans held for investment because it writes off uncollectable accrued interest receivable in a timely manner pursuant to its non-accrual policy, described above.

The Company considers key credit quality indicators in underwriting loans and estimating credit losses, including but not limited to: the capitalization of borrowers and sponsors; the expertise of the borrowers and sponsors in a particular real estate sector and geographic market; collateral type; geographic region; use and occupancy of the property; property market value; loan-to-value ("LTV") ratio; loan amount and lien position; debt service and coverage ratio; the Company's risk rating for the same and similar loans; and prior experience with the borrower and sponsor. This information is used to assess the financial and operating capability, experience and profitability of the sponsor/borrower. Ultimate repayment of the Company's loans is sensitive to interest rate changes, general economic conditions, liquidity, LTV ratio, and availability of replacement short-term or long-term financing. The loans in the Company's commercial mortgage loan portfolio are secured by collateral in the following property types: office; multifamily; hotel; mixed-use; condominium; retail; and land.

Quarterly, the Company evaluates the risk of all loans and assigns a risk rating based on a variety of factors, grouped as follows: (i) loan and credit structure, including the as-is LTV and structural features; (ii) quality and stability of real estate value and operating cash flow, including debt yield, property type, dynamics of the geography, property type and local market, physical condition, stability of cash flow, leasing velocity and quality and diversity of tenancy; (iii) performance against underwritten business plan; and (iv) quality, experience and financial condition of sponsor, borrower and guarantor(s). Based on a 5-point scale, the Company's loans are rated "1" through "5," from least risk to greatest risk, respectively, which ratings are defined as follows:

1- Outperform—Exceeds performance metrics (for example, technical milestones, occupancy, rents, net operating income) included in original or current credit underwriting and business plan;

2- Meets or Exceeds Expectations—Collateral performance meets or exceeds substantially all performance metrics included in original or current underwriting / business plan;

3- Satisfactory—Collateral performance meets or is on track to meet underwriting; business plan is met or can reasonably be achieved;

4- Underperformance—Collateral performance falls short of original underwriting, material differences exist from business plan, or both; technical milestones have been missed; defaults may exist, or may soon occur absent material improvement; and

5- Default/Possibility of Loss—Collateral performance is significantly worse than underwriting; major variance from business plan; loan covenants or technical milestones have been breached; timely exit from loan via sale or refinancing is questionable; significant risk of principal loss.

The Company generally assigns a risk rating of "3" to all newly originated loan investments during the most recent quarter, except in the case of specific circumstances warranting an exception.

The Company's loans are typically collateralized by real estate, or in the case of mezzanine loans, by a partnership interest or similar equity interest in an entity that owns real estate. As a result, the Company regularly evaluates on a loan-by-loan basis the extent and impact of any credit deterioration associated with the performance and/or value of the underlying collateral property, and the financial and operating capability of the borrower and its sponsor. The Company also evaluates the financial strength of loan guarantors, if any, and the borrower's competency in managing and operating the property or properties. In addition, the Company considers the overall economic environment, real estate sector, and geographic sub-market in which the borrower operates. Such analyses are completed and reviewed by asset management personnel and evaluated by senior management, who utilize various data sources, including, to the extent available (i) periodic financial data such as property occupancy, tenant profile, rental rates, operating expenses, the borrower's exit plan, and capitalization and discount rates, (ii) site inspections, (iii) sales and financing comparables, (iv) current credit spreads for refinancing and (v) other market data.

Due to the COVID-19 pandemic and the dislocation it has caused to the national economy, the commercial real estate markets, and the capital markets, the Company's ability to estimate key inputs for estimating the allowance for credit losses has been materially and adversely impacted. Key inputs to the estimate include, but are not limited to, LTV, debt service coverage ratio, future operating cash flow and performance of collateral properties, the financial strength and liquidity of borrowers and sponsors, capitalization rates and discount rates used to value commercial real estate properties, and observable transactions involving the sale or financing of commercial properties. Estimates made by management are necessarily subject to change due to the lack of observable inputs and uncertainty regarding the duration of the COVID-19 pandemic and its aftereffects.

The Company's CECL reserve reflects its estimation of the current and future economic conditions that impact the performance of the commercial real estate assets securing the Company's loans. These estimations include unemployment rates, interest rates, price indices for commercial property, and other macroeconomic factors impacting the likelihood and magnitude of potential credit losses for the Company's loans during their anticipated term. The Company licenses certain macroeconomic financial forecasts to inform its view of the potential future impact that broader economic conditions may have on its loan portfolio's performance. The forecasts are embedded in the licensed model that the Company uses to estimate its CECL reserve. Selection of these economic forecasts requires significant judgment about future events that, while based on the information available to the Company as of the balance sheet date, are ultimately unknowable with certainty, and the actual economic conditions impacting the Company's portfolio could vary significantly from the estimates the Company made for the periods presented.

Credit Loss Measurement

The amount of allowance for credit losses is influenced by the size of the Company's loan portfolio, loan asset quality, risk rating, delinquency status, historic loss experience and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions. The Company employs two methods to estimate credit losses in its loan portfolio: a model-based approach utilized for substantially all of its loans; and an individually-assessed approach for loans that the Company concludes are ill-suited for use in the model-based approach, or are individually-assessed based on accounting guidance contained in the CECL framework.

Once the expected credit loss amount is determined, an allowance for credit losses equal to the calculated expected credit loss is established. If the calculated expected credit loss is determined to be permanent or not recoverable, the amount of expected credit loss will be charged-off through the allowance for credit losses. Factors considered by management in determining if the expected credit loss is permanent or not recoverable include whether management judges the loan to be uncollectible; that is, repayment is deemed to be delayed beyond reasonable time frames, or the loss becomes evident due to the borrower's lack of assets and liquidity, or the borrower's sponsor is unwilling or unable to support the loan.

Allowance for Credit Losses for Loans Held for Investment – Model-Based Approach

The model-based approach to measure the allowance for credit losses relates to loans which are not individually-assessed.

The Company licenses from Trepp, LLC historical loss information, incorporating loan performance data for over 100,000 commercial real estate loans dating back to 1998, in an analytical model to compute statistical credit loss factors (i.e., probability-of-default and loss-given-default). These statistical credit loss factors are utilized together with individual loan information to generate future expected cash flows which are used to estimate the allowance for credit losses. This methodology appropriately considers the unique characteristics of the Company's commercial mortgage loan portfolio and individual assets within the portfolio by considering individual loan risk ratings, delinquency statuses and other credit trends and risk characteristics. Further, the Company incorporates its expectations about the impact of current conditions and reasonable and supportable forecasts on expected future credit losses in deriving its estimate. For the period beyond which the Company is able to make reasonable and supportable forecasts, the Company will revert to unadjusted historical loan loss information based on systematic methodology determined at the input level. Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, in light of the factors and forecasts then prevailing, may result in significant changes in the allowance and credit loss expense.

Allowance for Credit Losses for Loans Held for Investment – Individually-Assessed Approach

In instances where the unique attributes of a loan investment render it ill-suited for the model-based approach because it no longer shares risk characteristics with other loans, or because the Company concludes repayment of the loan is entirely collateral-dependent, the Company separately evaluates the amount of expected credit loss using widely accepted real estate valuation techniques, considering substantially the same credit factors as utilized in the model-dependent method. In these cases, expected credit loss is measured as the difference between the amortized cost basis of the loan and the fair value of the collateral as determined by management using valuation techniques, frequently discounted cash flow. The fair value of the collateral is adjusted for the estimated cost to sell if repayment or satisfaction of a loan is dependent on the sale (rather than the operation) of the collateral.

Unfunded Loan Commitments

The Company's first mortgage loans often contain provisions for future funding conditioned upon the borrower's execution of its business plan with respect to the underlying collateral property securing the loan. These deferred fundings are typically for base building work, tenant improvement costs and leasing commissions, and occasionally to fund forecasted operating deficits during lease-up, or for interest reserves. These deferred funding commitments may be for specific periods, often require satisfaction by the

borrower of conditions precedent, and may contain termination clauses at the option of the borrower or, more rarely, at the Company's option. The total amount of unfunded commitments does not necessarily represent actual amounts that may be funded in cash in the future, since commitments may expire without being drawn, may be cancelled if certain conditions are not satisfied by the borrower, or borrowers may elect not to borrow some or all of the unused commitment. The Company does not recognize these unfunded loan commitments in its consolidated financial statements.

The Company applies its expected credit loss estimates to all future funding commitments that cannot be contractually terminated at the Company's option. The Company maintains a separate allowance for credit losses from unfunded loan commitments, which is included in accrued expenses and other liabilities on the consolidated balance sheets. The Company estimates the amount of expected losses by calculating a commitment usage factor over the contractual period for exposures that are not unconditionally cancellable by the Company and applies the loss factors used in the allowance for credit loss methodology described above to the results of the usage calculation to estimate the liability for credit losses related to unfunded commitments for each loan. No credit loss estimate is reported for unfunded loan commitments that are unconditionally cancellable by the Company.

CRE Debt Securities

In the past, the Company acquired CRE debt securities for investment purposes. The Company designates CRE debt securities as available-for-sale ("AFS") on the acquisition date. CRE debt securities that are classified as AFS are recorded at fair value through other comprehensive income or loss in the Company's consolidated financial statements. The Company recognizes interest income on its CRE debt securities using the interest method, or on a straight-line basis when it approximates the effective interest method, with any premium or discount amortized or accreted into interest income based on the respective outstanding principal balance and corresponding contractual term of the CRE debt security. Accrued but not yet collected interest is separately reported as accrued interest receivable on the Company's consolidated balance sheets. The Company uses a specific identification method when determining the cost of a CRE debt security sold and the amount of unrealized gain or loss reclassified from accumulated other comprehensive income or loss into earnings on the trade date.

AFS debt securities in unrealized loss positions are evaluated for impairment related to credit losses at least quarterly. For the purpose of identifying and measuring impairment, any applicable accrued interest is excluded from both the fair value and the amortized cost basis. The Company has elected to write off accrued interest by reversing interest income in the event the accrued interest is deemed uncollectible, generally when the security becomes 90 days or more past due for principal and interest.

The Company first assesses whether it intends to sell the debt security or more likely than not will be required to sell the debt security before recovery of its amortized cost basis. If either criterion regarding intent or requirement to sell is met, the debt security's amortized cost basis is written down to its fair value and the write down is charged against the allowance for credit losses, with any incremental impairment reported in earnings as a loss in the consolidated statements of income and comprehensive income.

Any AFS debt security in an unrealized loss position which the Company does not intend to sell or is not more likely than not required to sell before recovery of the amortized cost basis is assessed for expected credit losses. The performance indicators considered for CRE debt securities relate to the underlying assets and include default rates, delinquency rates, percentage of nonperforming assets, debt-to-collateral ratios, third-party guarantees, current levels of subordination, vintage, geographic concentration, analyst reports and forecasts, credit ratings and other market data. In assessing whether a credit loss exists, the Company compares the present value of cash flows expected to be collected from the security with the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis for the security, a credit loss exists and an allowance for credit losses is recorded, limited by the amount the fair value is less than amortized cost basis.

Declines in fair value of AFS debt securities in an unrealized loss position that are not due to credit losses, such as declines due to changes in market interest rates, are recorded through other comprehensive income. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. Unrealized gains and losses on AFS debt securities presented in the consolidated statement of income and comprehensive income includes the reversal of unrealized gains and losses at the time gains or losses are realized.

Portfolio Financing Arrangements

The Company finances certain of its loans, or participation interests therein, using secured revolving repurchase agreements, senior secured and secured credit agreements, asset-specific financing arrangements, and collateralized loan obligations. The related borrowings are recorded as separate liabilities on the Company's consolidated balance sheets. Interest income earned on the investments and interest expense incurred on the related borrowings are reported separately on the Company's consolidated statements of income and comprehensive income.

In certain instances, the Company creates structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third party. For all such syndications the Company has completed through June 30, 2020, the Company transferred on a non-recourse basis 100% of the senior mortgage loan that the Company originated or co-originated to a third-party lender and retained as a loan investment a separate mezzanine loan investment secured by a pledge of the equity in the mortgage borrower. With respect to the senior mortgage loan so transferred, the Company retains: no control over the mortgage loan; no economic interest in the mortgage loan; and no recourse to the purchaser or the borrower. Consequently, based on these circumstances and because the Company does not have any continuing involvement with the transferred senior mortgage loan, these syndications are accounted for as sales under GAAP and are removed from the Company's consolidated financial statements at the time of transfer. The Company's consolidated balance sheets only include the separate mezzanine loan remaining after the transfer.

The Company financed its CRE debt securities using secured revolving repurchase agreements with daily mark-to-market features and contract maturities of typically 30 days. The related borrowings are recorded as liabilities on the Company's consolidated balance sheets. Interest income earned on the CRE debt securities and interest expense incurred on the related borrowings are reported in interest income and interest expense, respectively, on the Company's consolidated statements of income and comprehensive income.

For more information regarding the Company's portfolio financing arrangements, see Note 6.

Fair Value Measurements

The Company follows ASC 820-10, *Fair Value Measurements and Disclosures* (*"ASC 820-10"*), for its holdings of financial instruments. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure of fair value measurements. ASC 820-10 determines fair value to be the price that would be received for a financial instrument in a current sale, which assumes an orderly transaction between market participants on the measurement date. The Company determines the estimated fair value of financial assets and liabilities using the three-tier fair value hierarchy established by GAAP, which prioritizes the inputs used in measuring fair value. GAAP establishes market-based or observable inputs as the preferred source of values followed by valuation models using management assumptions in the absence of market inputs. The financial instruments recorded at fair value on a recurring basis in the Company's consolidated financial statements are cash and cash equivalents, restricted cash and available-for-sale CRE debt securities. The three levels of inputs that may be used to measure fair value are as follows:

Level I—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level II—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level III—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

For certain financial instruments, the various inputs that management uses to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for such financial instrument is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. The Company may use valuation techniques consistent with the market and income approaches to measure the fair value of its assets and liabilities. The market approach uses third-party valuations and information obtained from market transactions involving identical or similar assets or liabilities. The income approach uses projections of the future economic benefits of an instrument to determine its fair value, such as in the discounted cash flow methodology. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risk associated with investing in these financial instruments. Transfers between levels of the fair value hierarchy are assumed to occur at the end of the reporting period.

The following methods and assumptions are used by our Manager to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

- Cash and cash equivalents: the carrying amount of cash and cash equivalents approximates fair value.
- Loans held for investment, net: using a discounted cash flow methodology employing a discount rate for loans of comparable credit quality, structure, and LTV based upon appraisal information and current estimates of the value of collateral property performed by the Manager, and credit spreads for loans of comparable risk (as determined by the Manager based on the factors previously described) as corroborated by inquiry of other market participants.

- CRE Debt Securities, available for sale: using indications of value from at least two dealers active in trading similar or substantially similar securities; these dealers may use reported trades or valuation estimates from their internal pricing models to determine the reported price.

- Secured repurchase agreements, senior secured and secured credit facilities, net: based on the rate at which a similar credit facility would currently be priced, as corroborated by inquiry of other market participants.

- CRE Collateralized Loan Obligations, net: utilizing indications of value from dealers active in trading similar or substantially similar securities, observable quotes from market data services, reported prices and spreads for recent new issues, and Manager estimates of the credit spread on which similar bonds would be issued, or traded, in the new issue and secondary markets.

- Other assets and liabilities subject to fair value measurement, including receivables, payables and accrued liabilities have carrying values that approximate fair value due to their short term nature.

As discussed above, market-based or observable inputs are generally the preferred source of values for purposes of measuring the fair value of the Company's assets under GAAP. The commercial property investment sales market, and the commercial mortgage loan and CRE debt securities markets, have and continue to experience extreme volatility, sharply reduced transaction volume, reduced liquidity, and disruption as a result of COVID-19, which has made it more difficult to rely on market-based inputs in connection with the valuation of the Company's assets under GAAP. Key valuation inputs include, but are not limited to, future operating cash flow and performance of collateral properties, the financial strength and liquidity of borrowers and sponsors, capitalization rates and discount rates used to value commercial real estate properties, and observable transactions involving the sale or financing of commercial properties. In the absence of market inputs, GAAP permits the use of management assumptions to measure fair value. However, the considerable market volatility and disruption caused by COVID-19 and the considerable uncertainty regarding the ultimate impact and duration of the pandemic have made it more difficult for the Company's management to formulate assumptions to measure the fair value of the Company's assets.

Income Taxes

The Company qualifies and has elected to be taxed as a REIT for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended, commencing with its initial taxable year ended December 31, 2014. To the extent that it annually distributes at least 90% of its REIT taxable income to stockholders and complies with various other requirements as a REIT, the Company generally will not be subject to U.S. federal income taxes on its distributed REIT taxable income. In 2017, the Internal Revenue Service issued a revenue procedure permitting "publicly offered" REITs to make elective stock dividends (i.e. dividends paid in a mixture of stock and cash), with at least 20% of the total distribution being paid in cash, to satisfy their REIT distribution requirements. On May 4, 2020, the Internal Revenue Service issued a revenue procedure that temporarily reduces (through the end of 2020) the minimum amount of the total distribution that must be paid in cash to 10%. Pursuant to these revenue procedures, the Company may elect to make future distributions of its taxable income in a mixture of stock and cash. If the Company fails to continue to qualify as a REIT in any taxable year and does not qualify for certain statutory relief provisions, the Company will be subject to U.S. federal and state income taxes at regular corporate rates beginning with the year in which it fails to qualify and may be precluded from being able to elect to be treated as a REIT for the Company's four subsequent taxable years. Even though the Company currently qualifies for taxation as a REIT, the Company may be subject to certain U.S. federal, state, local and foreign taxes on the Company's income and property and to U.S. federal income and excise taxes on the Company's undistributed REIT taxable income.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period in which the enactment date occurs. Under ASC Topic 740, Income Taxes ("ASC 740"), a valuation allowance is established when management believes it is more likely than not that a deferred tax asset will not be realized. The Company intends to continue to operate in a manner consistent with, and to continue to meet the requirements to be treated as, a REIT for tax purposes and to distribute all of its REIT taxable income. Accordingly, the Company does not expect to pay corporate level federal taxes.

Earnings per Common Share

The Company utilizes the two-class method when assessing participating securities to calculate earnings per common share. Basic and diluted earnings per common share is computed by dividing net income attributable to common stockholders (i.e., holders of common stock and, when it was outstanding, Class A common stock), by the weighted-average number of common shares (both common stock and Class A common stock) outstanding during the period. The preferences, rights, voting powers, restrictions,

limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of the Class A common stock were identical to the common stock, except (1) the Class A common stock was not a "margin security" as defined in Regulation U of the Board of Governors of the U.S. Federal Reserve System (and rulings and interpretations thereunder) and could not be listed on a national securities exchange or a national market system and (2) each share of Class A common stock was convertible at any time or from time to time, at the option of the holder, for one fully paid and non-assessable share of common stock.

Between January 22, 2020 and January 24, 2020, the Company received requests to convert all outstanding shares of its Class A common stock into shares of the Company's common stock. Accordingly, all of the outstanding shares of the Company's Class A common stock were retired and returned to the authorized but unissued shares of Class A common stock of the Company, and the holders of the shares of Class A common stock were issued an aggregate of 1,136,665 shares of the Company's common stock. On February 14, 2020, the Company filed the Articles Supplementary with the State Department of Assessments and Taxation of Maryland to reclassify and designate all 2,500,000 authorized but unissued shares of the Company's Class A common stock as additional shares of undesignated common stock of the Company. The Articles Supplementary became effective upon filing on February 14, 2020. As a result, as of March 31 and June 30, 2020, there were no shares of the Company's Class A common stock authorized or outstanding.

Diluted earnings per common share is calculated by including the effect of dilutive securities, including the warrants (the "Warrants", see Note 12) issued in connection with the Company's Series B Cumulative Redeemable Preferred Stock ("Series B Preferred"). The Company accounts for unvested share-based payment awards that contain non-forfeitable dividend rights or dividend equivalents (whether paid or unpaid) as participating securities, which are included in the computation of earnings per share pursuant to the two-class method.

The computation of diluted earnings per share is based on the weighted average number of participating securities outstanding plus the incremental shares that would be outstanding assuming exercise of warrants, which are exercisable only on a net-settlement basis. The number of incremental shares is calculated by applying the treasury stock method. We exclude participating securities and warrants from the calculation of basic earnings (loss) per share in periods of net losses since their effect would be anti-dilutive.

Share-Based Compensation

Share-based compensation consists of awards issued by the Company to certain employees of affiliates of the Manager and certain members of our Board of Directors. These share-based awards generally vest in installments over a fixed period. Deferred stock units granted to the Company's Board of Directors fully vest on the grant date and accrue dividends that are paid-in kind through additional deferred stock units on a quarterly basis. Compensation expense is recognized in net income on a straight-line basis over the applicable award's vesting period. Forfeitures of share-based awards are recognized as they occur.

Deferred Financing Costs

Deferred financing costs are reflected net of the collateralized loan obligations and secured financing arrangements on the Company's consolidated balance sheets. These costs are amortized in interest expense using the interest method, or on a straight-line basis when it approximates the interest method, as follows: (a) for secured financing arrangements other than our CRE CLOs, the initial term of the financing arrangement; (b) for deferred financing costs related to asset specific borrowings under secured financing arrangements other than CRE CLOs, the initial maturities of the underlying loan(s) pledged to support the specific borrowing; and (c) for CRE CLOs issued by Company subsidiaries, over the estimated life of the liabilities issued based on the expected repayment timing of the underlying loans in each CRE CLO, taking into account the two-year reinvestment periods (measured from the issuance date) of each CRE CLO.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in banks or invested in money market funds with original maturities of less than 90 days. The Company deposits its cash and cash equivalents with high credit quality institutions to minimize credit risk exposure. The Company maintains cash accounts at several financial institutions, which are insured up to a maximum of $250,000 per account as of June 30, 2020 and December 31, 2019. The balances in these accounts may exceed the insured limits.

Pursuant to financial covenants applicable to Holdco, which is the guarantor of the Company's recourse indebtedness, the Company is required to maintain minimum cash equal to the greater of (i) $10 million or (ii) the product of 5% and the aggregate recourse indebtedness of the Company. To comply with this covenant, the Company held as part of its total cash balances $23.2 million and $56.9 million, respectively, at June 30, 2020 and December 31, 2019.

Restricted Cash

Restricted cash primarily represents deposit proceeds from potential borrowers which may be returned to borrowers, after deducting transaction costs paid by the Company for the benefit of the borrowers, upon the closing of a loan transaction.

Accounts Receivable from Servicer/Trustee

Accounts receivable from Servicer/Trustee represents cash proceeds from loan and CRE debt securities activities that have not been remitted to the Company based on established servicing and borrowing procedures. Such amounts are generally held by the Servicer/Trustee for less than 30 days before being remitted to the Company. Also included is cash held by the Company's CRE CLOs pending reinvestment in eligible collateral.

Temporary Equity

Equity instruments that are redeemable for cash or other assets are classified as temporary equity if the instrument is redeemable, at the option of the holder, at a fixed or determinable price on a fixed or determinable date or upon the occurrence of an event that is not solely within the control of the issuer. Redeemable equity instruments are initially carried at the fair value of the equity instrument at the issuance date, which is subsequently adjusted at each balance sheet date if the instrument is currently redeemable or probable of becoming redeemable. The Company elected the accreted redemption value method in which it accretes changes in the redemption value over the period from the date of issuance of the Series B Preferred Stock to the earliest costless redemption date (the fourth anniversary) using the effective interest method, as defined in Note 12. Such adjustments are included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on our Consolidated Statements of Changes in Equity and treated similar to a dividend on preferred stock for GAAP purposes.

Going Concern

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of June 30, 2020, management concluded that the indicators of substantial doubt about the Company's ability to continue as a going concern that existed at March 31, 2020 no longer exist.

During the three months ended June 30, 2020, the Company undertook several steps to improve its ability to meet its obligations as they become due, and to sustain operations through at least one year following the date the consolidated financial statements are issued, thus alleviating prior substantial doubt about the Company's ability to continue as a going concern.

The Company took the following actions to strengthen its liquidity, capital position and maturity profile of its liabilities:

- Between April 1, 2020 and April 29, 2020, sold 39 separate CRE debt securities investments with an aggregate face value of $782.0 million, repaid related secured indebtedness of $581.7 million, and generated net cash proceeds of $33.1 million.
- On May 4, 2020, exercised an existing option to extend the maturity date by one year to May 4, 2021 of its secured revolving repurchase agreement with Morgan Stanley Bank, N.A.
- On May 28, 2020, issued $225.0 million of Series B Preferred Stock with the option to issue an additional $100.0 million in two tranches of $50.0 million prior to December 31, 2020.
- On May 29, 2020, made voluntary deleveraging payments totaling $157.7 million to seven lenders in connection with its secured revolving repurchase agreements and senior secured credit facilities in exchange for agreements to toll any margin calls for defined periods, subject to certain conditions.
- On June 26, 2020, exercised an existing option to extend the maturity date to September 29, 2021 of its senior secured credit agreement with Bank of America, N.A.
- On June 30, 2020, exercised an existing option to extend the maturity date to August 19, 2021 of its secured revolving repurchase agreement with Goldman Sachs Bank USA.

Recently Issued Accounting Guidance

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")*. ASU 2020-04 provides optional

expedients and exceptions to GAAP requirements for modifications to debt agreements, leases, derivatives and other contracts, related to the expected market transition from LIBOR, and certain other floating rate benchmark indices, or collectively, IBORs, to alternative reference rates. ASU 2020-04 generally considers contract modifications related to reference rate reform to be an event that does not require contract remeasurement at the modification date nor a reassessment of a previous accounting determination. The amendments in this Update are effective for all entities as of March 12, 2020 through December 31, 2022. Once ASU 2020-04 is elected, the guidance must be applied prospectively for all eligible contract modifications. The Company is currently evaluating the impact of ASU 2020-04 on its consolidated financial statements.

Recently Adopted Accounting Guidance

On January 1, 2020, the Company adopted Accounting Standards Update ("ASU") 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss method that is referred to as the CECL method. The measurement of expected credit losses under the CECL method is applicable to the Company's mortgage loan investment portfolio measured at amortized cost, unfunded loan commitments and AFS debt securities measured at fair value. Also on January 1, 2020, the Company adopted the following ASUs issued subsequent to ASU 2016-13 which amended Topic 326:

- ASU 2018-19, *Codification Improvements to Topic 326 – Credit Losses*
- ASU 2019-04, *Codification Improvements to Topic 326 – Credit Losses, Topic 815 – Derivatives and Hedging, and Topic 825 – Financial Instruments*
- ASU 2019-05, *Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief*
- ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*
- ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*

The Company adopted ASU 2016-13 and other related ASUs listed above using the modified retrospective method for all mortgage loans measured at amortized cost and unfunded noncancelable loan commitments. Results for reporting periods beginning after January 1, 2020 are presented under ASU 2016-13 and other related ASUs while prior period amounts continue to be reported in accordance with previously applicable GAAP.

The following table presents the January 1, 2020 cumulative impact of the adoption of ASU 2016-13 on the indicated line items of the Company's consolidated balance sheet as of January 1, 2020:

	Pre-Adoption	Cumulative Effect of Adopting ASU 2016-13	Post-Adoption
Assets:			
Loans Held for Investment	$ 4,980,389	$ —	$ 4,980,389
Allowance for Credit Losses	—	(17,783)	(17,783)
Loan Held for Investment, net	$ 4,980,389	$ (17,783)	$ 4,962,606
Liabilities:			
Accrued Expenses and Other Liabilities	$ 8,176	$ 1,862	$ 10,038
Equity:			
Accumulated Deficit	$ (28,108)	$ (19,645)	$ (47,753)

The adoption of ASU 2016-13 did not have a material impact on the Company's portfolio of AFS Debt Securities at January 1, 2020.

(3) Loans Held for Investment and the Allowance for Credit Losses

The Company originates and acquires first mortgage and mezzanine loans secured by commercial properties. The Company considers these loans to belong to a single portfolio segment, Mortgage Loans, because this is the level at which the Company has developed its systematic methodology to determine the Allowance for Credit Losses. For purposes of certain disclosures herein, the Company disaggregates this portfolio segment into the following classes of finance receivables: Senior loans; and Subordinated and Mezzanine loans. These loans can potentially subject the Company to concentrations of credit risk as measured by various metrics, including, without limitation, property type collateralizing the loan, loan size, loans to a single sponsor and loans in a single geographic area. The Company's loans held for investment are accounted for at amortized cost. Accrued but not yet collected interest is separately reported as accrued interest receivable on the Company's consolidated balance sheets. Amounts within that caption relating to Loans Held for Investment were $17.9 million as of June 30, 2020.

During the three months ended June 30, 2020, the Company did not originate any mortgage loans.

The following table details overall statistics for the Company's loan portfolio as of June 30, 2020 (dollars in thousands):

	Balance Sheet Portfolio	Total Loan Portfolio
Number of loans	65	66
Floating rate loans (by unpaid principal balance)	100.0%	100.0%
Total loan commitments[1]	$ 5,635,279	$ 5,767,279
Unpaid principal balance	$ 5,055,913	$ 5,055,913
Unfunded loan commitments[2]	$ 579,917	$ 579,917
Amortized cost	$ 5,042,125	$ 5,042,125
Weighted average credit spread[3]	3.4%	3.4%
Weighted average all-in yield[3]	5.4%	5.4%
Weighted average term to extended maturity (in years)[4]	3.5	3.5
Weighted average LTV[5]	65.8%	65.8%

(1) In certain instances, we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party. In either case, the senior mortgage loan (i.e., the non-consolidated senior interest) is not included on our balance sheet. When we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party, we retain on our balance sheet a mezzanine loan. Total loan commitment encompasses the entire loan portfolio we originated, acquired and financed. At June 30, 2020, we had one non-consolidated senior interest outstanding of $132.0 million.

(2) Unfunded loan commitments may be funded over the term of each loan, subject in certain cases to an expiration date or a force-funding date, primarily to finance property improvements or lease-related expenditures by our borrowers, to finance operating deficits during renovation and lease-up, and in limited instances to finance construction.

(3) As of June 30, 2020, all of the Company's loans were floating rate and were indexed to LIBOR. In addition to credit spread, all-in yield includes the amortization of deferred origination fees, purchase price premium and discount if any, loan origination costs and accrual of both extension and exit fees. Credit spread and all-in yield for the total portfolio assumes the applicable floating benchmark rate as of June 30, 2020 for weighted average calculations.

(4) Extended maturity assumes all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date. As of June 30, 2020, based on the unpaid principal balance of our total loan exposure, 57.8% of our loans were subject to yield maintenance or other prepayment restrictions and 42.2% were open to repayment by the borrower without penalty.

(5) Except for construction loans, LTV is calculated for loan originations and existing loans as the total outstanding principal balance of the loan or participation interest in a loan (plus any financing that is pari passu with or senior to such loan or participation interest) as of June 30, 2020, divided by the as-is appraised value of our collateral at the time of origination or acquisition of such loan or participation interest. For construction loans only, LTV is calculated as the total commitment amount of the loan divided by the as-stabilized value of the real estate securing the loan. The as-is or as-stabilized (as applicable) value reflects our Manager's estimates, at the time of origination or acquisition of the loan or participation interest in a loan, of the real estate value underlying such loan or participation interest determined in accordance with our Manager's underwriting standards and consistent with third-party appraisals obtained by our Manager.

The following tables present an overview of the mortgage loan investment portfolio by loan seniority as of June 30, 2020 and December 31, 2019 (dollars in thousands):

	June 30, 2020		
Loans Held for Investment, Net	**Outstanding Principal**	**Unamortized Premium (Discount), Loan Origination Fees, net**	**Amortized Cost**
Senior loans	$ 5,035,913	$ (13,563)	$ 5,022,350
Subordinated and mezzanine loans	20,000	(225)	19,775
Total	$ 5,055,913	$ (13,788)	$ 5,042,125
Allowance for credit losses			(53,557)
Loans Held for Investment, Net			$ 4,988,568

	December 31, 2019		
Loans Held for Investment, Net	**Outstanding Principal**	**Unamortized Premium (Discount), Loan Origination Fees, net**	**Amortized Cost**
Senior loans	$ 4,978,176	$ (17,500)	$ 4,960,676
Subordinated and mezzanine loans	20,000	(287)	19,713
Total	$ 4,998,176	$ (17,787)	$ 4,980,389
Allowance for credit losses			—
Loans Held for Investment, Net			$ 4,980,389

For the six months ended June 30, 2020, loan portfolio activity was as follows (dollars in thousands):

	Carrying Value
Balance at December 31, 2019	$ 4,980,389
Additions during the period:	
Loans originated and acquired	351,650
Additional fundings	124,242
Amortization of origination fees	5,882
Deductions during the period:	
Collection of principal(1)	(420,038)
Change in allowance for credit losses	(53,557)
Balance at June 30, 2020	$ 4,988,568

(1) Includes the sale of one loan with an unpaid principal balance of $99.3 million sold during the six months ended June 30, 2020 for $85.5 million resulting in a realized loss of $13.8 million.

At June 30, 2020 and December 31, 2019, there were no unamortized loan purchase discounts or premiums included in loans held for investment at amortized cost on the consolidated balance sheets.

At June 30, 2020 and December 31, 2019, there was $13.8 million and $17.8 million, respectively, of unamortized loan fees and discounts included in Loans Held for Investment, net in the consolidated balance sheets. The Company recognized the accelerated fee component of prepayment fees (yield maintenance payments) of $0.0 million and $0.0 million, respectively, during the three months ended June 30, 2020 and 2019, and $0.3 million and $0.6 million, respectively, during the six months ended June 30, 2020 and 2019.

Credit Quality Indicators

The Company's primary credit quality indicator is its risk rating. The Manager assigns each loan to a risk category based on relevant information about the ability of the borrowers to service their debt (including repayment upon loan maturity) such as current operating performance for the property or properties securing the Company's loans, borrower and guarantor financial information, historical payment experience, credit documentation, public information and current economic trends, market data for the property types and geographic markets applicable to the Company's loans, among other factors. On a quarterly basis, the Company evaluates all of its loans to assign risk ratings. Based on a 5-point scale, the Company's loans are rated "1" through "5," from least risk to greatest risk, respectively, which ratings are defined as follows:

1 Outperform—Exceeds performance metrics (for example, technical milestones, occupancy, rents, net operating income) included in original or current credit underwriting and business plan;

2 Meets or Exceeds Expectations—Collateral performance meets or exceeds substantially all performance metrics included in original or current underwriting / business plan;

3 Satisfactory—Collateral performance meets or is on track to meet underwriting; business plan is met or can reasonably be achieved;

4 Underperformance—Collateral performance falls short of original underwriting, material differences exist from business plan, or both; technical milestones have been missed; defaults may exist, or may soon occur absent material improvement; and

5 Default/Possibility of Loss—Collateral performance is significantly worse than underwriting; major variance from business plan; loan covenants or technical milestones have been breached; timely exit from loan via sale or refinancing is questionable; significant risk of principal loss.

The Company generally assigns a risk rating of "3" to all newly originated loan investments during the most recent quarter, except in the case of specific circumstances warranting an exception.

The following table presents amortized cost basis by origination year, grouped by risk rating, as of June 30, 2020 (dollars in thousands):

	June 30, 2020					
	Amortized Cost by Origination Year					
	2020	2019	2018	2017	2016	Total
Senior loans by internal risk ratings:						
1	$ —	$ —	$ —	$ —	$ —	$ —
2	192,972	—	340,867	87,320	—	621,159
3	163,209	1,801,836	1,134,749	278,944	—	3,378,738
4	—	449,072	158,661	301,199	28,057	936,989
5	—	85,464	—	—	—	85,464
Total mortgage loans	356,181	2,336,372	1,634,277	667,463	28,057	5,022,350
Subordinated and mezzanine loans by internal risk ratings:						
1	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	—	—	—	—
3	—	19,775	—	—	—	19,775
4	—	—	—	—	—	—
5	—	—	—	—	—	—
Total subordinated and mezzanine loans	—	19,775	—	—	—	19,775
Total	$ 356,181	$ 2,356,147	$ 1,634,277	$ 667,463	$ 28,057	$ 5,042,125

Loans acquired rather than originated are presented in the table above in the column corresponding to the year of origination, not acquisition.

The table below summarizes the amortized cost, and results of the Company's internal risk rating review performed as of June 30, 2020 and December 31, 2019 (dollars in thousands):

Rating	June 30, 2020	December 31, 2019
1	$ —	$ —
2	621,159	903,393
3	3,398,513	3,868,696
4	936,989	208,300
5	85,464	—
Total	$ 5,042,125	$ 4,980,389
Allowance for Credit Losses	(53,557)	—
Carrying Value	$ 4,988,568	$ 4,980,389
Weighted Average Risk Rating(1)	3.1	2.9

(1) Weighted Average Risk Rating calculated based on amortized cost balance at period end.

The weighted average risk rating calculated as of June 30, 2020 was 3.1, an increase from the 2.9 weighted average risk rating at December 31, 2019.

During the three months ended June 30, 2020:

- The Company moved one loan from its Category "3" risk rating to its Category "2" risk rating because the collateral has increased rents on renewal leases and new leases while maintaining occupancy, both exceeding the underwritten business plan.

- The Company moved one loan from its Category "4" risk rating to its Category "5" risk rating because the borrower was delivered a notice of default and notice of acceleration, and the loan was more than 60 days but fewer than 90 days past due.

Allowance for Credit Losses

The Company's reserve developed pursuant to ASC 326 reflects its current estimate of potential credit losses related to its loan portfolio as of June 30, 2020. In addition to the allowance for credit losses, the Company maintains a separate allowance for credit losses related to unfunded loan commitments, and this amount is included in accrued expenses and other liabilities on the consolidated balance sheets. For further information on the policies that govern the estimation of the allowances for credit loss levels, see Note 2, *Summary of Significant Accounting Policies*.

The following table presents activity in the allowance for credit losses for the mortgage loan investment portfolio by class of finance receivable for the three and six month periods ended June 30, 2020 (dollars in thousands):

	For the Three Months Ended June 30, 2020		
	Senior Loans	Subordinated and Mezzanine Loans	Total
Allowance for credit losses for loans held for investment:			
Beginning balance at April 1, 2020	$ 73,620	$ 2,038	$ 75,658
Credit loss benefit	(22,063)	(38)	(22,101)
Subtotal	51,557	2,000	53,557
Allowance for credit losses on unfunded loan commitments:			
Beginning balance at April 1, 2020	5,807	1,528	7,335
Credit loss benefit	(2,189)	(28)	(2,217)
Subtotal	3,618	1,500	5,118
Total allowance for credit losses	$ 55,175	$ 3,500	$ 58,675

	For the Six Months Ended June 30, 2020		
	Senior Loans	Subordinated and Mezzanine Loans	Total
Allowance for credit losses for loans held for investment:			
Beginning balance (prior to adoption of ASC 326) at January 1, 2020	$ —	$ —	$ —
Impact of adopting ASC 326	16,903	880	17,783
Credit loss expense	34,654	1,120	35,774
Subtotal	51,557	2,000	53,557
Allowance for credit losses on unfunded loan commitments:			
Beginning balance (prior to adoption of ASC 326) at January 1, 2020	—	—	—
Impact of adopting ASC 326	1,862	—	1,862
Credit loss expense	1,756	1,500	3,256
Subtotal	3,618	1,500	5,118
Total allowance for credit losses	$ 55,175	$ 3,500	$ 58,675

During the three months ended June 30, 2020, the allowance for credit losses decreased to $58.7 million primarily due to a decline of $24.8 million in the CECL reserve associated with a loan sold during the quarter ended June 30, 2020, offset by an increase in the general reserve of $0.5 million.

Upon the adoption of ASC 326, the allowance for credit losses increased by $19.6 million due to the application of the Current Expected Credit Loss methodology (as described in Note 2) over performing loans on which the Company had previously not carried an allowance for credit losses. For the three months ended March 31, 2020, the Company's estimate of expected credit losses further increased primarily due to changes in economic outlook stemming from the impact of the COVID-19 pandemic. This increase was caused primarily by the significant adverse change in the macroeconomic forecast utilized in the Company's loss estimation model due to the COVID-19 pandemic. Additionally, the average risk ratings of the Company's loans increased from 2.9 as of December 31, 2019 to 3.1 as of June 30, 2020, due primarily to downgrades of nine loans during the first quarter, and one loan during the second quarter, in response to the COVID-19 pandemic. For the three months ended June 30, 2020, the Company's estimate of expected credit losses was impacted by the sale of a loan at a realized loss less than the amount of CECL reserve attributable to the loan at March 31, sharply recessionary macroeconomic assumptions employed in determining the Company's model-based CECL reserve, and a decline in total loan commitments and unpaid principal balance. The impact of reduced economic activity due to the COVID-19

pandemic will likely result in reduced activity in capital markets, which may slow the pace of loan repayments, and will likely impact commercial property values and valuation inputs. While the ultimate impact is uncertain, the Company has made certain forward looking adjustments to the inputs of its calculation of the allowance for credit losses to reflect the change in its expectations.

No loan was placed on non-accrual status during the quarters ended June 30, 2020 and March 31, 2020, and at December 31, 2019. As of June 30, 2020, four loans were over 90 days past due but were not placed on non-accrual status due to the Company's understanding that the loans would soon be made current, and because the Company concluded the accrued interest was adequately secured by collateral value. Full past due payment on these four loans was received by the Company in July 2020. Subsequent to June 30, 2020, one loan was placed on non-accrual status as the borrower failed to make the required debt service payments. With the passage of time and continuation of the COVID-19 pandemic, certain borrowers may fail to pay interest which may result in additional loans being placed on non-accrual status during the third quarter of 2020 and later periods.

On June 30, 2020, the Company determined that one first mortgage loan secured by multiple hotel properties met the CECL framework's criteria for individual assessment. At June 30, 2020, the loan was not on non-accrual status. The amortized cost of the loan was $85.5 million and $81.9 million as of June 30, 2020, and December 31, 2019, respectively. Subsequent to June 30, 2020, the borrower failed to make the required debt service payments and thus the loan was placed on non-accrual status. The Company concluded the borrower is unwilling or unable to support the properties, and foreclosure is probable. Accordingly, it utilized the estimated fair value of the collateral on June 30, 2020 to estimate a loan loss reserve as of that date, which is included in the general CECL reserve. The Company's estimate of the collateral's fair market value was determined using a discounted cash flow model and Level 3 inputs, which include estimates of property-specific cash flows over a specific holding period, a discount rate of 11.5%, and a terminal capitalization rate of 8.75%. These inputs are based on the location, type and nature of each property, current and anticipated market conditions, and management's knowledge, experience and judgment.

During the quarter ended June 30, 2020, the Company executed six loan modifications with borrowers. As of June 30, 2020, these loans had an aggregate commitment amount of $484.2 million and an aggregate unpaid principal balance of $457.7 million. None of these loan modifications trigger the requirements for accounting as troubled debt restructurings (TDRs), because they meet the safe-harbor conditions of the "Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus" issued by banking regulators in consultation with FASB. The agencies encourage financial institutions and other lenders to work prudently with borrowers who are, or may be, unable to meet their contractual payment obligations because of the effects of COVID-19. The agencies view loan modification programs to borrowers who were current prior to the outbreak as positive actions that can mitigate adverse effects due to COVID-19. This includes short-term modifications such as payment deferrals, fee waivers, extensions of repayment terms, or delays in payment that are insignificant. The Company's loan modifications temporarily reduce the amount of cash interest collected on certain loans, permit the accrual of a portion of the interest due during the modification period to be repaid at a later date by the borrower, and/or permit the use of existing cash loan reserves to pay interest expense and other property-level expenses. All of the modified loans are performing, and none are on non-accrual status.

The following table presents the aging analysis on an amortized cost basis of mortgage loans by class of loans as of June 30, 2020 (dollars in thousands):

	Days Outstanding						
	30-59 Days	60-89 Days	90 Days or More	Total Loans Past Due	Current	Total Loans	90 Days or More Past Due and Accruing
Loans Receivable:							
Senior loans	$ 87,637	$ 145,385	$ 28,057	$ 261,079	$ 4,761,271	$ 5,022,350	$ 28,057
Subordinated and mezzanine loans	—	—	—	—	19,775	19,775	—
Total	$ 87,637	$ 145,385	$ 28,057	$ 261,079	$ 4,781,046	$ 5,042,125	$ 28,057

At December 31, 2019, all loans were current.

(4) Available-for-Sale Debt Securities

As of June 30, 2020, the Company did not own any CRE debt securities. As of December 31, 2019, the Company had 38 CRE debt securities designated as AFS debt securities. The Company designates its CRE debt securities as AFS upon acquisition. The Company did not acquire any CRE debt securities during the three months ended June 30, 2020. During the six months ended June 30, 2020, all but one of the Company's CRE debt securities portfolio was pledged as collateral under daily mark-to-market secured revolving repurchase facilities.

During the three months ended March 31, 2020, the Company sold 11 of its CRE CLO investments for total net proceeds of $151.6 million, recognizing a loss on sale of $36.2 million included in Securities Gains (Impairments) on the consolidated statement of income and comprehensive income. Fluctuations in the value of the Company's CRE debt securities portfolio resulted in the Company being required to post cash collateral with the Company's lenders under these facilities. To mitigate the impact to the Company's business from these developments, the Company decided in late March 2020 to sell all its CRE debt securities portfolio. Accordingly, at March 31, 2020, the Company wrote down the entire portfolio to its estimated fair value (on securities where amortized cost basis exceeded fair value), and recorded an impairment charge of $167.3 million, which was recognized as expense in Securities Gains (Impairments) on the consolidated statement of income and comprehensive income. In April 2020, the Company sold the remainder of its CRE debt securities portfolio with an aggregate face value of $782.0 million generating gross sales proceeds of $614.8 million. After retiring $581.7 million of repurchase financing and generating net cash proceeds of $33.1 million, the Company recorded aggregate losses from these sales of $167.3 million approximately equal to the impairment charge recorded during the three months ended March 31, 2020. For the six months ended June 30, 2020, the Company recorded total impairment charges of $203.4 million recognized as expense in Securities Gains (Impairments) on the consolidated statement of income and comprehensive income, offset by a small realized gain.

As of June 30, 2020, the Company did not have any CRE debt securities. The following tables summarize the amortized cost, fair value, and unrealized gain of the Company's CRE debt securities at December 31, 2019 (dollars in thousands):

	December 31, 2019				
	Face Amount	Unamortized Premium (Discount), net	Amortized Cost	Gross Unrealized Gain	Estimated Fair Value
Investments, at Fair Value					
CRE CLO	$ 750,187	$ 207	$ 750,394	$ 1,006	$ 751,400
Commercial Mortgage-Backed Securities	36,162	(55)	36,107	45	36,152
	$ 786,349	$ 152	$ 786,501	$ 1,051	$ 787,552

The amortized cost and estimated fair value of the Company's CRE debt securities by contractual maturity, not expected life, as of December 31, 2019, are shown in the following table (dollars in thousands):

	December 31, 2019	
	Amortized Cost	Estimated Fair Value
Maturity Date		
After one, within five years	$ 1,126	$ 1,143
After five years	785,375	786,409
Total investment in CRE debt securities, at amortized cost and estimated fair value	$ 786,501	$ 787,552

(5) Variable Interest Entities and Collateralized Loan Obligations

Subsidiaries of the Company have issued two collateralized loan obligations to finance approximately $2.2 billion or 42.5% of its loan investment portfolio, measured by unpaid principal balance. On October 25, 2019 (the "FL3 Closing Date"), TPG RE Finance Trust CLO Sub-REIT, a subsidiary of the Company ("Sub-REIT"), entered into a collateralized loan obligation ("TRTX 2019-FL3" or "FL3"). TRTX 2019-FL3 permits the Company, during the 24 months after closing of FL3, to contribute eligible new loans or participation interests (the "FL3 Additional Interests") in loans to TRTX 2019-FL3 in exchange for cash, which provides additional liquidity to the Company to originate new loan investments as underlying loans repay.

For the three months ended June 30, 2020, the Company utilized the reinvestment feature two times, contributing $5.8 million of new loans or participating interests in loans, and receiving $2.0 million of cash, after the repayment of $3.8 million of existing borrowings, including accrued interest. For the six months ended June 30, 2020, the Company utilized the reinvestment feature six times, contributing $163.1 million of new loans or participating interests in loans, and receiving $49.3 million of cash, after the repayment of $113.8 million of existing borrowings, including accrued interest.

FL3 Mortgage Assets represented 24.3% of the aggregate unpaid principal balance of the Company's loan investment portfolio and had an aggregate principal balance of approximately $1.2 billion, as of June 30, 2020.

At June 30, 2020, TRTX 2019-FL3 had $0.1 million of cash available to acquire eligible assets.

In connection with TRTX 2019-FL3, the Company incurred $7.8 million of issuance costs which are amortized on an effective yield basis over the expected life of the investment-grade notes issued based upon the expected repayment behavior of the loans collateralizing the notes after giving effect to the reinvestment period, both as of the FL3 Closing Date. As of June 30, 2020, the Company's unamortized issuance costs related to TRTX 2019-FL3 were $6.2 million.

Interest expense on the outstanding FL3 Notes is payable monthly. For the three and six months ended June 30, 2020, interest expense on the outstanding FL3 Notes (excluding amortization of deferred financing costs) of $4.8 million and $12.1 million, respectively, is included in the Company's consolidated statements of income and comprehensive income.

On November 29, 2018 (the "FL2 Closing Date"), Sub-REIT entered into a collateralized loan obligation ("TRTX 2018-FL2" or "FL2"). The TRTX 2018-FL2 indenture permits the Company, during the 24 months after closing of FL2, to contribute eligible new loans or participation interests in loans to TRTX 2018-FL2 in exchange for cash, which provides additional liquidity to the Company to originate new loan investments as underlying loans repay.

For the three months ended June 30, 2020, the Company utilized the reinvestment feature twice, contributing $58.8 million of new loans or participation interests in loans, and receiving net cash proceeds of $20.5 million, after the repayment of $38.3 million of existing borrowings, including accrued interest. For the six months ended June 30, 2020, the Company utilized the reinvestment feature five times, contributing $133.0 million of new loans or participation interests in loans, and receiving net cash proceeds of $65.6 million, after the repayment of $67.4 million of existing borrowings, including accrued interest.

At June 30, 2020, TRTX 2018-FL2 had approximately $81.2 million in cash available to acquire eligible assets.

In connection with TRTX 2018-FL2, the Company incurred $8.7 million of issuance costs which are amortized on an effective yield basis over the expected life of the investment-grade notes (the "FL2 Notes") issued based upon the expected repayment behavior of the loans collateralizing the notes and the reinvestment period, both as of the FL2 Closing Date. As of June 30, 2020, the Company's unamortized issuance costs were $5.0 million.

Interest expense on the outstanding FL2 Notes is payable monthly. For the three and six months ended June 30, 2020, interest expense on the outstanding FL2 Notes (excluding amortization of deferred financing costs) of $4.0 million and $10.0 million, respectively, is included in the Company's consolidated statements of income and comprehensive income.

In accordance with ASC 810, the Company evaluated the key attributes of the issuers of the FL3 Notes (the "FL3 Issuers") and the issuers of the FL2 Notes (the "FL2 Issuers") to determine if they were VIEs and, if so, whether the Company was the primary beneficiary of their operating activities. This analysis caused the Company to conclude that the FL3 Issuers and the FL2 Issuers were VIEs and that the Company was the primary beneficiary. The Company is the primary beneficiary because it has the ability to control the most significant activities of the FL3 Issuers and the FL2 Issuers, the obligation to absorb losses to the extent of its equity investments, and the right to receive benefits, that could potentially be significant to these entities. Accordingly, the Company consolidates the FL3 Issuers and the FL2 Issuers.

The Company's total assets and total liabilities as of June 30, 2020 and December 31, 2019 included the following VIE assets and liabilities of TRTX 2019-FL3 and TRTX 2018-FL2 (dollars in thousands):

	June 30, 2020	December 31, 2019
ASSETS		
Cash and Cash Equivalents	$ 38,556	$ 17,075
Accounts Receivable from Servicer/Trustee	80,206	1,464
Accrued Interest Receivable	1,434	2,178
Loans Held for Investment	2,162,296	2,229,034
Total Assets	$ 2,282,492	$ 2,249,751
LIABILITIES		
Accrued Interest Payable	$ 1,412	$ 2,512
Accrued Expenses	375	732
Collateralized Loan Obligations	1,823,456	1,821,128
Payable to Affiliates	4,620	4,620
Deferred Revenue	133	—
Total Liabilities	$ 1,829,996	$ 1,828,992

The following tables outline TRTX 2019-FL3 and TRTX 2018-FL2 loan collateral and borrowings under the TRTX 2019-FL3 and TRTX 2018-FL2 collateralized loan obligations as of June 30, 2020 and December 31, 2019 (dollars in thousands):

June 30, 2020			
Collateral (loan investments)		Debt (notes issued)	
Outstanding Principal	Carrying Value	Face Value	Carrying Value
$ 2,150,472	$ 2,150,472	$ 1,834,761	$ 1,823,456

December 31, 2019			
Collateral (loan investments)		Debt (notes issued)	
Outstanding Principal	Carrying Value	Face Value	Carrying Value
$ 2,229,034	$ 2,229,034	$ 1,834,761	$ 1,821,128

Assets held by the FL3 Issuers and the FL2 Issuers are restricted and can only be used to settle obligations of the related VIE. The liabilities of the FL3 Issuers and the FL2 Issuers are non-recourse to the Company and can only be satisfied from the assets of the related VIE.

The following table outlines the weighted average spreads and maturities for TRTX 2019-FL3 and TRTX 2018-FL2 loan collateral and borrowings under the TRTX 2019-FL3 and TRTX 2018-FL2 collateralized loan obligations as of June 30, 2020 and December 31, 2019 (dollars in thousands):

	June 30, 2020		December 31, 2019	
	Weighted Average Spread (%)	Weighted Average Maturity (Years)	Weighted Average Spread (%)	Weighted Average Maturity (Years)
Collateral (loan investments)				
TRTX 2018-FL2	3.69%	4.5	3.82%	4.2
TRTX 2019-FL3	3.18%	4.2	3.33%	4.1
Debt (notes issued)				
TRTX 2018-FL2	1.45%	17.4	1.45%	17.9
TRTX 2019-FL3	1.44%	14.3	1.44%	14.8

(1) Yield on collateral is based on cash coupon.

(2) Loan term represents weighted-average final maturity, assuming extension options are exercised by the borrower. Repayments of CLO notes are dependent on timing of related collateral loan asset repayments post-reinvestment period. The term of the CLO notes represents the rated final distribution date.

(6) Secured Revolving Repurchase Agreements, Senior Secured and Secured Credit Agreements, and Asset-Specific Financing

At June 30, 2020 and December 31, 2019, the Company had secured revolving repurchase agreements, senior secured and secured credit agreements and an asset-specific financing, all of which were used to finance certain of the Company's loan investments. These financing arrangements bear interest at rates equal to LIBOR plus a credit spread negotiated between the Company and each lender, often a separate credit spread for each pledge of collateral, which is primarily based on property type and advance rate against the unpaid principal balance of the pledged loan. Except for the asset-specific financing, these borrowing arrangements contain mark-to-market provisions that permit the lenders to issue margin calls to the Company in the event that the collateral properties underlying the Company's loans pledged to the Company's lenders experience a non-temporary decline in value due to reasons other than changing credit spreads for similar borrowing obligations. In connection with one of these borrowing arrangements, the lender is also permitted to issue margin calls to the Company in the event the lender determines credit spreads have changed for similar borrowing obligations.

At June 30, 2020 and December 2019, the Company had none and four, respectively, secured revolving repurchase agreements which were used to finance its CRE CLO debt investments. These financing arrangements bore interest at a rate equal to LIBOR plus a credit spread negotiated between the Company and its lenders, which was determined primarily by the haircut amount (which is equal to one minus the advance rate percentage against collateral for our secured revolving repurchase agreements taken as a whole) and the rating of the bonds so financed. These borrowing arrangements contained daily mark-to-market provisions that permitted the lenders to issue margin calls to the Company in response to changing interest rates and credit spreads on the CRE debt securities so financed. Additionally, these borrowing arrangements typically had maturities of 30 days subject to renewal at the lenders' option.

On May 4, 2020, the Company exercised an existing option to extend through May 4, 2021 its secured revolving repurchase agreement with Morgan Stanley Bank N.A. On June 29, 2020, the Company exercised an existing option to extend its Goldman Sachs Bank USA secured revolving repurchase facility through August 19, 2021, reduced the commitment amount from $750.0 million to $250.0 million, and obtained an accordion option to increase the commitment amount up to $500.0 million. Additionally, on June 26, 2020, the Company extended the maturity date of its Bank of America senior secured facility to September 29, 2021, reduced the commitment amount from $500.0 million to $200.0 million, and retained an accordion option to increase the total commitment up to $500.0 million.

The following table presents certain information regarding the Company's secured revolving repurchase agreements, senior secured and secured credit agreements, and asset-specific financings as of June 30, 2020 and December 31, 2019. Except as otherwise noted, all agreements are on a full or partial recourse basis (dollars in thousands):

	June 30, 2020									
Financing Arrangement	**Initial Maturity Date**	**Extended Maturity Date**	**Index Rate**	**Weighted Average Credit Spread**	**Interest Rate**	**Commitment Amount**	**Maximum Current Availability**	**Balance Outstanding**	**Principal Balance of Collateral(1)**	**Amortized Cost of Collateral**
Secured Revolving Repurchase Agreements										
Goldman Sachs(1)	08/19/21	08/19/22	1 Month LIBOR	2.7%	2.9%	$ 250,000	$ 119,145	$ 130,855	$ 253,285	$ 252,201
Wells Fargo(1)	04/18/22	04/18/22	1 Month LIBOR	1.8%	1.9%	750,000	396,129	353,871	535,619	533,092
Barclays(1)	08/13/22	08/13/22	1 Month LIBOR	1.5%	1.7%	750,000	199,826	550,174	750,619	748,743
Morgan Stanley(1)	05/04/21	N/A	1 Month LIBOR	1.8%	2.0%	500,000	91,083	408,917	596,590	593,951
JP Morgan(1)	08/20/21	08/20/23	1 Month LIBOR	1.6%	1.7%	400,000	194,720	205,280	354,286	349,402
US Bank(1)	07/09/22	07/09/24	1 Month LIBOR	1.5%	1.7%	140,930	71,346	69,584	99,405	99,054
Subtotal - Loan Investments						$ 2,790,930	$ 1,072,249	$ 1,718,681	$ 2,589,804	$ 2,576,443
Senior Secured and Secured Credit Agreements										
Bank of America(1)	09/29/21	09/29/22	1 Month LIBOR	1.8%	1.9%	200,000	62,442	137,558	183,411	183,411
Citibank(2)(3)	07/12/20	07/12/20	1 Month LIBOR	2.3%	N/A	160,000	160,000	—	—	—
Subtotal						$ 360,000	$ 222,442	$ 137,558	$ 183,411	$ 183,411
Asset-specific Financing										
Institutional Lender	10/09/20	10/09/20	1 Month LIBOR	4.2%	4.3%	77,000	—	77,000	112,000	111,799
Subtotal						$ 77,000	—	$ 77,000	$ 112,000	$ 111,799
Total						$ 3,227,930	$ 1,294,691	$ 1,933,239	$ 2,885,215	$ 2,871,653

(1) Borrowings under secured revolving repurchase agreements and a senior secured credit agreement with a guarantee for 25% recourse from Holdco.
(2) Borrowings under the secured credit agreement with a guarantee for 100% recourse.
(3) Subsequent to June 30, 2020, the Citibank credit facility expired by its terms.

Financing Arrangement	Initial Maturity Date	Extended Maturity Date	Index Rate	Weighted Average Credit Spread	Interest Rate	Commitment Amount	Maximum Current Availability	Balance Outstanding	Principal Balance of Collateral	Amortized Cost of Collateral
	December 31, 2019									
Secured Revolving Repurchase Agreements										
Goldman Sachs(1)	08/19/20	08/19/22	1 Month LIBOR	1.8%	3.5%	$ 750,000	$ 704,563	$ 45,437	$ 288,032	$ 285,962
Wells Fargo(1)	04/18/22	04/18/22	1 Month LIBOR	1.8%	3.6%	750,000	355,372	394,628	593,742	591,238
Barclays(1)	08/13/22	08/13/22	1 Month LIBOR	1.5%	3.3%	750,000	318,240	431,760	542,927	540,725
Morgan Stanley(1)	05/04/20	N/A	1 Month LIBOR	1.9%	3.6%	500,000	105,253	394,747	519,638	515,984
JP Morgan(1)	08/20/21	08/20/23	1 Month LIBOR	1.6%	3.3%	400,000	181,552	218,448	300,677	295,341
US Bank(1)	07/09/22	07/09/24	1 Month LIBOR	1.8%	3.6%	152,240	15,641	136,599	173,253	172,898
Subtotal - Loan Investments			1 Month LIBOR			3,302,240	1,680,621	1,621,619	2,418,269	2,402,148
Goldman Sachs(2)	01/12/20	01/12/20	1 Month LIBOR	0.9%	2.7%	81,143	—	81,143	94,629	94,644
JP Morgan(2)	01/17/20	01/17/20	1 Month LIBOR	0.9%	2.6%	475,881	—	475,881	544,105	545,080
Wells Fargo(2)	01/16/20	01/16/20	1 Month LIBOR	1.0%	2.7%	135,774	—	135,774	161,153	161,384
Royal Bank of Canada(2)	N/A	N/A	N/A	N/A	N/A	—	—	—	—	—
Subtotal - CRE Debt Securities						692,798	—	692,798	799,887	801,108
Subtotal						$ 3,995,038	$ 1,680,621	$ 2,314,417	$ 3,218,156	$ 3,203,256
Senior Secured and Secured Credit Agreements										
Bank of America(1)	09/29/20	09/29/20	1 Month LIBOR	1.8	3.8	500,000	354,363	145,637	182,882	182,882
Citibank(3)	07/12/20	07/12/20	1 Month LIBOR	2.3	4.1	160,000	160,000	—	—	—
Subtotal						$ 660,000	$ 514,363	$ 145,637	$ 182,882	$ 182,882
Asset-specific Financing										
Institutional Lender	10/09/20	10/09/20	1 Month LIBOR	4.2%	5.9%	77,000	—	77,000	112,000	111,436
Subtotal						$ 77,000	—	$ 77,000	$ 112,000	$ 111,436
Total						$ 4,732,038	$ 2,194,984	$ 2,537,054	$ 3,513,038	$ 3,497,574

(1) Borrowings under secured revolving repurchase agreements and a senior secured credit agreement with a guarantee for 25% recourse from Holdco.

(2) Borrowings under secured revolving repurchase agreements with a guarantee for 100% recourse from Holdco. Maturity Date represents the sooner of the next maturity date of the CRE debt securities secured revolving repurchase agreement, or roll-over date for the applicable underlying trade confirmation, subsequent to December 31, 2019. All of the financing arrangements were extended subsequent to period end.

(3) Borrowings under the secured credit agreement include a guarantee for 100% recourse.

The following table presents the recourse and mark-to-market provisions for the Company's secured financing arrangements as of June 30, 2020:

	June 30, 2020			
Financing Arrangement	**Initial Maturity Date**	**Extended Maturity Date**	**Recourse Percentage**	**Basis of Margin Calls**
Secured Revolving Repurchase Agreements				
Loan Investments				
Goldman Sachs	08/19/21	08/19/22	25%	Credit
Wells Fargo	04/18/22	04/18/22	25%	Credit
Barclays	08/13/22	08/13/22	25%	Credit
Morgan Stanley	05/04/21	N/A	25%	Credit
JP Morgan	08/20/21	08/20/23	25%	Credit and Spread
US Bank	07/09/22	07/09/24	25%	Credit
Senior Secured and Secured Credit Agreements				
Bank of America	09/29/21	09/29/22	25%	Credit
Citibank	07/12/20	07/12/20	100%	N/A
Asset-specific Financing				
Institutional Lender	10/09/20	10/09/20	N/A	N/A

The following table presents the recourse and mark-to-market provisions for the Company's secured financing arrangements as of December 31, 2019:

	December 31, 2019			
Financing Arrangement	**Initial Maturity Date**	**Extended Maturity Date**	**Recourse Percentage**	**Basis of Margin Calls**
Secured Revolving Repurchase Agreements				
Loan Investments				
Goldman Sachs	08/19/20	08/19/22	25%	Credit
Wells Fargo	04/18/22	04/18/22	25%	Credit
Barclays	08/13/22	08/13/22	25%	Credit
Morgan Stanley	05/04/20	N/A	25%	Credit
JP Morgan	08/20/21	08/20/23	25%	Credit and Spread
US Bank	07/09/22	07/09/24	25%	Credit
CRE Debt Securities				
Goldman Sachs	01/12/20	01/12/20	100%	Spread
JP Morgan	01/17/20	01/17/20	100%	Spread
Wells Fargo	01/16/20	01/16/20	100%	Spread
Royal Bank of Canada	N/A	N/A	100%	Spread
Senior Secured and Secured Credit Agreements				
Bank of America	09/29/20	09/29/20	25%	Credit
Citibank	07/12/20	07/12/20	100%	N/A
Asset-specific Financing				
Institutional Lender	10/09/20	10/09/20	N/A	N/A

Secured Revolving Repurchase Agreements

At June 30, 2020 and December 31, 2019, the Company had six secured revolving repurchase agreements to finance its loan investing activities. Credit spreads vary depending upon the collateral type and advance rate. Assets pledged at June 30, 2020 and December 31, 2019 consisted of 62 and 60 mortgage loans, or participation interests therein, respectively. Under these secured revolving repurchase agreements, the Company transfers all of its rights, title and interest in the loans to the repurchase counterparty in exchange for cash, and simultaneously agrees to reacquire the asset at a future date for an amount equal to the cash exchanged plus an interest factor. The repurchase counterparty (lender) collects all principal and interest on related loans and remits to the Company the net amount after the lender collects its interest and other fees. The secured revolving repurchase agreements used to finance loan investments are 25% recourse to Holdco.

At June 30, 2020, the Company had no secured revolving repurchase agreements to finance its CRE debt securities as each agreement was terminated during the quarter ended June 30, 2020. At December 31, 2019, the Company had four secured revolving repurchase agreements to finance its CRE debt securities. The facility commitment amounts were based on the carrying value of the assets pledged. Credit spreads varied depending upon the collateral type and advance rate. At December 31, 2019, CRE debt securities pledged consisted of 35 CRE CLO investments and two CMBS investments. The secured revolving repurchase agreements used to finance CRE debt securities were 100% recourse to Holdco and were considered short-term borrowings.

Each of the Company's secured revolving repurchase agreements has "margin maintenance" provisions, which are designed to allow the repurchase lender to maintain a certain margin of credit enhancement against the assets which serve as collateral. The lender's margin amount is typically based on a percentage of the market value of the asset and/or mortgaged property collateral; however, certain secured revolving repurchase agreements may also involve margin maintenance based on maintenance of a minimum debt yield with respect to the cash flow from the underlying real estate collateral. Market value determinations and redeterminations may be made by the repurchase lender in its sole discretion subject to certain specified parameters, which may involve the limitation or enumeration of factors which the repurchase lender may consider when determining market value. In the case of assets that serve as collateral under the Company's secured revolving repurchase agreements secured by loans, these considerations may include credit-based factors (which are generally based on factors other than those related to the capital markets) and spread-based factors (which are generally based on changes in observable credit spreads in the market for these assets) as described more specifically in the preceding table. The market value of the assets that served as collateral under the Company's secured revolving repurchase agreements secured by CRE debt securities was redetermined on a daily basis. As a result, during the six months ended June 30, 2020, extreme short-term volatility and negative pressure in the financial markets resulted in the Company being required to post cash collateral with the Company's lenders under these agreements.

During the period from March 1, 2020 to March 31, 2020, the Company received margin call notices with respect to borrowings against its CRE CLO investment portfolio aggregating $170.9 million, which were satisfied with a combination of $89.8 million of cash, cash proceeds from bond sales, and increases in market values prior to quarter-end. At March 31, 2020, unpaid margin calls totaled $19.0 million, which were satisfied in April though cash proceeds from bond sales and increases in market values prior to the Company's final disposition of its CRE debt securities investments, which occurred on April 29, 2020. At June 30, 2020, the Company did not own any CRE debt securities and therefore had no associated borrowings and no unsatisfied margin calls.

The following table summarizes certain characteristics of the Company's secured revolving repurchase agreements secured by commercial mortgage loans, including counterparty concentration risks, at June 30, 2020 (dollars in thousands):

	June 30, 2020						
Loan Financings	**Commitment Amount**	**UPB of Collateral**	**Amortized Cost of Collateral(1)**	**Amounts Payable(2)**	**Net Counterparty Exposure(3)**	**Percent of Stockholders' Equity**	**Days to Extended Maturity(4)**
Goldman Sachs Bank	$ 250,000	$ 253,285	$ 254,757	$ 130,945	$ 123,812	8.4%	780
Wells Fargo	750,000	535,619	537,394	354,301	183,093	12.5%	657
Barclays	750,000	750,619	749,432	550,535	198,897	13.5%	774
Morgan Stanley Bank(4)	500,000	596,590	595,513	409,004	186,509	12.7%	N/A
JP Morgan Chase Bank	400,000	354,286	351,802	205,335	146,467	10.0%	1,146
US Bank	140,930	99,405	99,012	69,652	29,360	2.0%	1,470
Total / Weighted Average	$ 2,790,930	$ 2,589,804	$ 2,587,910	$ 1,719,772	$ 868,138		838

(1) Loan amounts shown in the table include interest receivable of $11.5 million and are net of premium, discount and origination fees of $13.4 million.

(2) Loan amounts shown in the table include interest payable of $1.1 million and do not reflect unamortized deferred financing fees of $9.7 million.

(3) Loan amounts represent the net carrying value of the commercial real estate assets sold under agreements to repurchase, including accrued interest plus any cash or assets on deposit to secure the repurchase obligation, less the amount of the repurchase liability, including accrued interest.

(4) The secured revolving repurchase agreement provided by Morgan Stanley Bank is excluded from the "Days to Extended Maturity" column because it has no limit on the maximum number of permitted extensions, subject to satisfaction of certain conditions and approval.

The following table summarizes certain characteristics of the Company's secured revolving repurchase agreements secured by commercial mortgage loans and CRE debt securities, including counterparty concentration risks, at December 31, 2019 (dollars in thousands):

	December 31, 2019						
Loan Financings	**Commitment Amount**	**UPB of Collateral**	**Amortized Cost of Collateral(1)**	**Amounts Payable(2)**	**Net Counterparty Exposure(3)**	**Percent of Stockholders' Equity**	**Days to Extended Maturity(4)**
Goldman Sachs Bank	$ 750,000	$ 288,032	$ 289,674	$ 45,900	$ 243,774	16.6%	962
Wells Fargo	750,000	593,742	594,832	395,039	199,793	13.6%	839
Barclays	750,000	542,927	542,191	432,399	109,792	7.5%	956
Morgan Stanley Bank(4)	500,000	519,638	518,048	395,356	122,692	8.4%	N/A
JP Morgan Chase Bank	400,000	300,677	297,248	218,744	78,504	5.4%	1,328
US Bank	152,240	173,741	173,045	136,734	36,311	2.5%	1,652
Subtotal / Weighted Average	$ 3,302,240	$ 2,418,757	$ 2,415,038	$ 1,624,172	$ 790,866		1,062

CRE Debt Securities Financings	**Commitment Amount**	**UPB of Collateral**	**Amortized Cost of Collateral(1)**	**Amounts Payable(2)**	**Net Counterparty Exposure(3)**	**Percent of Stockholders' Equity**	**Days to Extended Maturity(4)**
Goldman Sachs Bank	$ 81,143	$ 94,629	$ 108,414	$ 81,362	$ 27,052	1.8%	12
JP Morgan	475,881	$ 544,105	$ 546,260	$ 476,307	$ 69,953	4.8%	17
Wells Fargo	135,774	$ 161,153	$ 148,738	$ 136,021	$ 12,717	0.9%	16
Royal Bank of Canada	—	—	—	—	—	—	—
Subtotal / Weighted Average	$ 692,798	$ 799,887	$ 803,412	$ 693,690	$ 109,722		16
Total / Weighted Average - Loans and CRE Debt Securities	$ 3,995,038	$ 3,218,644	$ 3,218,450	$ 2,317,862	$ 900,588		685

(1) Loan amounts shown in the table include interest receivable of $13.0 million and are net of premium, discount and origination fees of $16.7 million. CRE debt securities shown in the table include interest receivable of $2.3 million and are net of premium, discount, and unrealized gains of $1.2 million.

(2) Loan amounts shown in the table include interest payable of $2.5 million and do not reflect unamortized deferred financing fees of $10.3 million. CRE debt securities shown in the table include interest payable of $0.9 million.

(3) Loan amounts represent the net carrying value of the commercial real estate assets sold under agreements to repurchase, including accrued interest plus any cash or assets on deposit to secure the repurchase obligation, less the amount of the repurchase liability, including accrued interest. CRE debt securities represent the net carrying value of AFS securities sold under agreements to repurchase, including accrued interest plus any cash or assets on deposit to secure the repurchase obligation, less the amount of the repurchase liability, including accrued interest.

(4) The secured revolving repurchase agreement provided by Morgan Stanley Bank is excluded from the "Days to Extended Maturity" column because it has no limit on the maximum number of permitted extensions, subject to satisfaction of certain conditions and approvals. For borrowings secured by CRE debt securities, the extended maturity represents the sooner of the next maturity date of the CRE debt securities, the secured revolving repurchase agreement, or the roll-over date for the applicable underlying trade confirmation, subsequent to December 31, 2019. These contracts typically have initial terms of 30 days.

Senior Secured and Secured Credit Agreements

The Company has a senior secured credit agreement with Bank of America N.A. with a maximum commitment amount of $200.0 million, which was reduced from $500.0 million at the Company's election as part of an as-of-right extension executed in June 2020. The senior secured agreement has an accordion feature that permits the Company to increase the commitment amount in increments of $50.0 million up to a maximum of $500.0 million. The senior secured agreement has a current maturity of September 29, 2021 and borrowings bear interest at LIBOR plus 1.75%. At June 30, 2020, $137.6 million was outstanding under the secured credit agreement. This agreement is 25% recourse to Holdco.

At June 30, 2020, the Company had a secured revolving credit agreement (the "Citi Agreement"), with Citibank, N.A. with aggregate secured borrowing capacity of up to $160.0 million, subject to borrowing base availability and certain other conditions, which the Company occasionally used to finance originations or acquisitions of eligible loans on an interim basis until permanent financing was arranged. The Citi Agreement had an initial maturity date of July 12, 2020, and borrowings bore interest at an interest rate per annum equal to one-month LIBOR or the applicable base rate plus a margin of 2.25%. The initial advance rate on borrowings under the Citi Agreement with respect to individual pledged assets was 70% and declined over the borrowing term of up to 90 days, after which borrowings against an asset must be repaid. At June 30, 2020, the Company did not have any amounts outstanding, and no assets were pledged, under the Citi Agreement. This agreement was 100% recourse to Holdco. See Note 16 to the Consolidated Financial Statements for information regarding the Company's decision to allow the Credit Agreement to expire by its terms.

Financial Covenants

The Company's financial covenants and guarantees for outstanding borrowings related to our secured revolving repurchase agreements, senior secured and secured credit agreements require Holdco to maintain compliance with the following financial covenants (among others), which were revised on May 28, 2020 as follows:

Financial Covenant	**Current Maintenance**	**Maintenance Prior to May 28, 2020**
Cash Liquidity	Minimum cash liquidity of no less than the greater of: $10.0 million; and 5.0% of Holdco's recourse indebtedness	Minimum cash liquidity of no less than the greater of: $10.0 million; and 5.0% of Holdco's recourse indebtedness
Tangible Net Worth	$1.1 billion as of April 1, 2020, plus 75% of future equity issuances thereafter	Minimum tangible net worth of at least 75% of the net cash proceeds of all prior equity issuances made by Holdco or the Company, plus 75% of the net cash proceeds of all subsequent equity issuances made by Holdco or the Company
Debt to Equity	Debt to Equity ratio not to exceed 3.5 to 1.0 with "equity" and "equity adjustment" as defined below.	Debt to Equity ratio not to exceed 3.5 to 1.0
Interest Coverage	Minimum interest coverage ratio of no less than 1.4 to 1.0 until December 2, 2020, and no less than 1.5 to 1.0 thereafter.	Minimum interest coverage ratio of no less than 1.5 to 1.0.

With respect to the tangible net worth covenant, the amendments as of May 28, 2020 revise the definition of tangible net worth such that the baseline amount for testing is reset as of April 1, 2020 to $1.1 billion plus 75% of future equity issuances after April 1, 2020. With respect to the debt to equity covenant, the amendments revise the definition of equity to include: preferred equity; and an adjustment equal to the sum of the all then-current Current Expected Credit Loss reserves and any loan loss reserves, write-downs, impairments or realized losses taken against the value of any assets of Holdco or its subsidiaries from and after April 1, 2020; provided, however, that the equity adjustment may not exceed the amount of (a) Holdco's total equity less (b) the product of Holdco's total indebtedness multiplied by 25%.

Financial Covenant relating to the Series B Preferred Stock

For long as the Series B Preferred Stock is outstanding, the Company is required to maintain a debt to equity ratio not greater than 3.0 to 1.0. For the purpose of determining this ratio, the aggregate liquidation preference of the outstanding shares of Series B Preferred Stock is excluded from the calculation of total indebtedness of the Company and its subsidiaries.

Covenant Compliance

The Company was in compliance with all financial covenants to the extent that balances were outstanding as of June 30, 2020 and December 31, 2019. However, as previously disclosed in the Company's Quarterly Report on Form 10-Q filed with the SEC on May 11, 2020, as of March 31, 2020, the Company was not in compliance with respect to certain covenants included in certain of these agreements. During the three months ended June 30, 2020, this non-compliance was cured and the Company received waivers from the lender under each of the applicable agreements.

Negative impacts on the Company's business caused by COVID-19 have and will likely continue to make it more difficult to meet or satisfy these covenants, and there can be no assurance that the Company will remain in compliance with these covenants in the future.

Asset-Specific Financings

As of June 30, 2020 and December 31, 2019, the Company had one asset-specific financing arrangement to finance one of its loan investments.

On April 2, 2019, the Company entered into an asset-specific financing with an institutional lender that is secured by one loan held for investment. The asset-specific financing does not provide for additional advances. The current initial maturity of this agreement is October 9, 2020, with an extension of 12 months subject to satisfaction of certain requirements by the borrower on the underlying mortgage loan. As of June 30, 2020, the asset-specific financing principal balance is $77.0 million and bears interest at LIBOR plus 4.2%.

(7) Schedule of Maturities

The future principal payments for the five years subsequent to June 30, 2020 and thereafter are as follows (in thousands):

	Collateralized loan obligations	Secured revolving repurchase agreements	Senior secured and secured credit agreements	Asset-specific financing
2020	$ 265,852	$ 176,464	$ 137,558	$ 77,000
2021	878,971	918,326	—	—
2022	581,129	623,891	—	—
2023	108,809	—	—	—
2024	—	—	—	—
Thereafter	—	—	—	—
Total	$ 1,834,761	$ 1,718,681	$ 137,558	$ 77,000

The scheduled maturities for the investment grade bonds issued by TRTX 2018-FL2 and TRTX-2019 FL3 are based upon the initial maturity dates of the underlying loans currently held by each trust with no future reinvestment assumed.

(8) Fair Value Measurements

The Company's consolidated balance sheet includes Level I fair value measurements related to cash equivalents, restricted cash, accounts receivable, and accrued liabilities. At June 30, 2020, the Company had $173.2 million invested in money market funds with original maturities of less than 90 days. The consolidated balance sheet also includes Loans Held for Investment, the assets and liabilities of TRTX 2018-FL2 and TRTX 2019-FL3 (as of June 30, 2020 and December 31, 2019), and secured financing arrangements that are considered Level III fair value measurements that are not measured at fair value on a recurring basis but are subject to fair value adjustments utilizing the fair value of the underlying collateral when there is evidence of impairment and when the loan is dependent solely on the collateral for payment of principal and interest. The Company had no non-recurring fair value items as of December 31, 2019.

The following tables provide information about the fair value of the Company's financial assets and liabilities on the Company's consolidated balance sheets as of June 30, 2020 and December 31, 2019 (dollars in thousands):

	June 30, 2020			
		Fair Value		
	Carrying Value	Level I	Level II	Level III
Financial Assets				
Loans Held for Investment	$ 4,988,568	$ —	$ —	$ 4,941,451
Financial Liabilities				
Collateralized Loan Obligations	1,823,456	—	—	1,870,231
Secured Financing Arrangements	1,922,820	—	—	1,985,307

	December 31, 2019			
		Fair Value		
	Carrying Value	Level I	Level II	Level III
Financial Assets				
Available for sale CRE Debt Securities	$ 787,552	$ —	$ 787,552	$ —
Loans Held for Investment	4,980,389	—	—	5,004,379
Financial Liabilities				
Collateralized Loan Obligations	1,806,428	—	—	1,806,428
Secured Financing Arrangements	2,525,128	—	—	2,525,128

At June 30, 2020, the estimated fair value of Loans Held for Investment was $4.9 billion, or $47.1 million less than carrying value, due to an increase since February 2020 in credit spreads on transitional first mortgage loans due primarily to the COVID-19 pandemic. At December 31, 2019, the estimated fair value of Loans Held for Investment was $5.0 billion, which approximated carrying value, because contractual loan credit spreads reflected then-current market terms. The weighted average gross spread at June 30, 2020 and December 31, 2019 was 3.39% and 3.48%, respectively. The weighted average years to maturity at June 30, 2020 and December 31, 2019 was 3.5 years and 3.8 years, respectively, assuming full extension of all loans.

At June 30, 2020, the estimated fair value of the secured financing agreements was $2.0 billion, or $62.5 million more than carrying value, due to an increase since February 2020 in credit spreads on similar financing arrangements due to the COVID-19 pandemic. At December 31, 2019, the carrying value of the secured financing agreements approximated fair value as the then-current borrowing spreads reflected market terms. At June 30, 2020, the estimated fair value of the Collateralized Loan Obligation liabilities was $1.9 billion, or $46.8 million more than carrying value, due to an increase since February 2020 in credit spreads on these and similar bonds observed in secondary trading activity due to the COVID-19 pandemic. At December 31, 2019, the carrying value of the assets and liabilities of TRTX 2019-FL3 and TRTX 2018-FL2 approximated fair value as then-current lending and borrowing spreads reflected market terms.

Changes in assets and liabilities with Level III fair values for the six months ended June 30, 2020 are as follows:

	Loans Held for Investment	Collateralized Loan Obligations	Secured Financing Arrangements	Total
Balance at December 31, 2019	$ 5,004,379	$ 1,806,428	$ 2,525,128	$ 9,335,935
Additions	—	—	—	—
Change in fair value	(62,928)	63,803	(539,821)	(538,946)
Transfers into Level III	—	—	—	—
Transfers out of Level III	—	—	—	—
Disposals	—	—	—	—
Balance at June 30, 2020	$ 4,941,451	$ 1,870,231	$ 1,985,307	$ 8,796,989

There were no transfers of financial assets or liabilities within the levels of the fair value hierarchy during the six months ended June 30, 2020.

(9) Income Taxes

The Company indirectly owns 100% of the equity of multiple taxable REIT subsidiaries (collectively “TRSs”), including certain of its TRTX 2018-FL2 and TRTX 2019-FL3 subsidiaries. TRSs are subject to applicable U.S. federal, state, local and foreign income tax on their taxable income. In addition, as a REIT, the Company also may be subject to a 100% excise tax on certain transactions between it and its TRSs that are not conducted on an arm’s-length basis. The Company files income tax returns in the United States federal jurisdiction as well as various state and local jurisdictions. The filings are subject to normal reviews by tax authorities until the related statute of limitations expires. The years open to examination generally range from 2016 to present.

ASC 740 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company has analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported. As of June 30, 2020 and December 31, 2019, based on the Company’s evaluation, there is no reserve for any uncertain income tax positions.

The Company's policy is to classify interest and penalties associated with underpayment of U.S. federal and state income taxes, if any, as a component of general and administrative expense on its consolidated statements of income and comprehensive income. For the three and six months ended June 30, 2020, the Company did not have interest or penalties associated with the underpayment of any income taxes.

For the three and six months ended June 30, 2020 and 2019, the Company incurred no federal, state or local tax relating to its TRSs. For the three months ended June 30, 2020 and 2019, the Company recognized $0.2 million and $0.2 million, respectively, of federal, state and local tax expense. For the six months ended June 30, 2020 and 2019, the Company recognized $0.2 million and $0.4 million, respectively, of federal, state and local tax expense. At June 30, 2020 and 2019, the Company's effective tax rate was 0.2% and 0.7%, respectively.

As of June 30, 2020 and December 31, 2019, no deferred income tax assets or liabilities were recorded for the operating activities of the Company's TRSs.

From March 23, 2020 to March 31, 2020, the Company sold ten separate CRE debt securities with an aggregate face value of $179.3 million, generating gross sales proceeds of $143.1 million. After retiring $141.0 million of repurchase financing and generating net cash proceeds of $2.2 million, the Company recorded aggregate losses from these sales of $36.2 million. In April 2020, the Company sold 39 separate CRE debt securities with an aggregate face value of $781.7 million, generating gross sales proceeds of $614.8 million. After retiring $581.7 million of repurchase financing and generating net cash proceeds of $33.1 million, the Company recorded aggregate losses from these sales of $167.3 million, offset by a small gain on one bond sale. These losses, which total $203.4 million, are expected to be available to offset any capital gains of the Company in 2020 and, to the extent those capital losses exceed the Company's capital gains for 2020, such losses would be available to be carried forward to offset capital gains in future years. The Company does not expect these losses to reduce the amount that the Company will be required to distribute under the requirement that the Company distribute to the Company's stockholders at least 90% of the Company's REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gain) each year in order to continue to qualify as a REIT.

(10) Related Party Transactions

Management Agreement

The Company is externally managed and advised by the Manager pursuant to the terms of a management agreement between the Company and the Manager (as amended, the "Management Agreement"). Pursuant to the Management Agreement, the Company pays the Manager a base management fee equal to the greater of $250,000 per annum ($62,500 per quarter) or 1.50% per annum (0.375% per quarter) of the Company's "Equity" as defined in the Management Agreement. Proceeds from the issuance of Series B Preferred Stock is included in the Company's Equity for purposes of determining the base management fee. The base management fee is payable in cash, quarterly in arrears. The Manager is also entitled to incentive compensation which is calculated and payable in cash with respect to each calendar quarter in arrears in an amount, not less than zero, equal to the difference between: (1) the product of (a) 20% and (b) the difference between (i) the Company's Core Earnings for the most recent 12-month period, including the calendar quarter (or part thereof) for which the calculation of incentive compensation is being made (the "applicable period"), and (ii) the product of (A) the Company's Equity in the most recent 12-month period, including the applicable period, and (B) 7% per annum; and (2) the sum of any incentive compensation paid to the Manager with respect to the first three calendar quarters of the most recent 12-month period. No incentive compensation is payable to the Manager with respect to any calendar quarter unless Core Earnings for the 12 most recently completed calendar quarters is greater than zero. For purposes of calculating the Manager's incentive compensation, the Management Agreement, as amended, specifies that equity securities of the Company or any of the Company's subsidiaries that are entitled to a specified periodic distribution or have other debt characteristics will not constitute equity securities and will not be included in "Equity" for the purpose of calculating incentive compensation. Instead, the aggregate distribution amount that accrues to such equity securities during the calendar quarter of such calculation will be subtracted from Core Earnings, before incentive compensation for purposes of calculating incentive compensation, unless such distribution is otherwise excluded from Core Earnings.

"Core Earnings" means the net income (loss) attributable to the holders of the Company's common stock and Class A common stock and, without duplication, the holders of the Company's subsidiaries' equity securities (other than the Company or any of the Company's subsidiaries), computed in accordance with GAAP, including realized gains and losses not otherwise included in net income (loss), and excluding (i) non-cash equity compensation expense, (ii) the incentive compensation, (iii) depreciation and amortization, (iv) any unrealized gains or losses, including an allowance for credit losses, or other similar non-cash items that are included in net income for the applicable period, regardless of whether such items are included in other comprehensive income or loss or in net income and (v) one-time events pursuant to changes in GAAP and certain material non-cash income or expense items, in each case after discussions between the Manager and the Company's independent directors and approved by a majority of the Company's independent directors.

For long as any shares of Series B Preferred Stock remain issued and outstanding, the Manager has agreed to reduce by 50% the base management fee attributable to the inclusion of the Series B Preferred Stock in the Company's Equity, such that the base management fee rate applicable to the Series B Preferred Stock included in the equity base will equal 0.75% per annum, instead of 1.50% per annum as provided in the Management Agreement.

Management Fees Incurred and Paid for the Three and Six Months ended June 30, 2020 and 2019

For the three and six months ended June 30, 2020 and 2019, the Company incurred and paid the following management fees and incentive management fees pursuant to the Management Agreement (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Management Agreement fees incurred	$ 5,115	$ 7,371	$ 10,115	$ 13,879
Management Agreement fees paid	—	6,508	7,252	12,608

Management fees and incentive management fees included in payable to affiliates on the consolidated balance sheets at June 30, 2020 and December 31, 2019 are $10.1 million and $7.3 million, respectively. The Manager agreed to allow the Company to defer until July 6, 2020 payment of the base management fee due as of March 31, 2020 of $5.0 million, which was paid on July 6, 2020. No such deferral was granted for the quarter ended June 30, 2020, nor are similar deferrals expected in the future. No incentive management fee was earned during the quarter ended June 30, 2020.

Termination Fee

A termination fee would be due to the Manager upon termination of the Management Agreement by the Company absent a cause event. The termination fee would also be payable to the Manager upon termination of the Management Agreement by the Manager if the Company materially breaches the Management Agreement. The termination fee is equal to three times the sum of (x) the average annual base management fee and (y) the average annual incentive compensation earned by the Manager, in each case during the 24-month period immediately preceding the most recently completed calendar quarter prior to the date of termination.

Other Related Party Transactions

The Manager or its affiliates is responsible for the expenses related to the personnel of the Manager and its affiliates who provide services to the Company. However, the Company does reimburse the Manager for agreed-upon amounts based upon the Company's allocable share of the compensation (including, without limitation, annual base salary, bonus, any related withholding taxes and employee benefits) paid to (1) the Manager's personnel serving as the Company's chief financial officer based on the percentage of his or her time spent managing the Company's affairs and (2) other corporate finance, tax, accounting, internal audit, legal risk management, operations, compliance and other non-investment personnel of the Manager or its affiliates who spend all or a portion of their time managing the Company's affairs, based on the percentage of time devoted by such personnel to the Company's and the Company's subsidiaries' affairs. For the three and six months ended June 30, 2020, the Manager incurred $0.3 million and $0.5 million, respectively, of expenses that were subject to reimbursement by the Company for services rendered on its behalf by the Manager and its affiliates.

For as long as any shares of Series B Preferred Stock remain issued and outstanding, the Manager will not seek reimbursement for reimbursable expenses in excess of the greater of (x) USD $1.0 million per fiscal year and (y) twenty percent (20%) of the Company's allocable share of such reimbursable expenses pursuant to the Management Agreement per fiscal year. For each of the quarters ended March 31 and June 30, 2020, the Company reimbursed to the Manager $250,000 of reimbursable expenses, and the Manager elected not to seek reimbursement for reimbursable amounts in excess thereof, which at June 30, 2020 were not material. There can be no assurance that the Manager will not seek reimbursement of such expenses in future quarters. If the product of 20% multiplied by eligible reimbursable expenses is expected to exceed $1.0 million annually, the Manager is obligated to inform and review with the Company's board of directors the methodology and rationale for such an increase in advance of the delivery to the Company of a written request for reimbursement reflecting such increase.

The Company is required to pay the Manager or its affiliates for documented costs and expenses incurred with third parties by the Manager or its affiliates on behalf of the Company, subject to the Company's review and approval of such costs and expenses. The Company's obligation to pay for costs and expenses incurred on its behalf is not subject to a dollar limitation.

As of June 30, 2020, $0.9 million remained outstanding and payable to the Manager or its affiliates for third party expenses that were incurred on behalf of the Company. As of June 30, 2019, there were no amounts outstanding that were reimbursable by the Company to the Manager.

All expenses due and payable to the Manager are reflected in the respective expense category of the consolidated statements of income and comprehensive income or consolidated balance sheets based on the nature of the item.

(11) Earnings per Share

The Company calculates its basic and diluted earnings per share using the two-class method for all periods presented, since the unvested restricted shares of its common stock granted to certain current and former employees and affiliates of the Manager qualify as participating securities. These restricted shares have the same rights as the Company's other shares of common stock and Class A common stock, including participating in any dividends, and therefore are included in the Company's basic and diluted earnings per share calculation. For the three months ended June 30, 2020 and 2019, $0.1 million and $0.1 million, respectively, of common stock dividends declared and undistributed net income attributable to common stockholders were allocated to unvested shares of our common stock pursuant to stock grants made under the Company's Incentive Plan (see Note 13 for details). For the six months ended June 30, 2020 and 2019, $0.4 million and $0.3 million, respectively, of common stock dividends declared and undistributed net income attributable to common stockholders were allocated to unvested shares of our common stock pursuant to stock grants made under the Company's Incentive Plan.

In connection with the issuance of Series B Preferred Stock and the Warrants described in Note 12, the Company elected the accreted redemption value method whereby the discount created based on the relative fair value of the Warrants to the fair value of the Series B Preferred Stock and the related issuance costs will be accreted over four years using the effective interest method. Such adjustments are included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on our Consolidated Statements of Changes in Equity and treated similar to a dividend on preferred stock for GAAP purposes. For the three and six months ended June 30, 2020, these adjustments totaled $0.4 million.

The computation of diluted earnings per share is based on the weighted average number of participating securities outstanding plus the incremental shares that would be outstanding assuming exercise of warrants issued pursuant to the Company's issuance of Series B Preferred Stock. The number of incremental shares is calculated by applying the treasury stock method. For the six months ended June 30, 2020, the Warrants were not included in the computation of diluted earnings per share as their impact would have been anti-dilutive.

The following table sets forth the calculation of basic and diluted earnings per common share (common stock and Class A common stock) based on the weighted-average number of shares of common stock outstanding for the three and six months ended June 30, 2020, and the weighted-average number of shares of common stock and Class A common stock outstanding for the three and six months ended June 30, 2019 (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net Income (Loss) Attributable to TPG RE Finance Trust, Inc.	$ 40,673	$ 31,965	$ (192,120)	$ 60,374
Participating Securities' Share in Earnings (Loss)	(125)	(138)	(393)	(279)
Accretion of Discount on Series B Preferred Stock	(443)	—	(443)	—
Net Income (Loss) Attributable to Common Stockholders	$ 40,105	$ 31,827	$ (192,956)	$ 60,095
Weighted Average Common Shares Outstanding, Basic and Diluted	76,644,038	73,963,337	76,554,680	71,144,696
Per Common Share Amount, Basic and Diluted	$ 0.52	$ 0.43	$ (2.53)	$ 0.85

(12) Stockholders' Equity

Series B Preferred Stock and Warrants to Purchase Shares of Common Stock

On May 28, 2020, the Company entered into an Investment Agreement (the "Investment Agreement") with PE Holder L.L.C., a Delaware limited liability company (the "Purchaser"), an affiliate of Starwood Capital Group Global II, L.P., under which the Company agreed to issue and sell to the Purchaser up to 13,000,000 shares of the Company's 11.0% Series B Preferred Stock, par value $0.001 per share (plus any additional such shares paid as dividends pursuant to the Articles Supplementary, the "Series B Preferred Stock"), and Warrants to purchase, in the aggregate, up to 15,000,000 shares (subject to adjustment) of the Company's Common Stock, for an aggregate cash purchase price of up to $325,000,000. Such purchases may occur in up to three tranches. The Investment Agreement contains market standard provisions regarding board representation, voting agreements, rights to information, and a standstill agreement and registration rights agreement regarding common stock acquired via exercise of Warrants.

On May 28, 2020, the Purchaser acquired the first tranche of the Investment Agreement, consisting of 9,000,000 shares of Series B Preferred Stock and Warrants to purchase up to 12,000,000 shares of Common Stock, for an aggregate price of $225.0 million. The Company, at its option, may sell to the Purchaser the second and third tranches on or prior to December 31, 2020. Each of the second and third tranches consists of 2,000,000 shares of Series B Preferred Stock and Warrants to purchase up to 1,500,000 shares of Common Stock, for an aggregate purchase price of $50.0 million per tranche.

Series B Preferred Stock

The Company's Series B Preferred Stock has a liquidation preference over all other classes of the Company's equity other than Series A Preferred Stock, which has liquidation preference over the Series B Preferred Stock.

Series B Preferred Stock bears a dividend at 11% per annum, accrued daily and compounded semi-annually, which is payable quarterly in cash; provided that up to 2.0% per annum of the liquidation preference may be paid, at the option of the Company, in the form of additional shares of Series B Preferred Stock.

The Company, at its option, may redeem for cash, any or all outstanding shares of Series B Preferred Stock at a price (the "Optional Redemption Price") equal to (i) at any time on or before the two-year anniversary of the Original Issuance Date (as defined in the Articles Supplementary), at a price equal to the greater of (a) 105.0% of the sum of the liquidation preference of $25.00 per share of Series B Preferred Stock (the "Preference Amount") (including all dividends (including any Accrued Dividends)) and (b) the Preference Amount (including all dividends (including Accrued Dividends)) plus the Make-Whole Amount (equal to the dividends that would have been earned from the redemption date through and including the second anniversary date of the Original Issuance Date, and as further defined in the Articles Supplementary) per share of Series B Preferred Stock to be redeemed; (ii) at any time after the two-year anniversary of the Original Issuance Date but on or prior to the three-year anniversary of the Original Issuance Date, at a price equal to 105.0% of the Preference Amount (including all dividends (including Accrued Dividends)) as of the redemption date; (iii) at any time after the three-year anniversary of the Original Issuance Date but on or prior to the four-year anniversary of the Original Issuance Date, at a price equal to 102.5% of the Preference Amount (including all dividends (including Accrued Dividends)) as of the redemption date; or (iv) at any time after the four-year anniversary of the Original Issuance Date, at a price equal to 100.0% of the Preference Amount (including all dividends (including Accrued Dividends)) as of the redemption date, subject to certain limitations.

If the Company or the Company's Manager undergoes a Change in Control (as defined in the Articles Supplementary), holders of shares of Series B Preferred Stock may require the Company to repurchase any or all of such shares of Series B Preferred Stock for a cash purchase price equal to the then-applicable Optional Redemption Price (the "Change of Control Redemption Price"). In addition, upon any such Change of Control, the Company shall have the right, but not the obligation, to redeem any or all of the outstanding shares of Series B Preferred Stock at the Change of Control Redemption Price, subject to certain limitations.

Holders of shares of Series B Preferred Stock may also require the Company to redeem all or any portion of their shares of Series B Preferred Stock, for a cash purchase price equal to 100.0% of the Preference Amount (including all dividends (including any Accrued Dividends) with respect to such shares of Series B Preferred Stock accrued but unpaid to, but not including the then-applicable redemption date), at any time: (i) after May 28, 2024; or (ii) following the occurrence of an Approval Right Default (as defined below).

Each holder of Series B Preferred Stock will have one vote per share on any matter on which holders of Series B Preferred Stock are entitled to vote and will vote separately as a class (as described below), whether at a meeting or by written consent. The holders of Series B Preferred Stock will have exclusive voting rights on an amendment to the Company's charter (the "Charter") that would alter only the contract rights of the Series B Preferred Stock.

The vote or consent of the holders of at least a majority of the shares of Series B Preferred Stock outstanding at such time, voting together as a separate class, is required in order for the Company to (i) amend or waive any provision of the Charter or the Second Amended and Restated Bylaws of the Company in a manner that would materially and adversely affect the rights, preferences, or privileges of the Series B Preferred Stock; (ii) issue any capital stock ranking senior or pari passu to the Series B Preferred Stock (or securities or rights convertible or exchangeable into, or exercisable for, any capital stock ranking senior or pari passu to the Series B Preferred Stock); (iii) issue any equity securities of any subsidiary of the Company (or any securities or rights convertible or exchangeable into, or exercisable for, such equity securities) to any third party other than the Company and or the Company's wholly-owned subsidiary; (iv) permit any Non-Target Asset Event (as defined in the Articles Supplementary); (v) pay any dividend or distribution in cash, capital stock or other assets of the Company on or in respect of, or the repurchase or redemption of, capital stock ranking pari passu or junior to the Series B Preferred Stock, subject to certain exceptions; (vi) incur Indebtedness, subject to certain exceptions, (vii) take any Restricted Indebtedness Action (as defined in the Articles Supplementary); (viii) liquidate, dissolve, or wind up the Company; or (ix) agree to undertake any of the actions described in clauses (i) through (viii) above, in each case subject to the terms and conditions set forth in the Articles Supplementary.

The taking of any of the actions described in the prior paragraph (subject to certain exceptions and the Company's ability to cure such action, in each case as specified in the Articles Supplementary) without the vote or consent of the holders of at least a majority of the shares of Series B Preferred Stock outstanding at such time shall be deemed to be an "Approval Right Default".

On the issuance date, the Company retained third party valuation experts to assist with estimating the fair value of the Series B Preferred Stock and the Warrants using the binomial lattice model. Based on the Warrants' relative fair value to the fair value of the Series B Preferred Stock, approximately $14.4 million of the $225.0 million proceeds was allocated to the Warrants, creating a corresponding preferred stock discount in the same amount. The Company elected the accreted redemption value method whereby this discount will be accreted over four years using the effective interest method, resulting in an increase in the carrying value of the Series B Preferred Stock. Additionally, $14.2 million of costs directly related to the issuance will be accreted using the effective interest method. Such adjustments are included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on our Consolidated Statements of Changes in Equity and treated similar to a dividend on preferred stock for GAAP purposes.

Warrants to Purchase Common Stock

The Warrants have an initial exercise price of $7.50 per share. The exercise price of the Warrants and shares of Common Stock issuable upon exercise of the Warrants are subject to customary adjustments. The Warrants are exercisable on a net settlement basis and expire on May 28, 2025. The Warrants are classified as equity and were initially recorded at their estimated fair value of $14.4 million with no subsequent remeasurement.

Subject to certain limitations, no shares of Common Stock will be issued or delivered upon any proposed exercise of any Warrant, and no Warrant will be exercised, in each case, to the extent that such exercise or issuance of Common Stock would result in a Registered Holder (as defined in the Warrant Agreement) beneficially owning in excess of 19.9% of the Stockholder Voting Power (as defined in the Warrant Agreement) as of May 28, 2020 (appropriately adjusted to reflect any stock splits, stock dividends or other similar events).

The foregoing descriptions of the Investment Agreement, the terms of the Series B Preferred Stock and the Warrants, the Articles Supplementary, the Warrant Agreement, the Registration Rights Agreement, the Amendments and the transactions contemplated thereby are not complete and are qualified in their entirety by reference to the full text of the Investment Agreement, the Articles Supplementary, the Warrant Agreement, the Registration Rights Agreement and the Amendments, which are attached as exhibits to the Company's Current Report on Form 8-K filed with the SEC on May 29, 2020, and incorporated herein by reference.

Conversion of Class A Shares

Between January 22, 2020 and January 24, 2020, the Company received requests to convert all of the outstanding shares of the Company's Class A common stock into shares of the Company's common stock. Accordingly, all of the outstanding shares of the Company's Class A common stock were retired and returned to the authorized but unissued shares of Class A common stock of the Company, and the holders of shares of the Class A common stock were issued an aggregate of 1,136,665 shares of the Company's common stock. On February 14, 2020, the Company filed Articles Supplementary with the State Department of Assessments and Taxation of Maryland to reclassify and designate all 2,500,000 authorized but unissued shares of the Company's Class A common stock as additional shares of undesignated common stock of the Company. The Articles Supplementary became effective upon filing on February 14, 2020. As a result, as of June 30, 2020, there are no shares of the Company's Class A common stock authorized or outstanding.

Equity Distribution Agreement

On March 7, 2019, the Company and the Manager entered into an equity distribution agreement with each of Citigroup Global Markets Inc., J.P. Morgan Securities LLC, JMP Securities LLC, Wells Fargo Securities, LLC and TPG Capital BD, LLC (each a "Sales Agent" and, collectively, the "Sales Agents") relating to the issuance and sale by the Company of shares of its common stock pursuant to a continuous offering program. In accordance with the terms of the equity distribution agreement, the Company may, at its discretion and from time to time, offer and sell shares of its common stock having an aggregate gross sales price of up to $125.0 million through the Sales Agents, each acting as the Company's agent. The offering of shares of the Company's common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of shares of the Company's common stock subject to the equity distribution agreement having an aggregate gross sales price of $125.0 million and (2) the termination of the equity distribution agreement by the Sales Agents or the Company at any time as set forth in the equity distribution agreement. At June 30, 2020, cumulative gross proceeds issued under the equity distribution agreement totaled $50.9 million, leaving $74.1 million available for future issuance subject to the direction of management, and market conditions.

Each Sales Agent will be entitled to commissions in an amount not to exceed 1.75% of the gross sales prices of shares of the Company's common stock sold through it, as the Company's agent. For the three months ended June 30, 2020, the Company sold no shares of common stock under this arrangement. For the six months ended June 30, 2020, the Company sold $0.6 million shares of common stock at a weighted average price per share of $20.53 and gross proceeds of $12.9 million. For the three and six months ended June 30, 2020, the Company paid commissions totaling $0.2 million and $0.2 million, respectively. The Company used the proceeds from the offering to originate commercial real estate loans, acquire CRE debt securities and for general corporate purposes. For the three and six months ended June 30, 2019, no shares of common stock were sold pursuant to the equity distribution agreement.

2019 Underwritten Offering

In March 2019, the Company completed a common stock offering of 6.0 million shares at a price to the underwriters of $19.80 per share, generating net proceeds of $118.8 million, after underwriting discounts. Pursuant to the terms of the underwriting agreement that the Company entered into with Morgan Stanley & Co. LLC, as representative of the underwriters, on April 12, 2019, the underwriters exercised in full their option to purchase 900,000 additional shares of common stock (the "Option Shares"). As a result, the Company issued and sold 900,000 Option Shares to the underwriters on April 16, 2019 and generated additional net proceeds, before transaction expenses, of approximately $17.4 million. The Manager reimbursed offering costs of $0.3 million. The Company used net proceeds from the offering to originate commercial real estate loans and acquire CRE debt securities.

10b5-1 Purchase Plan

The Company entered into an agreement and related amendments (the "10b5-1 Purchase Plan") with Goldman Sachs & Co. LLC, as the Company's agent, to buy in the open market up to $35.0 million in shares of the Company's common stock in the aggregate during the period beginning on or about August 21, 2017. On August 1, 2018, the Company's Board of Directors authorized the Company to extend the repurchase period for the remaining capital committed to the 10b5-1 Purchase Plan to February 28, 2019. No other changes to the terms of the 10b5-1 Purchase Plan were authorized.

The 10b5-1 Purchase Plan required Goldman Sachs & Co. LLC to purchase for the Company shares of the Company's common stock when the market price per share is below the threshold price specified in the 10b5-1 Purchase Plan which is based on the Company's book value per common share. During the three months ended March 31, 2019, the Company repurchased 2,324 shares of common stock, at a weighted average price of $18.27 per share, for total consideration (including commissions and related fees) of $0.4 million. The 10b5-1 Purchase Plan expired by its terms on February 28, 2019.

Issuance of Sub-REIT Preferred Stock

In January 2019, a subsidiary of the Company issued 625 shares of Series A preferred stock of which 500 shares were retained by the Company and 125 shares were sold to third party investors for proceeds of $0.1 million. The 500 preferred shares of Series A preferred stock retained by the Company are eliminated in the Company's consolidated statements of changes in equity.

Dividends

Upon the approval of the Company's Board of Directors, the Company accrues dividends. Dividends are paid first to the holders of the Company's Series A preferred stock at the rate of 12.5% of the total $0.001 million liquidation preference per annum plus all accumulated and unpaid dividends thereon, then to holders of the Company's Series B Preferred Stock at the rate of 11.0% per annum of the $25.00 per share liquidation preference, and then to the holders of the Company's common stock. The Company intends to distribute each year substantially all of its taxable income to its stockholders to comply with the REIT provisions of the Internal Revenue Code of 1986, as amended. The Board of Directors will determine whether to pay future dividends, entirely in cash, or in a combination of stock and cash based on facts and circumstances at the time such decisions are made.

On June 16, 2020 the Company's Board of Directors declared and approved a cash dividend for the second quarter of 2020 in the amount of $0.20 per share of common stock, or $15.4 million in the aggregate, which was paid on July 24, 2020 to holders of record of the Company's common stock as of June 26, 2020. On March 23, 2020, the Company announced the deferral until July 14, 2020 of the payment of its declared first quarter cash dividend to stockholders of record as of June 15, 2020. This dividend was paid on July 14, 2020.

On June 16, 2020, the Company's Board of Directors declared a cash dividend for the second quarter of 2020 in the amount of $0.25 per share of Series B Preferred Stock, or $2.25 million in the aggregate, which dividend was paid on June 30, 2020 to the holder of record of our Series B Preferred Stock as of June 15, 2020.

On June 18, 2019, the Company's Board of Directors declared a dividend for the second quarter of 2019 in the amount of $0.43 per share of common stock and Class A common stock, or $32.0 million in the aggregate, which was paid on July 25, 2019 to holders of record of our common stock and Class A common stock as of June 28, 2019.

For the six months ended June 30, 2020 and 2019, common stock and Class A common stock dividends in the amount of $48.7 million and $63.6 million, respectively, were declared and approved.

As of June 30, 2020 and December 31, 2019, $48.7 million and $32.8 million, respectively, remain unpaid and are reflected in dividends payable on the Company's consolidated balance sheets.

(13) Share-Based Incentive Plan

The Company does not have any employees as it is externally managed by the Manager. However, as of June 30, 2020, certain individuals employed by an affiliate of the Manager and certain members of the Company's Board of Directors were compensated, in part, through the issuance of share-based instruments.

The Company's Board of Directors has adopted, and the Company's stockholders have approved, the TPG RE Finance Trust, Inc. 2017 Equity Incentive Plan (the "Incentive Plan"). The Incentive Plan provides for the grant of equity-based awards to the Company's, and its affiliates', directors, officers, employees (if any) and consultants, and the members, officers, directors, employees and consultants of our Manager or its affiliates, as well as to our Manager and other entities that provide services to us and our affiliates and the employees of such entities. The total number of shares of common stock or long-term incentive plan ("LTIP") units that may be awarded under the Incentive Plan is 4,600,463. The Incentive Plan will automatically expire on the tenth anniversary of its effective date, unless terminated earlier by the Company's Board of Directors.

Generally, the shares vest in installments over a four-year period, pursuant to the terms of the award and the Incentive Plan. The following table presents the number of shares associated with outstanding awards that will vest over the next four years. Shares presented for the current year, 2020, includes 121,018 shares which have vested during the period from January 1, 2020 to June 30, 2020.

Vesting Year	Shares of Common Stock
2020	229,521
2021	229,522
2022	102,389
2023	62,574
	624,006

As of June 30, 2020, total unrecognized compensation cost relating to unvested share-based compensation arrangements was $9.1 million. This cost is expected to be recognized over a weighted average period of 1.2 years from June 30, 2020. For the three months ended June 30, 2020 and 2019, the Company recognized $1.7 million and $0.6 million, respectively, of share-based compensation expense. For the six months ended June 30, 2020 and 2019, the Company recognized $3.1 million and $1.5 million, respectively, of share-based compensation expense.

(14) Commitments and Contingencies

Impact of COVID-19

Due to the current COVID-19 pandemic in the United States and globally, the Company's borrowers and their tenants, the properties securing the Company's investments, and the economy as a whole have been, and will continue to be, adversely impacted. The magnitude and duration of COVID-19 and its impact on the Company's borrowers and their tenants, cash flows and future results of operations could be significant and will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19, the success of actions taken to contain or treat the pandemic, and reactions by consumers, companies, governmental entities and capital markets. The prolonged duration and impact of COVID-19 has and could further materially disrupt the Company's business operations and impact its financial performance.

Unfunded Commitments

As part of its lending activities, the Company commits to certain funding obligations which are not advanced at closing and that have not been recognized in the Company's financial statements. These commitments to extend credit are made as part of the Company's lending activities on loans the Company intends to hold in its portfolio of loans held for investment. The aggregate amount of these unrecognized unfunded loan commitments existing at June 30, 2020 and December 31, 2019 was $579.9 million and $630.6 million, respectively.

The Company recorded an allowance for credit losses on loan commitments that are not unconditionally cancellable by the Company of $5.1 million which is included in accrued expenses and other liabilities on the Company's consolidated balance sheets at June 30, 2020.

Litigation

From time to time, the Company may be involved in various claims and legal actions arising in the ordinary course of business. The Company establishes an accrued liability for loss contingencies when a settlement arising from a legal proceeding is both probable and reasonably estimable. If a legal matter is not probable and reasonably estimable, no such liability is recorded. Examples of this include (i) early stages of a legal proceeding, (ii) damages that are unspecified or cannot be determined, (iii) discovery has not started or is incomplete or (iv) there is uncertainty as to the outcome of pending appeals or motions. If these items exist, an estimated range of potential loss cannot be determined and as such the Company does not record an accrued liability.

As of June 30, 2020 and December 31, 2019, the Company was not involved in any material legal proceedings and has not recorded an accrued liability for loss contingencies.

(15) Concentration of Credit Risk

Property Type

A summary of the loan portfolio by property type as of June 30, 2020 and December 31, 2019 based on total loan commitment and current unpaid principal balance ("UPB") is as follows (dollars in thousands):

	June 30, 2020				
Property Type	Loan Commitment	Unfunded Commitment	% of Loan Commitment	Loan UPB	% of Loan UPB
Office	$ 2,807,923	$ 414,240	49.9%	$ 2,393,683	47.3%
Multifamily	1,253,132	76,395	22.2%	1,176,737	23.3%
Hotel	737,293	29,460	13.1%	708,384	14.0%
Mixed Use	604,993	56,016	10.7%	548,977	10.9%
Condominium	86,938	1,525	1.5%	85,413	1.7%
Retail	33,000	2,281	0.6%	30,719	0.6%
Other	112,000	—	2.0%	112,000	2.2%
Total	$ 5,635,279	$ 579,917	100.0%	$ 5,055,913	100.0%

Property Type	December 31, 2019				
	Loan Commitment	Unfunded Commitment	% of Loan Commitment	Loan UPB	% of Loan UPB
Office	$ 2,925,749	$ 438,800	52.0%	$ 2,486,949	49.9%
Multifamily	1,104,946	69,061	19.6	1,035,885	20.7
Hotel	752,293	40,088	13.4	712,205	14.2
Mixed-Use	604,993	78,835	10.7	526,158	10.5
Condominium	95,784	1,524	1.7	94,260	1.9
Retail	33,000	2,281	0.6	30,719	0.6
Other	112,000	—	2.0	112,000	2.2
Total	$ 5,628,765	$ 630,589	100.0%	$ 4,998,176	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest of $0.6 million and $0.0 million at June 30, 2020 and December 31, 2019, respectively.

Geography

All of the Company's loans held for investment are secured by properties within the United States. The geographic composition of loans held for investment based on total loan commitment and current UPB as of June 30, 2020 and December 31, 2019 is as follows (dollars in thousands):

Geographic Region	June 30, 2020				
	Loan Commitment	Unfunded Commitment	% of Loan Commitment	Loan UPB	% of Loan UPB
East	$ 2,450,224	$ 225,591	43.5%	$ 2,224,633	44.1%
South	1,348,021	123,230	23.9%	1,225,342	24.2%
West	1,320,583	170,766	23.4%	1,149,817	22.7%
Midwest	428,351	57,951	7.6%	370,400	7.3%
Various	88,100	2,379	1.6%	85,721	1.7%
Total	$ 5,635,279	$ 579,917	100.0%	$ 5,055,913	100.0%

Geographic Region	December 31, 2019				
	Loan Commitment	Unfunded Commitment	% of Loan Commitment	Loan UPB	% of Loan UPB
East	$ 2,182,659	$ 214,938	38.7%	$ 1,967,721	39.4%
South	1,342,794	124,939	23.9	1,217,855	24.4
West	1,397,431	201,690	24.8	1,195,741	23.9
Midwest	482,804	83,178	8.6	399,626	8.0
Various	223,077	5,844	4.0	217,233	4.3
Total	$ 5,628,765	$ 630,589	100.0%	$ 4,998,176	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest of $0.6 million and $0.0 million at June 30, 2020 and December 31, 2019, respectively.

Category

A summary of the loan portfolio by category as of June 30, 2020 and December 31, 2019 based on total loan commitment and current UPB is as follows (dollars in thousands):

	June 30, 2020				
Loan Category	**Loan Commitment**	**Unfunded Commitment**	**% of Loan Commitment**	**Loan UPB**	**% of Loan UPB**
Bridge	$ 1,859,465	$ 55,614	33.0%	$ 1,804,402	35.7%
Light Transitional	1,957,935	201,804	34.8%	1,756,131	34.7%
Moderate Transitional	1,782,879	307,499	31.6%	1,475,380	29.2%
Construction	35,000	15,000	0.6%	20,000	0.4%
Total	$ 5,635,279	$ 579,917	100.0%	$ 5,055,913	100.0%

	December 31, 2019				
Loan Category	**Loan Commitment**	**Unfunded Commitment**	**% of Loan Commitment**	**Loan UPB**	**% of Loan UPB**
Bridge	$ 2,001,962	$ 49,057	35.6%	$ 1,952,905	39.1%
Light Transitional	1,890,762	219,138	33.6	1,671,624	33.4
Moderate Transitional	1,701,041	347,394	30.2	1,353,647	27.1
Construction	35,000	15,000	0.6	20,000	0.4
Total	$ 5,628,765	$ 630,589	100.0%	$ 4,998,176	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest of $0.6 million and $0.0 million at June 30, 2020 and December 31, 2019, respectively.

Impact of COVID-19 on Concentration of Credit Risk

The potential negative impacts on the Company's business caused by COVID-19 may be heightened by the fact that the Company is not required to observe specific diversification criteria, which means that the Company's investments may be concentrated in certain property types, geographical areas or loan categories that are more adversely affected by COVID-19 than other property types, geographical areas or loan categories. For example, certain of the loans in the Company's loan portfolio are secured by office buildings, hotels and retail properties. Federal and state mandates implemented to control the spread of COVID-19, including restrictions on freedom of movement and business operations such as travel bans, border closings, business closures, quarantines and shelter-in-place orders, have and are likely to continue to negatively impact the hotel and retail industries, which could adversely affect the Company's investments in assets secured by properties that operate in these industries. Also, changes in how certain types of commercial properties are used while maintaining social distancing and other techniques intended to control the impact of COVID-19 (for example, office buildings may be adversely impacted by a possible reversal in the recent trend toward increased densification of office space, or a preference by office users for suburban properties less reliant on public transportation to safely deliver their employees to and from the workplace) have and are likely to impact our investments secured by these properties. Additionally, 47.3% of the Company's loan portfolio measured by commitment amount is secured by properties located in the southern and western regions of the United States, which have recently experienced a surge in infection rates prompting certain states and municipalities to slow or reverse reopening of the local economies. Delayed re-openings could adversely affect the Company's loan investments secured by properties in these regions.

(16) Subsequent Events

The following events occurred subsequent to June 30, 2020:

Senior Mortgage Loan Activity

Subsequent to June 30, 2020, the Company did not originate any new loans and did not receive any loan repayments in full.

In connection with that certain first mortgage loan in our portfolio with an original commitment amount of $90.0 million and an unpaid principal balance of $81.4 million, we entered into a non-binding letter of intent to modify this loan, and permit the purchaser of the property to assume such loan. Following the modification and assumption, the financing is expected to have an unpaid principal amount of $79.4 million, a LIBOR floor of 0.75% and an interest rate of LIBOR plus 3.0%. There can be no assurance that this transaction will close on these terms, or close at all.

Expiration of Secured Credit Facility

On July 12, 2020, the Company's $160.0 million secured credit facility with Citibank., N.A. expired by its terms. There were no assets pledged or borrowings outstanding under the arrangement at expiration.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the unaudited and audited consolidated financial statements and the accompanying notes included elsewhere in this Form 10-Q and in our Form 10-K filed with the SEC on February 19, 2020. In addition to historical data, this discussion contains forward-looking statements about our business, results of operations, cash flows, and financial condition based on current expectations that involve risks, uncertainties and assumptions. See "Cautionary Note Regarding Forward-Looking Statements." Our actual results may differ materially from those in this discussion as a result of various factors, including but not limited to those discussed under the heading "Risk Factors" in this Form 10-Q and in our Form 10-K filed with the SEC on February 19, 2020.

Overview

We are a commercial real estate finance company externally managed by TPG RE Finance Trust Management, L.P. and sponsored by TPG. We directly originate, acquire and manage commercial mortgage loans and other commercial real estate-related investments in North America for our balance sheet. Our objective is to provide attractive risk-adjusted returns to our stockholders over time through cash distributions and capital appreciation. To meet our objective, we focus primarily on directly originating and selectively acquiring floating rate first mortgage loans that are secured by high quality commercial real estate properties undergoing some form of transition and value creation, such as retenanting, refurbishment or other form of repositioning. The collateral underlying our loans is located in primary and select secondary markets in the U.S. that we believe have attractive economic conditions and commercial real estate fundamentals. We operate our business as one segment.

As of June 30, 2020, our loan investment portfolio consisted of 64 first mortgage loans (or interests therein) and one mezzanine loan with total loan commitments of $5.6 billion, an aggregate unpaid principal balance of $5.1 billion, a weighted average credit spread of 3.4%, a weighted average all-in yield of 5.4%, a weighted average term to extended maturity (assuming all extension options have been exercised by borrowers) of 3.5 years, and a weighted average LTV of 65.8%. As of June 30, 2020, 100% of the loan commitments in our portfolio consisted of floating rate loans, of which 99.4% were first mortgage loans and 0.6% was a mezzanine loan. As of June 30, 2020, we had $579.9 million of unfunded loan commitments, our funding of which is subject to borrower satisfaction of certain milestones.

We have made an election to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2014. We believe we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code and we believe that our organization and current and intended manner of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT. As a REIT, we generally are not subject to U.S. federal income tax on our REIT taxable income that we distribute currently to our stockholders. We operate our business in a manner that permits us to maintain an exclusion or exemption from registration under the Investment Company Act.

During the six months ended June 30, 2020, the novel coronavirus ("COVID-19") pandemic caused significant disruptions to the U.S. and global economies. These disruptions have contributed to significant and ongoing volatility, widening credit spreads and sharp declines in liquidity in the real estate securities and whole loan financing markets. As a result of the impact of COVID-19, many commercial real estate finance and financial services industry participants, including us, have reduced new investment activity until the capital markets become more stable, the macroeconomic outlook becomes clearer and market liquidity improves. In this environment, we are focused on actively managing portfolio credit, generating and recycling liquidity from existing assets, extending the terms and reducing the mark-to-market exposure of our liabilities and controlling corporate overhead as a percentage of our total assets and total revenues. For more information regarding the impact that COVID-19 has had and may have on our business, see "Risk Factors."

Our Manager

We are externally managed by our Manager, TPG RE Finance Trust Management, L.P., an affiliate of TPG. TPG manages investments across multiple asset classes, including private equity, real estate, energy, infrastructure, credit and hedge funds. Our Manager manages our investments and our day-to-day business and affairs in conformity with our investment guidelines and other policies that are approved and monitored by our board of directors. Our Manager is responsible for, among other matters, (A) the selection, origination or purchase and sale of our portfolio investments, (B) our financing activities and (C) providing us with investment advisory services. Our Manager is also responsible for our day-to-day operations and performs (or causes to be performed) such services and activities relating to our investments and business and affairs as may be appropriate. Our investment decisions are approved by an investment committee of our Manager that is comprised of senior investment professionals of TPG, including a senior investment professional of TPG's real estate equity group. For a summary of certain terms of the management agreement between us and our Manager (the "Management Agreement"), see Note 10 to our Consolidated Financial Statements included in this Form 10-Q.

Going Concern

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of June 30, 2020, management concluded that the indicators of substantial doubt about our ability to continue as a going concern that existed at March 31, 2020 no longer exist.

During the three months ended June 30, 2020, we undertook several steps to improve our ability to meet our obligations as they become due, and to sustain operations through at least one year following the date the consolidated financial statements are issued, thus alleviating prior substantial doubt about our ability to continue as a going concern. We took the following actions to strengthen our liquidity, capital position and maturity profile of our liabilities:

- Between April 1, 2020 and April 29, 2020, sold 39 separate CRE debt securities investments with an aggregate face value of $782.0 million, repaid related secured indebtedness of $581.7 million, and generated net cash proceeds of $33.1 million.
- On May 4, 2020, exercised an existing option to extend the maturity date by one year to May 4, 2021 of our secured revolving repurchase agreement with Morgan Stanley Bank, N.A.
- On May 28, 2020, issued $225.0 million of Series B Cumulative Redeemable Preferred ("Series B Preferred") Stock with the option to issue an additional $100.0 million in two tranches of $50.0 million prior to December 31, 2020.
- On May 29, 2020, made voluntary deleveraging payments totaling $157.7 million to seven lenders in connection with our secured revolving repurchase agreements and senior secured credit facilities in exchange for agreements to toll any margin calls for defined periods, subject to certain conditions.
- On June 26, 2020, exercised an existing option to extend the maturity date to September 29, 2021 of our senior secured repurchase agreement with Bank of America, N.A.
- On June 30, 2020, exercised an existing option to extend the maturity date to August 19, 2021 of our secured repurchase agreement with Goldman Sachs Bank USA.

Key Financial Measures and Indicators

As a commercial real estate finance company, we believe the key financial measures and indicators for our business are earnings per share, dividends declared per share, Core Earnings, and book value per share. For the three months ended June 30, 2020, we recorded earnings per diluted common share of $0.52, an increase of $3.57 of earnings per share from the three months ended March 31, 2020, primarily due to the absence of a realized loss on our CRE debt securities incurred during the first quarter and a reduction in allowance for credit losses in the second quarter of 2020. Core Earnings per diluted common share was $0.23 for the three months ended June 30, 2020, an increase of $2.43 from the three months ended March 31, 2020.

For the three months ended June 30, 2020, we declared a cash dividend of $0.20 per share, which was paid on July 24, 2020. On March 23, 2020, we announced the deferral of our previously authorized cash dividend for the first quarter of 2020 of $0.43 per share of common stock to July 14, 2020 to stockholders of record as of June 15, 2020. This dividend was paid on July 14, 2020.

Our book value per common share as of June 30, 2020 was $16.55, a $0.49 increase from our book value per common share as of March 31, 2020, primarily due to the issuance of $14.4 million of common stock warrants in connection with our Series B Preferred Stock as described in Note 12 to our Consolidated Financial Statements, and our increased GAAP net income of $42.9 million, offset by our declaration of a second quarter dividend of $0.20 per common share and expenses incurred in connection with our offering of Series B Preferred Stock. As further described below, Core Earnings is a measure that is not prepared in accordance with GAAP. We use Core Earnings to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan activity and operations.

Earnings Per Common Share and Dividends Declared Per Common Share

The computation of diluted earnings per share is based on the weighted average number of participating securities outstanding plus the incremental shares that would be outstanding assuming exercise of warrants, which are exercisable on a net-settlement basis. The number of incremental shares is calculated by applying the treasury stock method. We exclude participating securities and warrants from the calculation of basic earnings (loss) per share in periods of net losses since their effect would be anti-dilutive.

The following table sets forth the calculation of basic and diluted net income per share and dividends declared per share (in thousands, except share and per share data):

	Three Months Ended	
	June 30, 2020	March 31, 2020
Net Income (Loss) Attributable to TPG RE Finance Trust, Inc.(1)	$ 40,673	$ (232,793)
Weighted Average Number of Common Shares Outstanding, Basic and Diluted(2)	76,644,038	76,465,322
Basic and Diluted Earnings (Loss) per Common Share(2)	$ 0.52	$ (3.05)
Dividends Declared per Common Share(2)	$ 0.20	$ 0.43

(1) Represents net income attributable to holders of our common stock after deducting Series A and Series B Preferred Stock dividends.

(2) Weighted average number of shares outstanding, earnings per common share and dividends declared per common share includes common stock.

Core Earnings

We use Core Earnings to evaluate our performance excluding the effects of certain transactions and GAAP adjustments we believe are not necessarily indicative of our current loan activity and operations. Core Earnings is a non-GAAP measure, which we define as GAAP net income (loss) attributable to our stockholders, including realized gains and losses not otherwise included in GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) unrealized gains (losses), including an allowance for credit losses, and (iv) certain non-cash items. Core Earnings may also be adjusted from time to time to exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as determined by our Manager, subject to approval by a majority of our independent directors. The exclusion of depreciation and amortization from the calculation of Core Earnings only applies to debt investments related to real estate to the extent we foreclose upon the property or properties underlying such debt investments.

We believe that Core Earnings provides meaningful information to consider in addition to our net income and cash flow from operating activities determined in accordance with GAAP. Although pursuant to our Management Agreement we calculate the incentive and base management fees due to our Manager using Core Earnings before incentive fee expense, we report Core Earnings after incentive fee expense, because we believe this is a more meaningful presentation of the economic performance of our common stock.

Core Earnings does not represent net income or cash generated from operating activities and should not be considered as an alternative to GAAP net income, or an indication of our GAAP cash flows from operations, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating Core Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Core Earnings may not be comparable to the Core Earnings reported by other companies.

For additional information on the fees we pay our Manager, see Note 10 to our Consolidated Financial Statements included in this Form 10-Q.

The following tables provide a reconciliation of GAAP net income attributable to common stockholders to Core Earnings (in thousands, except share and per share data):

	Three Months Ended	
	June 30, 2020	March 31, 2020
Net Income (Loss) Attributable to Common Stockholders[1]	$ 40,105	$ (233,061)
Non-Cash Stock Compensation Expense	1,686	1,401
Credit Loss Expense (Benefit)[2]	(24,318)	63,348
Core Earnings	$ 17,473	$ (168,312)
Weighted-Average Common Shares Outstanding, Basic and Diluted[3]	76,644,038	76,465,322
Core Earnings (Loss) per Common Share, Basic and Diluted[3]	$ 0.23	$ (2.20)

(1) Represents GAAP net income attributable to our common and Class A common stockholders after deducting dividends paid on participating securities. For more information regarding the calculation of earnings per share using the two-class method, see Note 11 to our Consolidated Financial Statements in this Form 10-Q.

(2) The Credit Loss Benefit for the quarter ended June 30, 2020 excludes a realized loss of $13.8 million on one loan sold during the three months ended June 30, 2020 included in Credit Loss Benefit (Expense) in our Consolidated Statements of Income and Comprehensive Income.

(3) Weighted average number of shares outstanding includes common stock.

Book Value Per Common Share

The following table sets forth the calculation of our book value per share (in thousands, except share and per share data):

	June 30, 2020	March 31, 2020
Total Stockholders' Equity and Temporary Equity	$ 1,468,053	$ 1,231,413
Series B Preferred Stock	(196,832)	—
Series A Preferred Stock	(125)	(125)
Stockholders' Equity, Net of Preferred Stock	$ 1,271,096	$ 1,231,288
Number of Common Shares Outstanding at Period End	76,792,432	76,650,996
Book Value per Common Share	$ 16.55	$ 16.06

Second Quarter 2020 Activity

Operating Results:

- Generated GAAP Net Income of $42.9 million, or $0.52 per share, an increase of $10.9 million, or 34.1%, compared to the three months ended June 30, 2019.
- Increased net interest margin to $44.2 million for the three months ended June 30, 2020 from $43.3 million for the prior quarter, an increase of $0.9 million, or 2.1%.
- Recorded a reduction in allowance for credit loss of $24.3 million driven by the reversal of the reserve associated with one loan sold during the quarter of $24.8 million offset by an increase in the general reserve of $0.5 million.

Investment Portfolio Activity:

- Sold one loan with an unpaid principal balance of $99.3 million for $85.5 million resulting in a loss on sale of $13.8 million.
- Funded $62.5 million in future funding obligations associated with existing loans.
- Received partial loan repayments of $20.1 million.
- Sold 39 separate CRE debt securities investments with an aggregate face value of $782.0 million, and an impaired face value of $604.5 million, generating net cash proceeds of $33.1 million after repaying related secured indebtedness of $581.7 million.

Financing Activity:

- Issued $225.0 million of Series B Preferred Stock, generating net proceeds of $55.2 million, after deleveraging payments of $157.7 million to our secured lenders as described below, and issuance costs of $12.1 million.

- Reinvested $64.6 million in TRTX 2018-FL2 and TRTX 2019-FL3, involving four loans or participation interests therein.

- Made voluntary deleveraging payments totaling $157.7 million to seven of our secured lenders to reduce our borrowings and limit our exposure to margin calls for defined periods, subject to certain conditions.

- On May 4, 2020, exercised an existing option to extend the maturity date by one year to May 4, 2021 of our secured revolving repurchase agreement with Morgan Stanley Bank, N.A.

- On June 26, 2020, exercised an existing option to extend the maturity date to September 29, 2021 of our senior secured repurchase agreement with Bank of America, N.A.

- On June 29, 2020, exercised an existing option to extend the maturity date to August 19, 2021 of our secured repurchase agreement with Goldman Sachs Bank USA.

Liquidity:

Available liquidity at June 30, 2020 of $333.6 million was comprised of:

- Cash on hand of $196.2 million, of which $173.0 million was available for investment or general corporate purposes.

- $81.3 million of cash in TRTX 2018-FL2 and TRTX 2019-FL3 available for investment depending upon our ability to contribute eligible collateral.

- Undrawn capacity under secured borrowing arrangements of $56.1 million, of which $46.2 million was immediately available. Undrawn capacity represents the positive difference between the borrowing amount approved by the lender against collateral assets pledged by us and the amount actually drawn against those collateral assets. The funding of such amounts is generally subject to the sole and absolute discretion of each lender, and there can be no certainty that each lender will provide such funding if so requested by the Company.

Additionally, the Company has the option to issue up to $100.0 million of additional Series B Preferred Stock prior to December 31, 2020, provided notice is given to the purchaser not later than December 11, 2020.

Portfolio Overview

The Company's interest-earning assets include its portfolio of floating rate mortgage loans and, CRE debt securities (through April 30, 2020 only). At June 30, 2020, our loan portfolio was comprised of 65 loans totaling $5.6 billion of commitments with an unpaid principal balance of $5.1 billion, as compared to 66 loans with $5.8 billion of commitments and an unpaid principal balance $5.1 billion at March 31, 2020. At June 30, 2020, we held no CRE debt securities, as compared to 37 investments with an aggregate bond face amount of $767.3 million, an impaired face value of $604.5 million, and an aggregate carrying value of $604.8 million at March 31, 2020.

Loan Portfolio

During the three months ended June 30, 2020, we did not originate any loans. Loan fundings included $62.5 million of deferred fundings related to previously originated loan commitments. Proceeds from loan repayments totaled $20.1 million due to scheduled amortization and receipt of release price payments in connection with partial releases of collateral sold or refinanced by our borrowers. Additionally, we sold one loan with an unpaid principal balance of $99.3 million for $85.5 million, resulting in a $13.8 million loss on sale. We generated interest income of $70.1 million and incurred interest expense of $25.9 million, which resulted in net interest income of $44.2 million.

The following table details our loan activity by unpaid principal balance for the three months ended June 30, 2020 and March 31, 2020 (dollars in thousands):

	Three Months Ended	
	June 30, 2020	March 31, 2020
Loan originations and acquisitions — initial funding	$ —	$ 353,532
Other loan fundings[1]	62,524	61,720
Loan repayments	(20,146)	(300,619)
Loan sale[2]	(99,272)	—
Total loan fundings, net	$ (56,894)	$ 114,633

(1) Additional fundings made under existing loan commitments.

(2) Excludes realized loss on sale of $13.8 million.

The following table details overall statistics for our loan portfolio as of June 30, 2020 (dollars in thousands):

	Balance Sheet Portfolio	Total Loan Portfolio
Number of loans	65	66
Floating rate loans (by unpaid principal balance)	100.0%	100.0%
Total loan commitments[1]	$ 5,635,279	$ 5,767,279
Unpaid principal balance	$ 5,055,913	$ 5,055,913
Unfunded loan commitments[2]	$ 579,917	$ 579,917
Amortized cost	$ 5,042,125	$ 5,042,125
Weighted average credit spread[3]	3.4%	3.4%
Weighted average all-in yield[3]	5.4%	5.4%
Weighted average term to extended maturity (in years)[4]	3.5	3.5
Weighted average LTV[5]	65.8%	65.8%

(1) In certain instances, we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party. In either case, the senior mortgage loan (i.e., the non-consolidated senior interest) is not included on our balance sheet. When we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party, we retain on our balance sheet a mezzanine loan. Total loan commitment encompasses the entire loan portfolio we originated, acquired and financed. At June 30, 2020, we had one non-consolidated senior interest outstanding of $132.0 million.

(2) Unfunded loan commitments may be funded over the term of each loan, subject in certain cases to an expiration date or a force-funding date, primarily to finance property improvements or lease-related expenditures by our borrowers, to finance operating deficits during renovation and lease-up, and in limited instances to finance construction.

(3) As of June 30, 2020, our floating rate loans were indexed to LIBOR. In addition to credit spread, all-in yield includes the amortization of deferred origination fees, purchase price premium and discount, loan origination costs and accrual of both extension and exit fees. Credit spread and all-in yield for the total portfolio assumes the applicable floating benchmark rate as of June 30, 2020 for weighted average calculations.

(4) Extended maturity assumes all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date. As of June 30, 2020, based on the unpaid principal balance of our total loan exposure, 57.8% of our loans were subject to yield maintenance or other prepayment restrictions and 42.2% were open to repayment by the borrower without penalty.

(5) Except for construction loans, LTV is calculated for loan originations and existing loans as the total outstanding principal balance of the loan or participation interest in a loan (plus any financing that is pari passu with or senior to such loan or participation interest) as of June 30, 2020, divided by the as-is appraised value of our collateral at the time of origination or acquisition of such loan or participation interest. For construction loans only, LTV is calculated as the total commitment amount of the loan divided by the as-stabilized value of the real estate securing the loan. The as-is or as-stabilized (as applicable) value reflects our Manager's estimates, at the time of origination or acquisition of the loan or participation interest in a loan, of the real estate value underlying such loan or participation interest determined in accordance with our Manager's underwriting standards and consistent with third-party appraisals obtained by our Manager.

For information regarding the financing of our loan portfolio, see the section entitled "Investment Portfolio Financing."

CRE Debt Securities

At June 30, 2020, we did not own any CRE debt securities. At March 31, 2020, we recorded an impairment charge of $167.3 million in connection with CRE debt securities we later sold during April 2020. During April 2020, we sold the remainder of our CRE Debt Securities for total net proceeds of $33.1 million, recognizing a loss on sale of $167.3 million, offset by a small realized gain of $0.1 million related to the sale of one of the securities sold, included in Securities Gains (Impairments) on our consolidated statement of income and comprehensive income.

For information regarding the financing of our CRE debt securities portfolio, see the section entitled “Investment Portfolio Financing.”

Asset Management

We actively manage the assets in our portfolio from closing to final repayment. We are party to an agreement with Situs Asset Management, LLC (“Situs”), one of the largest commercial mortgage loan servicers, pursuant to which Situs provides us with dedicated asset management employees for performing asset management services pursuant to our proprietary guidelines. Following the closing of an investment, this dedicated asset management team rigorously monitors the investment under our Manager’s oversight, with an emphasis on ongoing financial, legal and quantitative analyses. Through the final repayment of an investment, the asset management team maintains regular contact with borrowers, servicers and local market experts monitoring performance of the collateral, anticipating borrower, property and market issues, and enforcing our rights and remedies when appropriate.

Our Manager reviews our entire loan portfolio quarterly, undertakes an assessment of the performance of each loan, and assigns it a risk rating between “1” and “5,” from least risk to greatest risk, respectively. See Notes 2 and 3 to our Consolidated Financial Statements included in this Form 10-Q for a discussion regarding the risk rating system that we use in connection with our portfolio. The following table allocates the amortized cost of our loan portfolio as of June 30, 2020 and December 31, 2019 based on our internal risk ratings (dollars in thousands):

	June 30, 2020		December 31, 2019	
Risk Rating	Amortized Cost	Number of Loans	Amortized Cost	Number of Loans
1	$ —	—	$ —	—
2	621,159	6	903,393	11
3	3,398,513	41	3,868,696	47
4	936,989	17	208,300	7
5	85,464	1	—	—
Unpaid principal balance	$ 5,042,125	65	$ 4,980,389	65

For the periods ended June 30, 2020 and December 31, 2019 the weighted average risk rating of our total loan exposure based on amortized cost was 3.1 and 2.9, respectively. Due to COVID-19 related challenges, we downgraded nine of our hotel loans to a risk rating of “4” at March 31, 2020. For the quarter ended June 30, 2020 we downgraded one of our loans to a risk rating of “5” from a risk rating of “4” and upgraded one loan to a risk rating of “2” from a risk rating of “3”.

We expect that, over the near and long term, the economic and market disruptions caused by COVID-19 will adversely impact the financial condition of our borrowers. As a result, we anticipate that the number of borrowers who become delinquent or default on their loans may increase significantly. We have been contacted by certain of our borrowers who are seeking to defer the payment of principal and interest on certain of our loans. We have entered into agreements with several borrowers for modifications to existing loan agreements that would permit borrowers to defer payment of some or all of the interest on their loans for a period of up to six months, and/or the reallocation of certain cash reserve balances within the loan structure for use in paying interest or operating expenses. In exchange, borrowers and sponsors will be required to provide us additional cash for payment of interest, operating expenses, and replenishment of capital reserves in amounts and combinations acceptable to us.

During the quarter ending June 30, 2020, we entered into six loan modifications, all secured by hotel properties, involving an aggregate commitment amount of $484.2 million and an aggregate unpaid principal balance of $457.7 million. All of these loans were performing, and none were on non-accrual status. None of these loan modifications trigger the requirements for accounting as troubled debt restructurings (TDRs), because they meet the safe-harbor conditions of the “Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus” issued by banking regulators in consultation with FASB. We are working with our borrowers to address the circumstances caused by COVID-19. However, we cannot assure you that these efforts will be successful, and we may experience payment delinquencies, defaults, foreclosures or losses.

Investment Portfolio Financing

Our portfolio financing arrangements during the period ended June 30, 2020 and December 31, 2019 included collateralized loan obligations, secured revolving repurchase agreements, senior secured and secured credit agreements and an asset-specific financing arrangement. We had one outstanding non-consolidated senior interest outstanding at both March 31, 2020 and December 31, 2019, with a total loan commitment of $132.0 million.

The following table details our portfolio financing arrangements at June 30, 2020 and December 31, 2019 (dollars in thousands):

	Portfolio Financing Outstanding Principal Balance	
	June 30, 2020	December 31, 2019
Secured revolving repurchase agreements - loans	$ 1,718,681	$ 2,314,417
CLO financing(1)	1,834,761	1,820,060
Senior secured and secured credit agreements	137,558	145,637
Asset-specific financing	77,000	77,000
Total indebtedness(2)	$ 3,768,000	$ 4,357,114

(1) Increase in the balance as of June 30, 2020 is due to the sale of TRTX 2018-FL2 Notes during the second quarter of 2020 with a bond face amount of $14.7 million, previously acquired by us in the open market.

(2) Excludes deferred financing costs of $21.7 million and $25.6 million as of June 30, 2020 and December 31, 2019, respectively.

Secured Revolving Repurchase Agreements

As of June 30, 2020, aggregate borrowings outstanding under our secured revolving repurchase agreements totaled $1.7 billion, which was entirely related to our mortgage loan investments. As of June 30, 2020, for our secured revolving repurchase agreements related to our mortgage loan investments, the weighted average interest rate was LIBOR plus 1.7% per annum, and the weighted average advance rate was 69.2%. As of June 30, 2020, outstanding borrowings under these agreements for our mortgage loan investments had a weighted average term to extended maturity of 2.3 years (assuming we have exercised all extension options and term out provisions). These secured revolving repurchase agreements are 25% recourse to Holdco.

As of June 30, 2020, we had no secured revolving repurchase agreements to finance our CRE debt securities investing activities. All such arrangements were repaid in full during April 2020 and terminated prior to June 30, 2020. Credit spreads varied depending upon the type of CRE debt securities, credit ratings and advance rate. These borrowing arrangements contained daily mark-to-market provisions that permitted the lenders to issue margin calls to the Company in response to changing interest rates and credit spreads on the CRE debt securities so financed. These secured revolving repurchase agreements generally had tenors of 30 days, involved daily mark-to-market, and were 100% recourse to Holdco.

During the three months ended June 30, 2020, we:

- exercised an existing option to extend our Goldman Sachs Bank USA secured revolving repurchase facility through August 19, 2021, reduced the commitment amount from $750.0 million to $250.0 million, and obtained an accordion option to increase the commitment amount up to $500.0 million.

- exercised an existing option to extend through May 4, 2021 our secured revolving repurchase agreement with Morgan Stanley Bank, N.A.

The following table details our secured revolving repurchase agreements as of June 30, 2020 (dollars in thousands):

Lender	Commitment Amount(1)	UPB of Collateral	Advance Rate	Approved Borrowings	Outstanding Balance	Undrawn Capacity(3)	Available Capacity(2)	Interest Rate	Extended Maturity(4)
Goldman Sachs	$ 250,000	$ 253,285	65.2%	$ 164,262	$ 130,855	$ 33,407	$ 85,738	L+ 2.69%	08/19/22
Wells Fargo	750,000	535,619	68.1%	364,287	353,871	10,416	385,713	L+ 1.75%	04/18/22
Barclays	750,000	750,619	74.3%	550,942	550,174	768	199,058	L+ 1.53%	08/13/22
Morgan Stanley	500,000	596,590	69.7%	413,240	408,917	4,323	86,760	L+ 1.83%	N/A
JP Morgan	400,000	354,286	60.1%	212,428	205,280	7,148	187,572	L+ 1.57%	08/20/23
US Bank	140,930	99,405	70.0%	69,584	69,584	—	71,346	L+ 1.53%	07/09/24
Total/Weighted Average	$ 2,790,930	$ 2,589,804	69.2%	$ 1,774,743	$ 1,718,681	$ 56,062	$ 1,016,187	L+ 1.74%	

(1) Commitment amount represents the largest amount of borrowings available under a given agreement once sufficient collateral assets have been approved by the lender and pledged by us.

(2) Represents the commitment amount less the approved borrowings, which amount is available to be borrowed provided we pledge, and the lender approves, additional collateral assets.

(3) Undrawn capacity represents the positive difference between the borrowing amount approved by the lender against collateral assets pledged by us and the amount actually drawn against those collateral assets. The funding of such amounts is generally subject to the sole and absolute discretion of each lender.

(4) Our ability to extend our secured revolving repurchase agreements to the dates shown above is subject to satisfaction of certain conditions. Even if extended, our lenders retain sole discretion to determine whether to accept pledged collateral, and the advance rate and credit spread applicable to each borrowing thereunder. The secured revolving repurchase agreement provided by Morgan Stanley Bank is excluded from the "Extended Maturity" column because it has no limit on the maximum number of permitted extensions, subject to satisfaction of certain conditions and approvals.

The following table details our secured revolving repurchase agreements as of December 31, 2019 (dollars in thousands):

Lender	Commitment Amount[1]	UPB of Collateral	Advance Rate	Approved Borrowings	Outstanding Balance	Undrawn Capacity[3]	Available Capacity[2]	Interest Rate	Extended Maturity[4]
Goldman Sachs	$ 750,000	$ 288,032	76.4%	$ 219,798	$ 45,437	$ 174,361	$ 530,202	L+ 1.75%	08/19/22
Wells Fargo	750,000	593,742	78.1%	463,085	394,628	68,457	286,915	L+ 1.79%	04/18/22
Barclays	750,000	542,927	80.0%	434,342	431,760	2,582	315,658	L+ 1.54%	08/13/22
Morgan Stanley	500,000	519,638	78.3%	406,448	394,747	11,701	93,552	L+ 1.86%	N/A
JP Morgan	400,000	300,677	79.2%	237,810	218,448	19,362	162,190	L+ 1.58%	08/20/23
US Bank	152,240	173,253	80.0%	138,603	136,599	2,004	13,637	L+ 1.83%	07/09/24
Subtotal/Weighted Average—Loans	$ 3,302,240	$ 2,418,269	78.6%	$ 1,900,086	$ 1,621,619	$ 278,467	$ 1,402,154	L+ 1.72%	
JP Morgan	$ 475,881	$ 544,105	87.4%	$ 475,881	$ 475,881	—	—	L+ 0.88%	01/17/20
Wells Fargo	$ 135,774	$ 161,153	81.5%	$ 135,774	$ 135,774	—	—	L+ 0.95%	01/16/20
Goldman Sachs	$ 81,143	$ 94,629	85.4%	$ 81,143	$ 81,143	—	—	L+ 0.94%	01/12/20
Royal Bank of Canada	—	—	90.0%	—	—	—	—	N/A	N/A
Subtotal/Weighted Average—CRE Debt Securities	$ 692,798	$ 799,887	86.0%	$ 692,798	$ 692,798	$ —	—	L+ 0.90%	
Total/Weighted Average	$ 3,995,038	$ 3,218,156	80.6%	$ 2,592,884	$ 2,314,417	$ 278,467	$ 1,402,154	L+ 1.47%	

(1) Commitment amount represents the largest amount of borrowings available under a given agreement once sufficient collateral assets have been approved by the lender and pledged by us.

(2) Represents the commitment amount less the approved borrowings which amount is available to be borrowed provided we pledge and the lender approves additional collateral assets.

(3) Undrawn capacity represents the positive difference between the borrowing amount approved by the lender against collateral assets pledged by us and the amount actually drawn against those collateral assets. The funding of such amounts is generally subject to the sole and absolute discretion of each lender.

(4) Our ability to extend our secured revolving repurchase agreements to the dates shown above is subject to satisfaction of certain conditions. Even if extended, our lenders retain sole discretion to determine whether to accept pledged collateral, and the advance rate and credit spread applicable to each borrowing thereunder. The secured revolving repurchase agreement provided by Morgan Stanley Bank is excluded from the "Extended Maturity" column because it has no limit on the maximum number of permitted extensions, subject to satisfaction of certain conditions and approvals.

(5) Extended Maturity represents the sooner of the next maturity date of the agreement or roll over date for the applicable underlying trade confirmation, subsequent to December 31, 2019.

Borrowings under our secured revolving repurchase agreements are subject to the initial approval of eligible collateral loans for loan-based secured revolving repurchase agreements, or CRE debt securities for securities-based secured revolving repurchase agreements, depending on the agreement by the lender. The maximum advance rate and pricing rate of individual advances are determined with reference to the attributes of the respective collateral.

The following table presents the recourse and mark-to-market provisions for our loan financing arrangements as of June 30, 2020:

	June 30, 2020			
Financing Arrangement	**Initial Maturity Date**	**Extended Maturity Date**	**Recourse Percentage**	**Basis of Margin Calls**
Secured Revolving Repurchase Agreements				
Loan Investments				
Goldman Sachs	08/19/21	08/19/22	25%	Credit
Wells Fargo	04/18/22	04/18/22	25%	Credit
Barclays	08/13/22	08/13/22	25%	Credit
Morgan Stanley	05/04/21	N/A	25%	Credit
JP Morgan	08/20/21	08/20/23	25%	Credit and Spread
US Bank	07/09/22	07/09/24	25%	Credit
Senior Secured and Secured Credit Agreements				
Bank of America	09/29/21	09/29/22	25%	Credit
Citibank	07/12/20	07/12/20	100%	N/A
Asset-specific Financing				
Institutional Lender	10/09/20	10/09/20	N/A	N/A

The maximum and average month end balances for our secured revolving repurchase agreements during the six months ended June 30, 2020 are as follows (dollars in thousands):

	Six Months Ended June 30, 2020		
	Carrying Value	**Maximum Month End Balance**	**Average Month End Balance**
JP Morgan	$ 205,280	$ 245,481	$ 220,424
Goldman Sachs	130,855	147,007	123,713
Wells Fargo	353,871	442,258	380,069
Morgan Stanley	408,917	441,359	418,836
US Bank	69,584	136,599	83,700
Barclays	550,174	594,183	524,858
Subtotal / Averages - Loans[1]	$ 1,718,681	$ 1,834,531	$ 1,670,118
JP Morgan[2]	—	475,881	237,094
Goldman Sachs[2]	—	81,143	37,261
Wells Fargo[2]	—	150,323	61,554
Subtotal / Averages - CRE Debt Securities[1]	$ —	$ 692,798	$ 671,818
Total / Averages - Loans and CRE Debt Securities[1]	$ 1,718,681	$ 3,236,024	$ 2,421,633

(1) The maximum month end balance subtotal and total represents the maximum outstanding borrowings on all secured revolving repurchase agreements at a month end during the six months ended June 30, 2020.

(2) None of these secured revolving repurchase agreements had balances outstanding after April 30, 2020, and all such facilities were terminated prior to June 30, 2020.

We separate our secured revolving repurchase agreements into two categories: secured revolving repurchase agreements secured by our loan assets; and secured revolving repurchase agreements secured by our CRE debt securities. We use secured revolving repurchase agreements to finance certain of our originations or acquisitions of loans and CRE debt securities. These assets may be accepted by one of our secured revolving repurchase agreement lenders as collateral. At June 30, 2020, we no longer had any secured revolving repurchase agreements related to CRE debt securities.

Once we identify an asset and the asset is approved by the secured revolving repurchase agreement lender to serve as collateral (which lender's approval is in its sole discretion), we and the lender may enter into a transaction whereby the lender advances to us a percentage of the value of the asset, which is referred to as the "advance rate," as the purchase price for such transaction with an obligation of ours to repurchase the asset from the lender for an amount equal to the purchase price for the transaction plus a price differential, which is calculated based on an interest rate. Advance rates are subject to negotiation between us and our secured revolving repurchase agreement lenders. In connection with our former secured revolving repurchase agreements secured by CRE debt securities, advance rates could be reduced or increased upon the maturity of the applicable contract.

For each transaction, we and the lender agree to a trade confirmation which sets forth, among other things, the purchase price, the maximum advance rate, the interest rate and the market value of the asset. For transactions under our secured revolving repurchase agreements secured by our loan assets, the trade confirmation may also set forth any future funding obligations which are contemplated with respect to the specific transaction and/or the underlying loan asset. For loan assets which involve future funding obligations of ours, the repurchase transaction may provide for the repurchase lender to fund portions (for example, pro rata per the maximum advance rate of the related repurchase transaction) of such future funding obligations.

Generally, our secured revolving repurchase agreements allow for revolving balances, which allow us to voluntarily repay balances and draw again on existing available credit. The primary obligor on each secured revolving repurchase agreement is a separate special purpose subsidiary of ours which is restricted from conducting activity other than activity related to the utilization of its secured revolving repurchase agreement and the loans or loan interests that are originated or acquired by such subsidiary. As additional credit support, our holding company subsidiary, Holdco, provides certain guarantees of the obligations of its subsidiaries. The amount of Holdco's potential liability under these guarantees depends upon whether the guarantee relates to a secured revolving repurchase agreement secured by loans or by CRE debt securities:

- For our secured revolving repurchase agreements secured by loans, Holdco's liability is generally capped at 25% of the outstanding obligations of the special purpose subsidiary which is the primary obligor under the related agreement. However, this liability cap does not apply in the event of certain "bad boy" defaults which can trigger recourse to Holdco for losses or the entire outstanding obligations of the borrower depending on the nature of the "bad boy" default in question. Examples of such "bad boy" defaults include, without limitation, fraud, intentional misrepresentation, willful misconduct, incurrence of additional debt in violation of financing documents, and the filing of a voluntary or collusive involuntary bankruptcy or insolvency proceeding of the special purpose entity subsidiary or the guarantor entity.

- For our former secured revolving repurchase agreements secured by CRE debt securities, Holdco's liability was in an amount equal to 100% of the outstanding obligations of the special purpose subsidiary which was the primary obligor under the related agreement.

Each of the secured revolving repurchase agreements have "margin maintenance" provisions, which are designed to allow the repurchase lender to maintain a certain margin of credit enhancement against the assets which serve as collateral. The lender's margin amount is typically based on a percentage of the market value of the asset and/or mortgaged property collateral; however, certain secured revolving repurchase agreements may also involve margin maintenance based on maintenance of a minimum debt yield with respect to the cash flow from the underlying real estate collateral.

The margin maintenance provisions also differ in some respects, depending upon whether the provisions are contained in secured revolving repurchase agreements secured by loans or by CRE debt securities:

- Our secured revolving repurchase agreements secured by loans contain mark-to-market provisions that permit the lenders to issue margin calls to us in the event that the collateral properties underlying our loans pledged to our lenders experience a non-temporary decline in value due to reasons other than changing credit spreads for similar borrowing obligations. In connection with one of these borrowing arrangements, the lender is also permitted to issue margin calls to us in the event the lender determines credit spreads have changed for similar borrowing obligations. On May 28, 2020, we made voluntary deleveraging payments totaling $157.7 million to our six secured revolving repurchase lenders and one secured credit facility lender in exchange for their agreement to suspend margin calls for defined periods, subject to certain conditions. When these payments were made, no margin deficits existed, and no margin calls have been issued to us since. If market turbulence persists, we may be required to post cash collateral in connection with our secured revolving repurchase agreements secured by our mortgage loan investments upon or after the expiry of these agreements.

- Our secured revolving repurchase agreements secured by CRE debt securities contained daily mark-to-market provisions that permitted the lenders to issue margin calls to us in response to changing interest rates and credit spreads on the CRE debt securities so financed. As a result, during the six months ended June 30, 2020, extreme short-term volatility and negative pressure in the financial markets required us to post cash collateral with our lenders under these facilities. See the section entitled "Risk Factors" in this Form 10-Q for more information.

The maturity dates for each of our secured revolving repurchase agreements are set forth in tables that appear earlier in this section. Our secured revolving repurchase agreements secured by loans generally have terms of between one and three years, but may be extended if we satisfy certain performance-based conditions. Our secured revolving repurchase agreements secured by CRE debt securities generally had terms between one month and three months, and the lenders under these agreements generally had the right not to renew, or to do so only on a shorter term.

At June 30, 2020, the weighted average haircut (which is equal to one minus the advance rate percentage against collateral for our secured revolving repurchase agreements taken as a whole) was 30.8%, as compared to 19.4% at December 31, 2019. The quarter over quarter increase in our weighted average haircut was due to two factors: first, the repayment in full and subsequent termination by the Company of all of its secured repurchase agreements for CRE debt securities: and, second, our voluntary deleveraging repayments of $157.7 million made on May 29, 2020. The haircut for our secured revolving purchase agreements is dependent on the collateral used (loans or CRE debt securities) for the secured revolving repurchase agreements. At June 30, 2020 and December 31, 2019, the following table presents the weighted average haircut on our secured revolving purchase agreements by collateral type:

	June 30, 2020	December 31, 2019
Loans	30.8%	21.4%
CRE Debt Securities	N/A	13.9%
Weighted Average	30.8%	19.4%

Generally, when the repurchase lender's margin amount has fallen below the outstanding purchase price for a transaction, a margin deficit exists and the repurchase lender may require that we prepay outstanding amounts on the secured revolving repurchase agreement to eliminate such margin deficit. For our secured revolving repurchase agreements involving loans, the repurchase lender's ability to make a margin call is limited by certain prerequisites, such as the existence of enumerated "credit events" or that the margin deficit exceed a specified minimum threshold.

The secured revolving repurchase agreements also include cash management features which generally require that income from collateral loan assets be deposited in a lender-controlled account and be distributed in accordance with a specified waterfall of payments designed to keep facility-related obligations current before such income is disbursed for our own account. The cash management features generally require the trapping of cash in such controlled account if an uncured default remains outstanding. Furthermore, some secured revolving repurchase agreements may require an accelerated principal amortization schedule if the secured revolving repurchase agreement is in its final extended term.

Notwithstanding that a loan asset may be subject to a financing arrangement and serve as collateral under a secured revolving repurchase agreement, we are generally granted the right to administer and service the loan and interact directly with the underlying obligors and sponsors of our loan assets so long as there is no default under the secured revolving repurchase agreement and so long as we do not engage in certain material modifications (including amendments, waivers, exercises of remedies, or releases of obligors and collateral, among other things) of the loan assets without the repurchase lender's prior consent.

Collateralized Loan Obligations

As of June 30, 2020, we had two collateralized loan obligations, TRTX 2019-FL3 and TRTX 2018-FL2, totaling $1.8 billion, financing 42 existing first mortgage loan investments totaling $2.2 billion, providing efficient cost, non-mark-to-market, non-recourse financing for 42.5% of our loan portfolio borrowings. The collateralized loan obligations bear a weighted average interest rate of LIBOR plus 1.4% have a weighted average advance rate of 82.3%, and include a reinvestment feature that allows us to contribute existing or newly originated loan investments in exchange for proceeds from loan repayments held in the collateralized loan obligations. During the quarter, we reinvested $64.6 million of cash in TRTX 2018-FL2 and TRTX 2019-FL3 generated by loan payments.

Senior Secured and Secured Credit Agreements

We have a senior secured credit agreement with Bank of America, N.A. that has a current commitment amount of $200.0 million and $137.6 million outstanding as of June 30, 2020. The senior secured credit agreement bears interest at LIBOR plus 1.8%. On June 26, 2020, we exercised an existing option to extend the maturity date of this facility to September 29, 2021, with a fully extended maturity date of September 29, 2022. We reduced the commitment amount from $500.0 million to $200.0 million, with an accordion feature to increase the total commitment to $500.0 million at our option. This facility is 25% recourse to Holdco.

As of June 30, 2020, we were a party to a secured revolving credit agreement with Citibank, N.A. with maximum borrowing capacity of $160.0 million, subject to borrowing base availability and certain other conditions. We used this facility to finance originations or acquisitions of eligible loans on an interim basis until permanent financing was arranged. The facility had an initial maturity date of July 12, 2020 and an interest rate per annum equal to one-month LIBOR or the applicable base rate plus a margin of 2.25%. The initial advance rate on borrowings under the secured revolving credit agreement with respect to individual pledged assets could range up to 70% and decline thereafter during the maximum borrowing term of 90 days, after which borrowings against each asset-specific borrowing required repayment. At June 30, 2020, we had no balance outstanding under the facility. This facility was 100% recourse to Holdco. We allowed this credit facility to lapse by its terms on July 12, 2020.

The following table details our senior secured and secured credit agreements as of June 30, 2020 (dollars in thousands):

Lender	Commitment Amount	UPB of Collateral	Approved Borrowings	Outstanding Balance	Undrawn Capacity	Available Capacity	Interest Rate	Extended Maturity
Bank of America	$ 200,000	$ 183,411	$ 137,558	$ 137,558	$ —	$ 62,442	L+ 1.8%	9/29/2022
Citibank	160,000	—	—	—	—	160,000	L+ 2.3%	7/12/2020
Subtotal/Weighted Average	$ 360,000	$ 183,411	$ 137,558	$ 137,558	$ —	$ 222,442	L+ 1.8%	

Asset-Specific Financings

As of June 30, 2020 and December 31, 2019, the Company had one asset-specific financing arrangement to finance certain of its lending activities. The asset-specific financing does not provide for additional advances and the current initial maturity of this agreement is October 9, 2020, with an extension of 12 months subject to satisfaction of certain requirements by the borrower on the underlying mortgage loan, which is coterminous with the underlying asset.

The following table details statistics for our asset-specific financing at June 30, 2020 (dollars in thousands):

	June 30, 2020						
Lender	Count	Commitment	Principal Balance	Undrawn Capacity[1]	Amortized Cost	Weighted Average Interest Rate[2]	Extended Maturity[3]
Institutional Lender							
Collateral asset	1	$ 112,000	$ 112,000	N/A	$ 111,799	L+ 6.8%	10/09/21
Financing provided	1	77,000	77,000	—	76,894	L+ 4.2%	10/09/21
Totals							
Collateral Asset	1	$ 112,000	$ 112,000	N/A	$ 111,799	L+ 6.8%	
Financing Provided	1	$ 77,000	$ 77,000	$ —	$ 76,894	L+ 4.2%	

(1) Undrawn capacity represents the positive difference between the borrowing amount approved by the lender against collateral assets pledged by us and the amount actually drawn against those collateral assets. In the case of asset-specific financings, our ability to draw the undrawn capacity is conditioned upon satisfaction by our borrower of conditions precedent to a funding on the underlying loan pledged as collateral, and by our pro rata funding with equity of the remaining future funding obligation. Amounts designated as undrawn capacity under our asset specific financings may only be used to satisfy our future funding obligations on the respective underlying pledged loan.

(2) All of these floating rate loans and related liabilities are indexed to LIBOR.

(3) For each of the Collateral Assets, extended maturity is determined based on the maximum maturity of each of the corresponding loans, assuming all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date.

Non-Consolidated Senior Interests

In certain instances, we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third party. In either case, the senior mortgage loan (i.e., the non-consolidated senior interest) is not included on our balance sheet. When we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third party, we retain on our balance sheet a mezzanine loan. As of June 30, 2020, the Company retained a mezzanine loan investment with a total commitment of $35.0 million, an unpaid principal balance of $20.0 million and an interest rate of LIBOR plus 10.3%.

The following table presents our non-consolidated senior interests outstanding as of June 30, 2020 (dollars in thousands):

Non-Consolidated Senior Interests	Count	Loan Commitment	Principal Balance	Amortized Cost	Weighted Average Credit Spread(1)	Guarantee	Weighted Average Term to Extended Maturity
Senior loan sold or co-originated	1	$ 132,000	$ —	N/A	L+ 4.3%	N/A	6/28/2025
Retained mezzanine loan	1	35,000	20,000	19,775	L+ 10.3%	N/A	6/28/2025
Total loan	1	$ 167,000	$ 20,000		L+ 5.5%		6/28/2025

(1) Loan commitment used as a basis for computation of weighted average credit spread.

Financial Covenants for Outstanding Borrowings

Our financial covenants and guarantees for outstanding borrowings related to our secured revolving repurchase agreements, and senior secured and secured credit agreements require Holdco to maintain compliance with the following financial covenants (among others), which were revised on May 28, 2020 as follows:

Financial Covenant	Current Maintenance	Maintenance Prior to May 28, 2020
Cash Liquidity	Minimum cash liquidity of no less than the greater of: $10.0 million; and 5.0% of Holdco's recourse indebtedness	Minimum cash liquidity of no less than the greater of: $10.0 million; and 5.0% of Holdco's recourse indebtedness
Tangible Net Worth	$1.1 billion as of April 1, 2020, plus 75% of future equity issuances thereafter	Minimum tangible net worth of at least 75% of the net cash proceeds of all prior equity issuances made by Holdco or the Company, plus 75% of the net cash proceeds of all subsequent equity issuances made by Holdco or the Company
Debt to Equity	Debt to Equity ratio not to exceed 3.5 to 1.0 with "equity" and "equity adjustment" as defined below.	Debt to Equity ratio not to exceed 3.5 to 1.0
Interest Coverage	Minimum interest coverage ratio of no less than 1.4 to 1.0 until December 2, 2020, and no less than 1.5 to 1.0 thereafter.	Minimum interest coverage ratio of no less than 1.5 to 1.0.

With respect to the tangible net worth covenant, the amendments of May 28, 2020 revise the definition of tangible net worth such that the baseline amount for testing is reset as of April 1, 2020 to $1.1 billion plus 75% of future equity issuances after April 1, 2020. With respect to the debt to equity covenant, the amendments revise the definition of equity to include: preferred equity; and an adjustment equal to the sum of the all then-current Current Expected Credit Loss reserves and any loan loss reserves, write-downs, impairments or realized losses taken against the value of any assets of Holdco or its subsidiaries from and after April 1, 2020; provided, however, that the equity adjustment may not exceed the amount of (a) Holdco's total equity less (b) the product of Holdco's total indebtedness multiplied by 25%.

For long as the Series B Preferred Stock is outstanding, we are required to maintain a debt to equity ratio not greater than 3.0 to 1.0. For the purpose of determining this ratio, the aggregate liquidation preference of the outstanding shares of Series B Preferred Stock is excluded from the calculation of total indebtedness of the Company and its subsidiaries. We were in compliance with the financial covenant relating to the Series B Preferred Stock as of June 30, 2020.

We were in compliance with all financial covenants for our secured revolving repurchase agreements, senior secured and secured credit agreements, and asset-specific financings to the extent of outstanding balances as of June 30, 2020 and December 31, 2019, respectively.

If we fail to meet or satisfy any of the covenants in our financing arrangements and are unable to obtain a waiver or other suitable relief from the lenders, we would be in default under these agreements, which could result in a cross-default or cross-acceleration under other financing arrangements, and our lenders could elect to declare outstanding amounts due and payable (or such amounts may automatically become due and payable), terminate their commitments, require the posting of additional collateral and enforce their respective interests against existing collateral. A default also could limit significantly our financing alternatives, which could cause us to curtail our investment activities or dispose of assets when we otherwise would not choose to do so. Further, this could make it difficult for us to satisfy the requirements necessary to maintain our qualification as a REIT for U.S. federal income tax purposes. There can be no assurance that we will remain in compliance with these covenants in the future. For more information regarding the impact that COVID-19 may have on our ability to comply with these covenants, see "Risk Factors."

Debt-to-Equity Ratio and Total Leverage Ratio

The following table presents the Company's Debt-to-Equity ratio and Total Leverage ratio as of June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2019
Debt-to-equity ratio(1)	2.81x	2.84x
Total leverage ratio(2)	2.91x	2.93x

(1) Represents (i) total outstanding borrowings under financing arrangements, net, including collateralized loan obligations, secured revolving repurchase agreements, senior secured and secured credit agreements, and asset-specific financing agreements, less cash, to (ii) total stockholders' equity, at period end.

(2) Represents (i) total outstanding borrowings under financing arrangements, net, including collateralized loan obligations, secured revolving repurchase agreements, senior secured and secured credit agreements and asset-specific financing agreements, plus non-consolidated senior interests sold or co-originated (if any), less cash, to (ii) total stockholders' equity, at period end.

Floating Rate Portfolio

Our business model seeks to minimize our exposure to changing interest rates by match-indexing our assets using the same, or similar, benchmark indices, typically LIBOR. Accordingly, rising interest rates will generally increase our net interest income, while declining interest rates will generally decrease our net interest income, subject to the beneficial impact of LIBOR floors in our mortgage loan investment portfolio. As of June 30, 2020, 100.0% of our loans by unpaid principal balance earned a floating rate of interest and were financed with liabilities that require interest payments based on floating rates, which resulted in approximately $1.3 billion of net floating rate exposure that is positively correlated to rising interest rates, subject to the impact of interest rate floors on our floating rate loans. We had no fixed rate loans outstanding as of June 30, 2020.

Our liabilities are generally index-matched to each loan investment asset, resulting in a net exposure to movements in benchmark rates that vary based on the relative proportion of floating rate assets and liabilities. The following table details our loan portfolio's net floating rate exposure as of June 30, 2020 (dollars in thousands):

	Net Exposure
Floating rate assets(1)	$ 5,055,913
Floating rate debt(1)(2)	(3,768,000)
Net floating rate exposure	$ 1,287,913

(1) Floating rate mortgage loan assets and liabilities are indexed to LIBOR. The net exposure to the underlying benchmark interest rate is correlated to our assets indexed to the same rate.

(2) Floating rate liabilities include secured revolving repurchase agreements, collateralized loan obligations, senior secured and secured credit agreements, and asset-specific financings.

With the cessation of LIBOR expected to occur effective January 1, 2022, we continue to evaluate the documentation associated with our assets and liabilities to manage the transition away from LIBOR to an alternative rate endorsed by the Alternative Reference Rates Committee of the Federal Reserve System. We will continue to employ prudent risk management as it relates to the potential financial, operational and legal risks associated with the expected cessation of LIBOR, and to ensure that our assets and liabilities generally remain match-indexed following this event.

Interest-Earning Assets and Interest-Bearing Liabilities

The following table presents the average balance of interest-earning assets and related interest-bearing liabilities, associated interest income and interest expense, and financing costs and the corresponding weighted average yields for the three months ended June 30, 2020 and March 31, 2020 (dollars in thousands):

	Three months ended,					
	June 30, 2020			March 31, 2020		
	Average Amortized Cost / Carrying Value[1]	Interest Income/ Expense	Wtd. Avg. Yield/ Financing Cost[2]	Average Amortized Cost / Carrying Value[1]	Interest Income/ Expense	Wtd. Avg. Yield/ Financing Cost[2]
Core Interest-earning assets:						
First mortgage loans	$ 5,073,821	$ 69,356	5.5%	$ 5,077,118	$ 73,417	5.8%
Retained mezzanine loans	19,764	676	13.7%	19,734	682	13.8%
CRE Debt Securities[3]	—	19	0.0%	788,988	7,650	3.9%
Core interest-earning assets	$ 5,093,585	$ 70,051	5.5%	$ 5,885,840	$ 81,749	5.6%
Interest-bearing liabilities:						
Asset-specific financings	$ 77,000	$ 1,389	7.2%	$ 77,000	$ 1,436	7.5%
Secured revolving repurchase agreements	1,792,143	13,151	2.9%	2,531,367	20,561	3.2%
Collateralized loan obligations	1,834,761	10,192	2.2%	1,820,061	14,922	3.3%
Senior secured and secured credit agreements	140,251	1,133	3.2%	145,637	1,538	4.2%
Total interest-bearing liabilities	$ 3,844,155	$ 25,865	2.7%	$ 4,574,065	$ 38,457	3.4%
Net interest income[4]		$ 44,186			$ 43,292	
Other Interest-earning assets:						
Cash equivalents	$ 205,709	$ 107	0.2%	$ 105,263	$ 304	1.2%
Accounts receivable from servicer/trustee	27,201	12	0.2%	13,066	24	0.7%
Total interest-earning assets	$ 5,326,495	$ 70,170	5.3%	$ 6,004,169	$ 82,077	5.5%

(1) Based on carrying value for loans, amortized cost for CRE debt securities and carrying value for interest-bearing liabilities. Calculated balances as the month-end averages.

(2) Weighted average yield or financing cost calculated based on annualized interest income or expense divided by calculated month-end average outstanding balance.

(3) Reflects the sale of the entire existing CRE Debt securities portfolio during March and April of 2020.

(4) Represents interest income on core interest-earning assets less interest expense on total interest-bearing liabilities. Interest income on Other Interest-earning assets is included in Other Income, net on the Consolidated Statements of Income and Comprehensive Income.

The following table presents the average balance of interest-earning assets and related interest-bearing liabilities, associated interest income and interest expense, and financing costs and the corresponding weighted average yields for the six months ended June 30, 2020 and 2019 (dollars in thousands):

	Six Months Ended					
	June 30, 2020			June 30, 2019		
	Average Amortized Cost / Carrying Value[1]	Interest Income/ Expense	Wtd. Avg. Yield/ Financing Cost[2]	Average Carrying Value[1]	Interest Income/ Expense	Wtd. Avg. Yield/ Financing Cost[2]
Core Interest-earning assets:						
First mortgage loans	$ 5,075,469	$ 142,770	5.6%	$ 4,624,839	$ 157,639	6.8%
Retained mezzanine loans	19,749	1,358	13.8%	775	7	1.8%
CRE Debt Securities[3]	394,494	7,672	0.0%	397,948	7,209	3.6%
Core interest-earning assets	$ 5,489,712	$ 151,800	5.5%	$ 5,023,562	$ 164,855	6.6%
Interest-bearing liabilities:						
Asset-specific financings	$ 77,000	$ 2,825	7.3%	$ 71,000	$ 2,247	6.3%
Secured revolving repurchase agreements	2,161,755	33,712	3.1%	1,740,436	37,265	4.3%
Collateralized loan obligations	1,827,411	25,114	2.7%	1,283,326	29,711	4.6%
Senior secured and secured credit agreements	145,637	2,671	3.7%	434,658	13,570	6.2%
Term loan facility	—	—	0.0%	235,390	3,000	2.5%
Total interest-bearing liabilities	$ 4,211,803	$ 64,322	3.1%	$ 3,764,810	$ 85,793	4.6%
Net interest income[4]		$ 87,478			$ 79,062	
Other Interest-earning assets:						
Cash equivalents	$ 155,486	$ 411	0.5%	$ 73,672	$ 818	2.2%
Accounts receivable from servicer/trustee	20,134	36	0.4%	74,967	16.0	0.0%
Total interest-earning assets	$ 5,665,332	$ 152,247	5.4%	$ 5,172,201	$ 165,689	6.4%

(1) Based on carrying value for loans, amortized cost for CRE debt securities and carrying value for interest-bearing liabilities. Calculated balances as the month-end averages.

(2) Weighted average yield or financing cost calculated based on annualized interest income or expense divided by calculated month-end average outstanding balance.

(3) Reflects the sale of the entire existing CRE Debt securities portfolio during March and April of 2020.

(4) Represents interest income on core interest-earning assets less interest expense on total interest-bearing liabilities. Interest income on Other Interest-earning assets is included in Other Income, net on the Consolidated Statements of Income and Comprehensive Income.

Our Results of Operations

Operating Results

The following table sets forth information regarding our consolidated results of operations (dollars in thousands, except per share data):

	Three Months Ended June 30,		Variance	Six Months Ended June 30,		Variance
	2020	2019	2020 vs 2019	2020	2019	2020 vs 2019
INTEREST INCOME						
Interest Income	$ 70,051	$ 88,254	$ (18,203)	$ 151,800	$ 164,855	$ (13,055)
Interest Expense	(25,865)	(46,426)	20,561	(64,322)	(85,793)	21,471
Net Interest Income	44,186	41,828	2,358	87,478	79,062	8,416
OTHER REVENUE						
Other Income, net	119	412	(293)	447	834	(387)
Total Other Revenue	119	412	(293)	447	834	(387)
OTHER EXPENSES						
Professional Fees	4,036	593	3,443	5,855	1,272	4,583
General and Administrative	860	1,041	(181)	1,840	1,485	355
Stock Compensation Expense	1,686	633	1,053	3,087	1,514	1,573
Servicing and Asset Management Fees	261	431	(170)	537	944	(407)
Management Fee	5,115	5,323	(208)	10,115	10,466	(351)
Incentive Management Fee	—	2,048	(2,048)	—	3,413	(3,413)
Total Other Expenses	11,958	10,069	1,889	21,434	19,094	2,340
Securities Gains (Impairments)	96	—	96	(203,397)	—	(203,397)
Credit Loss Benefit (Expense)	10,546	—	10,546	(52,802)	—	(52,802)
Income (Loss) Before Income Taxes	42,989	32,171	10,818	(189,708)	60,802	(250,510)
Income Tax Expense, net	(61)	(202)	141	(154)	(421)	267
Net Income (Loss)	42,928	31,969	10,959	(189,862)	60,381	(250,243)
Series A Preferred Stock Dividends	(5)	(4)	(1)	(8)	(7)	(1)
Series B Cumulative Redeemable Preferred Stock Dividends	(2,250)	—	(2,250)	(2,250)	—	(2,250)
Net Income (Loss) Attributable to TPG RE Finance Trust, Inc.	$ 40,673	$ 31,965	8,708	$ (192,190)	$ 60,374	$ (252,564)
Basic and Diluted Earnings (Loss) per Common Share	$ 0.52	$ 0.43	0.09	$ (2.53)	$ 0.85	(3.38)
Dividends Declared per Common Share	$ 0.20	$ 0.43	(0.23)	$ 0.63	$ 0.86	(0.23)
OTHER COMPREHENSIVE INCOME (LOSS)						
Unrealized Gain (Loss) on CRE Debt Securities	$ (77)	$ 3,112	$ (3,189)	$ (1,051)	$ 3,218	$ (4,269)
Comprehensive Net Income (Loss)	$ 42,851	$ 35,081	$ 7,770	$ (190,913)	$ 63,599	$ (254,512)

Comparison of the Three Months Ended June 30, 2020 and June 30, 2019

Net Interest Income

Net interest income increased to $44.2 million, during the three months ended June 30, 2020 compared to $41.8 million for the three months ended June 30, 2019. The increase was primarily due to the benefit of LIBOR floors with a weighted average strike price of 1.67% and a reduction in interest expense for the three months ending June 30, 2020 of $20.6 million as a result of a reduction in LIBOR and the absence of LIBOR floors on 96% of our borrowings as compared to the three months ending June 30, 2019.

Other Revenue

Other Revenue is comprised of interest income earned on certain cash collection accounts, and miscellaneous fee income. Other revenue decreased by $0.3 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily due to the Company holding lower average cash balances for the three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Other Expenses

Other expenses increased $1.9 million for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. Significant changes in other expenses for the three months ended June 30, 2020 are as follows:

- an increase of $3.4 million in professional fees of due primarily to an increase in legal, accounting and advisory fee expenses incurred in connection with our response to COVID-19, including period expenses incurred in connection with our issuance of Series B Preferred Stock; and
- an increase of $1.0 million in stock compensation expense due primarily to grants made in 2019; offset by
- a decrease of $2.1 million in incentive compensation earned by our Manager due to a reduction in our Core Earnings, resulting in no incentive compensation being earned by our Manager for the three months ended June 30, 2020. See Note 10 to our Consolidated Financial Statements included in this Form 10-Q for details regarding our Management Agreement.

We incurred total non-recurring expenses caused by COVID-19 of $2.9 million during the three months ended June 30, 2020, and none during the three months ended June 30, 2019.

Credit Loss Benefit

During the three months ended June 30, 2020, Credit Loss Expense decreased by $10.5 million primarily due to the reversal of the CECL reserve associated with a loan sold during the quarter of $24.8 million, offset by a realized loss of $13.8 million on the sale of one loan during the period, and an increase in the general reserve of $0.5 million.

Dividends Declared Per Common Share

During the three months ended June 30, 2020, we declared cash dividends of $0.20 per common share, or $15.4 million. During the three months ended June 30, 2019, we declared cash dividends of $0.43 per common share, or $32.0 million.

Unrealized Gain (Loss) on CRE Debt Securities

Other comprehensive income (loss) decreased $3.2 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019. The decrease is primarily related to the reversal of unrealized gains upon the sale of certain CRE debt securities.

Comparison of the Six Months Ended June 30, 2020 and June 30, 2019

Net Interest Income

Net interest income increased $8.4 million, to $87.5 million, during the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase was primarily due the benefit of LIBOR floors with a weighted average strike price of 1.67%. The increase in net interest income was also partially due to a reduction in interest expense for the six months ending June 30, 2020 of $21.5 million as a result of a reduction in LIBOR and the absence of LIBOR floors on 96% of our borrowings, as compared to the six months ending June 30, 2019.

Other Revenue

Other Revenue is comprised of interest income earned on certain cash collection accounts, and miscellaneous fee income. Other revenue decreased by $0.4 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily due to the Company holding lower average cash balances for the six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Other Expenses

Other expenses increased by $2.3 million for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. Significant changes in other expenses for the three months ended June 30, 2020 are as follows:

- an increase of $4.6 million in professional fees due primarily to an increase in legal, accounting and advisory fee expenses incurred in connection with our response to COVID-19, including period expenses incurred in connection with our issuance of Series B Preferred Stock; and
- an increase of $1.6 million in stock compensation expense; offset by
- a decrease of $3.4 million in incentive compensation earned by our Manager due to a reduction in our Core Earnings, resulting in no incentive compensation being earned by our Manager for the three months ended June 30, 2020. See Note 10 to our Consolidated Financial Statements included in this Form 10-Q for details regarding our Management Agreement; and

We incurred total non-recurring expenses caused by COVID-19 of $2.9 million during the six months ended June 30, 2020, and none during the six months ended June 30, 2019.

Securities Gains (Impairments)

Securities Impairment expense of $203.4 million for the six months ended June 30, 2020 include losses on sales of CRE debt securities of $36.2 million, an impairment charge of $167.3 million, offset by a slight realized gain on sale of one position in connection with CRE debt securities owned at March 31, 2020. We had no such impairment expenses for the six months ended June 30, 2019.

Credit Loss Expense

Credit loss expense for the six months ended June 30, 2020 increased to $52.8 million due to $39.0 million in credit loss expense recorded in accordance with ASU 2016-13 for the six months ended June 30, 2020, and a realized loss of $13.8 million on the sale of one loan.

Dividends Declared Per Common Share

During the six months ended June 30, 2020, we declared cash dividends of $0.63 per common share, or $48.7 million. During the six months ended June 30, 2019, we declared cash dividends of $0.86 per common share, or $63.6 million.

Unrealized Gain (Loss) on CRE Debt Securities

Other comprehensive income (loss) decreased $4.3 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The decrease is primarily related to the reversal of unrealized gains upon the sale of certain CRE debt securities.

Liquidity and Capital Resources

Capitalization

We have capitalized our business to date through, among other things, the issuance and sale of shares of our common stock, issuance of preferred stock treated as temporary equity, issuance of common stock warrants, borrowings under secured revolving repurchase agreements, collateralized loan obligations, senior secured and secured credit agreements, asset-specific financings, and non-consolidated senior interests. As of June 30, 2020, we had outstanding 76.8 million shares of our common stock representing $1.3 billion of stockholders' equity, $225.0 million of Series B Preferred Stock (net of issuance costs of $14.2 million and allocation of fair value of the warrants issued in connection with the Series B Preferred Stock ("Warrants") of $14.3 million) and $3.8 billion of outstanding borrowings used to finance our operations.

See Notes 5 and 6 to our Consolidated Financial Statements included in this Form 10-Q for additional details regarding our borrowings under secured revolving repurchase agreements, collateralized loan obligations, senior secured and secured credit agreements, and asset-specific financings. See Note 12 to our Consolidated Financial Statements included in this Form 10-Q for additional details regarding our issuance of Series B Preferred Stock and Warrants to purchase Common Stock.

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents, available borrowings under secured revolving repurchase agreements, senior secured and secured credit agreements, and CLO liquidity available for reinvestment. Additionally, we have the option to issue up to $100.0 million of additional Series B Preferred Stock prior to December 31, 2020, provided notice is given to the Purchaser not later than December 11, 2020.

Our existing loan portfolio provides us with liquidity as loans are repaid or sold, in whole or in part, of which some proceeds may be included in accounts receivable from our servicers until released and the proceeds from such repayments become available for us to reinvest. Due to severe dislocation in the capital markets caused by the COVID-19 pandemic, the Company expects the volume of loan repayments to be sharply reduced in comparison to prior years. Loan repayments. measured by principal amount repaid, were $1.9 billion and $1.2 billion in 2019 and 2018, respectively. For the six months ended June 30, 2020, loan repayments totaled $320.7 million, and one loan with an unpaid principal balance of $99.3 million was sold for $85.5 million.

We continue to monitor the COVID-19 pandemic and its impact on our borrowers, their tenants, lenders and the economy as a whole. The magnitude and duration of the COVID-19 pandemic, and its impact on our operations and liquidity, are uncertain and continue to evolve in the United States and globally. If the pandemic sustains its current trajectory, such impacts are expected to become material. To the extent that our borrowers, their tenants, and our lenders continue to be impacted by the COVID-19 pandemic, or by the other risks disclosed in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K, it would have a material adverse effect on our liquidity and capital resources.

Uses of Liquidity

In the past, our primary use of liquidity was the origination of first mortgage loans, the purchase of CRE CLO debt securities, interest and principal payments under our $3.8 billion of outstanding borrowings under secured revolving repurchase agreements, collateralized loan obligations, senior secured and secured credit agreements, and asset-specific financings, $579.9 million of unfunded loan commitments, dividend distributions to our preferred and common stockholders, and operating expenses.

As described above, each of our secured revolving repurchase agreements has “margin maintenance” provisions, which are designed to allow the repurchase lender to maintain a certain margin of credit enhancement against the assets which serve as collateral. On May 28, 2020, we made voluntary deleveraging payments totaling $157.7 million to six of our secured revolving repurchase lenders and one secured credit facility lender that provide financing secured by certain of our first mortgage loan investments, in exchange for their agreement to suspend margin calls for defined periods, subject to certain conditions. At the time these payments were made, no margin deficits existed, and no margin calls have been issued to us since. If market turbulence persists or resurges, we may be required to post cash collateral in connection with our secured revolving repurchase agreements secured by our mortgage loan investments upon or after the expiry of these agreements. For more information regarding the impact that COVID-19 has had on our liquidity and may have on our future liquidity, see “Risk Factors.”

Contractual Obligations and Commitments

Our contractual obligations and commitments as of June 30, 2020 were as follows (dollars in thousands):

		Payment Timing			
	Total Obligation	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More than 5 Years**
Unfunded loan commitments[1]	$ 579,917	$ 131,983	$ 402,484	$ 45,450	$ —
Secured debt agreements—principal[2]	3,768,000	1,727,578	2,040,422	—	—
Secured debt agreements—interest[2]	76,130	51,808	24,322	—	—
Dividends on Series B Preferred Stock[3]	97,740	24,930	49,860	22,950	—
Total[4]	$ 4,521,787	$ 1,936,299	$ 2,517,088	$ 68,400	$ —

(1) The allocation of our loan commitments is based on the earlier of the commitment expiration date and the loan maturity date.

(2) The allocation of our secured debt agreements is based on the current maturity date of each individual borrowing under the respective agreement. Amounts include the related future interest payment obligations, which are estimated by assuming the amounts outstanding under our secured debt agreements and the interest rates in effect as of June 30, 2020 will remain constant into the future. This is only an estimate, as actual amounts borrowed and rates will vary over time. Our floating rate loans and related liabilities are indexed to LIBOR.

(3) Series B Preferred Stock dividends are computed at 11% per annum, with up to 2 percentage points payable in common stock at the discretion of management.

With respect to our debt obligations that are contractually due within the next five years, we plan to employ several strategies to meet these obligations, including: (i) exercising maturity date extension options that exist in our current financing arrangements; (ii) negotiating extensions of terms with our providers of credit; (iii) periodically accessing the public and private equity and debt capital markets to raise cash to fund new investments or the repayment of indebtedness; (iv) the issuance of additional structured finance vehicles, such as a collateralized loan obligations similar to TRTX 2019-FL3 or TRTX 2018-FL2, as a method of financing; (v) term loans with private lenders; (vi) selling loans to generate cash to repay our debt obligations; and/or (vii) applying repayments from underlying loans to satisfy the debt obligations which they secure. Although many of these avenues have been available to us in the past, we cannot offer any assurance that we will be able to access any or all of these alternatives as a result of the continuing market disruption caused by the COVID-19 pandemic.

We are required to pay our Manager a base management fee, an incentive fee, and reimbursements for certain expenses pursuant to our Management Agreement. The table above does not include the amounts payable to our Manager under our Management Agreement as they are not fixed and determinable. Our Manager agreed to defer until July 6, 2020 our payment of the accrued base management fee payable as of March 31, 2020, which was paid on July 6, 2020. No deferral for payment of management fees is expected in the future. No incentive fee was earned by our Manager for the second quarter. See Note 10 to our consolidated financial statements included in this Form 10-Q for additional terms and details of the fees payable under our Management Agreement.

As a REIT, we generally must distribute substantially all of our net taxable income to stockholders in the form of dividends to comply with the REIT provisions of the Internal Revenue Code. In 2017, the Internal Revenue Service issued a revenue procedure permitting “publicly offered” REITs to make elective stock dividends (i.e. dividends paid in a mixture of stock and cash), with at least 20% of the total distribution being paid in cash, to satisfy their REIT distribution requirements. On May 4, 2020, the Internal Revenue Service issued a revenue procedure that temporarily reduces (through the end of 2020) the minimum amount of the total distribution that must be paid in cash to 10%. Pursuant to these revenue procedures, we may elect to make future distributions of our taxable income in a mixture of stock and cash.

Our REIT taxable income does not necessarily equal our net income as calculated in accordance with GAAP or our Core Earnings as described above.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Cash Flows

The following table provides a breakdown of the net change in our cash, cash equivalents, and restricted cash balances for the six months ended June 30, 2020 and 2019 (dollars in thousands):

	Six Months Ended June 30,	
	2020	**2019**
Cash flows provided by operating activities	$ 70,677	$ 52,991
Cash flows provided by (used in) investing activities	461,217	(1,268,236)
Cash flows provided by (used in) financing activities	(415,143)	1,245,017
Net increase in cash, cash equivalents, and restricted cash	$ 116,751	$ 29,772

Cash Flows from Operating Activities

During the six months ended June 30, 2020, cash flows provided by operating activities totaled $70.7 million primarily related to net interest income.

Cash Flows from Investing Activities

During the six months ended June 30, 2020 cash flows from investing activities totaled $461.2 million primarily due to repayments on loans held for investment of $333.5 million, and sale of CRE debt securities totaling $766.4 million offset by new loan originations and purchases of CRE debt securities of $520.5 million.

Cash Flows from Financing Activities

During the six months ended June 30, 2020, cash flows used in financing activities totaled $415.1 million primarily due to payments on secured financing agreements of $1.4 billion offset by additional proceeds from secured financing agreements of $827.4 million, and the issuance of Series B Preferred Stock and Warrants of $225.0 million.

During the period from March 1, 2020 to March 31, 2020, we received margin call notices with respect to borrowings against our CRE CLO investment portfolio aggregating $170.9 million, which were satisfied with a combination of $89.8 million of cash, cash proceeds from bond sales, and increases in market values prior to quarter-end. At March 31, 2020, unpaid margin calls totaled $19.0 million, which were satisfied in April through cash proceeds from bond sales and increases in market value. During the quarter ended June 30, 2020, prior to making our voluntary deleveraging payments, we satisfied one margin call aggregating $20.0 million in connection with our secured revolving repurchase agreements financing our loan investments by pledging a previously unencumbered loan investment.

On May 28, 2020, we made voluntary deleveraging payments totaling $157.7 million to six of our secured revolving repurchase lenders and one secured credit facility lender that provide financing for certain of our first mortgage loan investments in exchange for their agreement to suspend margin calls for defined periods, subject to certain conditions. At the time these payments were made, no margin deficits existed, and no margin calls have been issued to us since. If market turbulence persists or resurges, we may be required to post cash collateral in connection with our secured revolving repurchase agreements secured by our mortgage loan investments upon or after the expiry of these agreements. We maintain frequent dialogue with the lenders under our secured revolving repurchase agreements, and senior secured and secured credit agreements regarding our management of their collateral assets in light of the impacts of the COVID-19 pandemic. For more information regarding the impact that COVID-19 has had on our liquidity and may have on our future liquidity, see “Risk Factors.”

Corporate Activities

Issuance of Series B Preferred Stock and Warrants to Purchase Common Stock

On May 28, 2020, we entered into an Investment Agreement with the Purchaser, an affiliate of Starwood Capital Group Global II, L.P., under which we agreed to issue and sell to the Purchaser up to 13 million shares of the our 11.0% Series B Preferred Stock, par value $0.001 per share (plus any additional such shares paid as dividends pursuant to the Articles Supplementary, the “Series B Preferred Stock”), and Warrants to purchase, in the aggregate, up to 15 million shares (subject to adjustment) of our Common Stock, for an aggregate cash purchase price of up to $325.0 million. Such purchases may occur in up to three tranches. The Investment Agreement contains market standard provisions regarding board representation, voting agreements, rights to information, and a standstill agreement and registration rights agreement regarding common stock acquired via exercise of Warrants. The foregoing descriptions of the Investment Agreement and the various components are not complete and are qualified in their entirety by reference to the full text of the Investment Agreement, the Articles Supplementary, the Warrant Agreement, the Registration Rights Agreement and the Amendments, which are attached as exhibits to the Company’s Current Report on Form 8-K filed with the SEC on May 29, 2020, and incorporated herein by reference.

On May 28, 2020, the Purchaser acquired the first tranche of the Investment Agreement, consisting of 9.0 million shares of Series B Preferred Stock and Warrants to purchase up to 12.0 million shares of Common Stock, for an aggregate price of $225.0 million. We, at our option, may sell to the Purchaser the second and third tranches on or prior to December 31, 2020. Each of the second and third tranches consists of 2.0 million shares of Series B Preferred Stock and Warrants to purchase up to 1.5 million shares of Common Stock, for an aggregate purchase price of $50.0 million per tranche.

None of the Warrants have been exercised as of June 30, 2020.

Details of this issuance have been described in Note 12 to our Consolidated Financial Statements included in this Form 10-Q.

Offering of Common Stock

On March 7, 2019, we and our Manager entered into an equity distribution agreement with each of Citigroup Global Markets Inc., J.P. Morgan Securities LLC, JMP Securities LLC, Wells Fargo Securities, LLC and TPG Capital BD, LLC (each a "Sales Agent" and, collectively, the "Sales Agents") relating to the issuance and sale of shares of our common stock pursuant to a continuous offering program. In accordance with the terms of the equity distribution agreement, we may, at our discretion and from time to time, offer and sell shares of our common stock having an aggregate gross sales price of up to $125.0 million through the Sales Agents, each acting as our agent. The offering of shares of our common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of shares of our common stock subject to the equity distribution agreement having an aggregate gross sales price of $125.0 million and (2) the termination of the equity distribution agreement by the Sales Agents or us at any time as set forth in the equity distribution agreement. At June 30, 2020, cumulative gross proceeds issued under the equity distribution agreement totaled $50.9 million, leaving $74.1 million available for future issuance subject to the direction of management, and market conditions.

Each Sales Agent will be entitled to commissions in an amount not to exceed 1.75% of the gross sales prices of shares of our common stock sold through it, as our agent. For the six months ended June 30, 2020, the we sold 0.6 million shares of common stock pursuant to the equity distribution agreement at a weighted average price per share of $20.53, generating gross proceeds of $12.9 million. We paid commissions totaling $0.2 million.

On March 19, 2019, we completed a common stock offering of 6.0 million shares at a price to the underwriters of $19.80 per share, for net proceeds of $118.8 million, after underwriting discounts. Pursuant to the terms of the underwriting agreement that we entered into with Morgan Stanley & Co. LLC, as representative of the underwriters, on April 12, 2019, the underwriters exercised in full their option to purchase 900,000 additional shares of common stock (the "Option Shares"). As a result, we issued and sold 900,000 Option Shares to the underwriters on April 16, 2019 and generated additional net proceeds, before transaction expenses, of approximately $17.4 million. The Manager reimbursed offering costs of $0.3 million. Proceeds from the offering were used to originate commercial mortgage loans and purchase CRE debt securities.

Dividends

Upon the approval of our Board of Directors, we accrue dividends. Dividends are paid first to the holders of our Series A preferred stock at the rate of 12.5% of the total $0.001 million liquidation preference per annum plus all accumulated and unpaid dividends thereon, then to holders of our Series B Preferred Stock at the rate of 11.0% per annum of the $25.00 per share liquidation preference, and then to the holders of our common stock. We intend to distribute each year substantially all of our taxable income to our stockholders to comply with the REIT provisions of the Internal Revenue Code of 1986, as amended. The Board of Directors will determine whether to pay future dividends, entirely in cash, or in a combination of stock and cash based on facts and circumstances at the time such decisions are made.

On June 16, 2020, our Board of Directors declared and approved a cash dividend for the second quarter of 2020 in the amount of $0.20 per share of common stock, or $15.4 million in the aggregate, which was paid on July 24, 2020 to holders of record of our common stock as of June 26, 2020. On March 23, 2020, we announced the deferral until July 14, 2020 of the payment of our declared first quarter cash dividend to stockholders of record as of June 15, 2020, which was paid on July 14, 2020.

On June 16, 2020, our Board of Directors declared a cash dividend for the second quarter of 2020 in the amount of $0.25 per share of Series B Preferred Stock, or $2.25 million in the aggregate, which dividend was paid on June 30, 2020 to the holder of record of our Series B Preferred Stock as of June 15, 2020.

For the six months ended June 30, 2020 and 2019, common stock and Class A common stock dividends in the amount of $48.7 million and $63.6 million, respectively, were declared and approved.

As of June 30, 2020 and December 31, 2019, $48.7 million and $32.8 million, respectively, remain unpaid and are reflected in dividends payable on our consolidated balance sheets.

Critical Accounting Policies

The preparation of our consolidated financial statements in accordance with GAAP requires our management to make estimates and judgments that affect the reported amounts of assets and liabilities, interest income and other revenue recognition, allowance for loan losses, expense recognition, tax liability, future impairment of our investments, valuation of our investment portfolio and disclosure of contingent assets and liabilities, among other items. Our management bases these estimates and judgments about current, and for some estimates, future economic and market conditions and their effects on available information, historical experience and other assumptions that we believe are reasonable under the circumstances. However, these estimates, judgments and assumptions are often subjective and may be impacted negatively based on changing circumstances or changes in our analyses.

If conditions change from those expected, it is possible that our judgments, estimates and assumptions could change, which may result in a change in our interest income and other revenue recognition, allowance for loan losses, expense recognition, tax liability, future impairment of our investments, and valuation of our investment portfolio, among other effects. If actual amounts are ultimately different from those estimated, judged or assumed, revisions are included in the consolidated financial statements in the period in which the actual amounts become known. We believe our critical accounting policies could potentially produce materially different results if we were to change underlying estimates, judgments or assumptions.

For a discussion of our critical accounting policies, see Note 2 to our Consolidated Financial Statements included in this Form 10-Q.

Recent Accounting Pronouncements

For a discussion of recently issued accounting pronouncements, see Note 2 to our Consolidated Financial Statements included in this Form 10-Q.

Subsequent Events

The following events occurred subsequent to June 30, 2020:

Senior Mortgage Loan Activity

Subsequent to June 30, 2020, we did not originate any new loans and did not receive any loan repayments in full.

In connection with that certain first mortgage loan in our portfolio with an original commitment amount of $90.0 million and an unpaid principal balance of $81.4 million, we entered into a non-binding letter of intent to modify this loan, and permit the purchaser of the property to assume such loan. Following the modification and assumption, the financing is expected to have an unpaid principal amount of $79.4 million, a LIBOR floor of 0.75% and an interest rate of LIBOR plus 3.00%. There can be no assurance that this transaction will close on these terms, or close at all.

Expiration of Secured Credit Facility

On July 12, 2020, our $160.0 million secured credit facility with Citibank., N.A. was permitted to lapse by its terms. There were no assets pledged or borrowings outstanding under the arrangement at expiration.

Loan Portfolio Details

The following table provides details with respect to our mortgage and mezzanine loan investment portfolio on a loan-by-loan basis as of June 30, 2020 (dollars in millions, except loan per square foot/unit):

Loan #	Form of Investment	Origination / Acquisition Date(2)	Total Loan	Principal Balance	Amortized Cost(3)	Credit Spread(4)	All-in Yield(5)	Fixed / Floating	Extended Maturity(6)	City, State	Property Type	Loan Type	Loan Per SQFT / Unit	LTV(7)	Risk Rating(8)
First Mortgage Loans(1)															
1	Senior Loan (11)	8/21/2019	350.8	322.9	322.0	L+ 2.9%	L+ 3.2%	Floating	9/9/2024	New York, NY	Office	Light Transitional	$692 Sq ft	72.8%	3
2	Senior Loan	8/7/2018	223.0	169.6	168.4	L+ 3.4%	L+ 3.6%	Floating	8/9/2024	Atlanta, GA	Office	Light Transitional	$214 Sq ft	61.4%	3
3	Senior Loan	12/19/2018	210.0	175.9	175.4	L+ 3.6%	L+ 4.0%	Floating	1/9/2024	Detroit, MI	Office	Moderate Transitional	$217 Sq ft	59.8%	3
4	Senior Loan	12/21/2018	206.5	201.0	201.0	L+ 2.9%	L+ 3.2%	Floating	1/9/2024	Various, FL	Multifamily	Light Transitional	$181,299 Unit	76.6%	2
5	Senior Loan	2/27/2020	200.7	193.2	193.0	L+ 2.8%	L+ 3.1%	Floating	3/9/2026	East Patchogue, NY	Multifamily	Bridge	$217,003 Unit	78.0%	2
6	Senior Loan (12)	9/18/2019	200.0	179.2	178.0	L+ 2.9%	L+ 3.2%	Floating	9/9/2024	New York, NY	Office	Moderate Transitional	$904 Sq ft	65.2%	3
7	Senior Loan	11/26/2019	190.1	173.5	172.9	L+ 3.0%	L+ 3.2%	Floating	12/9/2024	San Diego, CA	Office	Light Transitional	$248 Sq ft	51.9%	3
8	Senior Loan	6/28/2018	190.0	183.4	183.4	L+ 2.7%	L+ 3.0%	Floating	7/9/2023	Philadelphia, PA	Office	Bridge	$177 Sq ft	73.6%	3
9	Senior Loan	10/12/2017	165.0	165.0	165.0	L+ 3.8%	L+ 4.0%	Floating	11/9/2022	Charlotte, NC	Hotel	Bridge	$235,714 Unit	65.5%	4
10	Senior Loan	9/29/2017	173.3	166.1	165.9	L+ 4.3%	L+ 4.6%	Floating	10/9/2022	Philadelphia, PA	Office	Moderate Transitional	$213 Sq ft	72.2%	3
11	Senior Loan	2/14/2018	165.0	160.8	160.6	L+ 3.8%	L+ 4.0%	Floating	3/9/2023	Various, NJ	Multifamily	Bridge	$132,850 Unit	78.4%	3
12	Senior Loan	9/28/2018	160.0	147.0	147.0	L+ 2.8%	L+ 3.0%	Floating	10/9/2023	Houston, TX	Mixed-Use	Light Transitional	$299 Sq ft	61.9%	3
13	Senior Loan	5/15/2019	143.0	120.6	120.6	L+ 2.6%	L+ 2.9%	Floating	5/9/2024	New York, NY	Mixed-Use	Moderate Transitional	$1,741 Sq ft	61.0%	3
14	Senior Loan	11/26/2019	113.0	113.0	113.0	L+ 3.0%	L+ 3.3%	Floating	12/9/2024	Burbank, CA	Hotel	Bridge	$231,557 Unit	70.4%	4
15	Senior Loan	3/28/2019	112.0	112.0	111.8	L+ 6.8%	L+ 7.8%	Floating	10/9/2021	Las Vegas, NV	Land	Bridge	$93 Sq ft	42.6%	4
16	Senior Loan	7/21/2017	106.6	90.0	90.0	L+ 4.5%	L+ 4.7%	Floating	8/9/2024	Pittsburgh, PA	Multifamily	Bridge	$296,042 Unit	59.4%	3
17	Senior Loan	12/20/2018	105.9	97.8	97.8	L+ 3.3%	L+ 3.4%	Floating	1/9/2024	Torrance, CA	Mixed-Use	Moderate Transitional	$254 Sq ft	61.1%	3
18	Senior Loan	12/18/2019	101.0	81.0	80.9	L+ 2.6%	L+ 2.8%	Floating	1/9/2025	Arlington, VA	Office	Light Transitional	$319 Sq ft	71.1%	3
19	Senior Loan	1/27/2020	94.0	38.1	37.5	L+ 3.3%	L+ 3.6%	Floating	2/9/2025	Washington, DC	Office	Moderate Transitional	$339 Sq ft	61.6%	3
20	Senior Loan	2/27/2018	90.0	81.4	81.2	L+ 5.1%	L+ 5.3%	Floating	3/9/2023	Brooklyn, NY	Office	Moderate Transitional	$195 Sq ft	52.2%	4
21	Senior Loan	8/28/2019	90.0	44.5	43.8	L+ 3.1%	L+ 3.3%	Floating	9/9/2024	San Diego, CA	Office	Moderate Transitional	$382 Sq ft	67.7%	3
22	Senior Loan	9/29/2017	89.5	87.3	87.3	L+ 3.9%	L+ 4.2%	Floating	10/9/2022	Dallas, TX	Office	Moderate Transitional	$106 Sq ft	50.7%	2
23	Senior Loan	3/27/2019	88.2	88.2	87.6	L+ 3.5%	L+ 3.8%	Floating	4/9/2024	Aurora, IL	Multifamily	Bridge	$211,394 Unit	74.8%	3
24	Senior Loan	3/28/2019	88.1	85.7	85.5	L+ 3.7%	L+ 3.9%	Floating	4/9/2024	Various, Various	Hotel	Moderate Transitional	$100,228 Unit	69.6%	5
25	Senior Loan	2/1/2017	85.0	85.0	84.9	L+ 4.7%	L+ 5.0%	Floating	2/9/2022	St. Pete Beach, FL	Hotel	Light Transitional	$222,382 Unit	60.7%	4
26	Senior Loan	3/7/2019	81.3	81.3	81.3	L+ 3.1%	L+ 3.4%	Floating	3/9/2024	Rockville, MD	Mixed-Use	Bridge	$256 Sq ft	67.2%	3
27	Senior Loan	6/17/2019	79.4	78.8	78.3	L+ 2.8%	L+ 3.2%	Floating	7/9/2025	Boston, MA	Office	Bridge	$187 Sq ft	70.7%	3
28	Senior Loan	8/8/2019	76.5	61.0	60.8	L+ 3.0%	L+ 3.2%	Floating	8/9/2024	Orange, CA	Office	Moderate Transitional	$225 Sq ft	64.2%	3
29	Senior Loan	12/10/2019	75.8	51.7	51.7	L+ 2.6%	L+ 2.8%	Floating	12/9/2024	San Mateo, CA	Office	Moderate Transitional	$368 Sq ft	65.8%	3
30	Senior Loan	4/29/2019	70.0	69.6	69.2	L+ 3.3%	L+ 3.5%	Floating	5/9/2024	Clayton, MO	Multifamily	Bridge	$280,000 Unit	74.9%	3
31	Senior Loan	11/29/2018	64.2	47.0	46.8	L+ 3.3%	L+ 3.5%	Floating	12/9/2023	Brooklyn, NY	Multifamily	Moderate Transitional	$227,751 Unit	58.0%	4
32	Senior Loan	6/28/2019	63.9	56.1	56.1	L+ 2.5%	L+ 2.7%	Floating	7/9/2024	Burlington, CA	Office	Light Transitional	$327 Sq ft	70.9%	3
33	Senior Loan	9/27/2018	58.9	57.4	57.3	L+ 4.7%	L+ 4.9%	Floating	10/1/2020	Dallas, TX	Condominium	Light Transitional	$336 Sq ft	55.6%	2
34	Senior Loan	11/8/2019	62.1	55.3	55.1	L+ 3.9%	L+ 4.3%	Floating	11/9/2021	Boston, MA	Mixed-Use	Light Transitional	$597 Sq ft	38.4%	3
35	Senior Loan	6/25/2019	62.0	50.5	50.3	L+ 3.1%	L+ 3.3%	Floating	7/9/2024	Calistoga, CA	Hotel	Moderate Transitional	$696,629 Unit	48.6%	4
36	Senior Loan	9/12/2019	61.2	61.2	61.0	L+ 2.7%	L+ 2.9%	Floating	10/9/2024	Glendale, AZ	Multifamily	Bridge	$177,907 Unit	78.0%	3
37	Senior Loan	6/20/2018	61.0	56.4	56.4	L+ 3.0%	L+ 3.3%	Floating	7/9/2023	Houston, TX	Office	Light Transitional	$162 Sq ft	74.9%	3
38	Senior Loan	1/8/2019	60.2	36.7	36.4	L+ 3.8%	L+ 4.1%	Floating	2/9/2024	Kansas City, MO	Office	Moderate Transitional	$92 Sq ft	74.3%	4
39	Senior Loan	1/9/2019	60.0	60.0	59.9	L+ 3.4%	L+ 3.6%	Floating	1/9/2024	Mountain View, CA	Hotel	Bridge	$375,000 Unit	64.2%	4
40	Senior Loan	12/18/2019	58.8	50.8	50.3	L+ 2.7%	L+ 3.0%	Floating	1/9/2025	Houston, TX	Multifamily	Light Transitional	$80,109 Unit	73.6%	3
41	Senior Loan	3/12/2020	55.0	48.0	47.5	L+ 2.7%	L+ 2.9%	Floating	3/9/2025	Round Rock, TX	Multifamily	Light Transitional	$133,820 Unit	75.4%	3
42	Senior Loan	1/23/2018	54.1	52.4	52.4	L+ 3.4%	L+ 3.6%	Floating	2/9/2023	Walnut Creek, CA	Office	Bridge	$120 Sq ft	66.9%	2
43	Senior Loan	1/22/2019	54.0	51.3	51.3	L+ 3.4%	L+ 3.6%	Floating	2/9/2023	Manhattan, NY	Office	Light Transitional	$441 Sq ft	61.1%	3
44	Senior Loan	6/15/2018	53.6	45.5	45.8	L+ 3.1%	L+ 3.3%	Floating	6/9/2023	Brisbane, CA	Office	Moderate Transitional	$514 Sq ft	72.4%	3
45	Senior Loan	10/10/2019	52.9	45.5	45.1	L+ 2.8%	L+ 3.1%	Floating	11/9/2024	Miami, FL	Office	Light Transitional	$214 Sq ft	69.5%	3
46	Senior Loan	12/20/2017	51.0	51.3	51.2	L+ 4.0%	L+ 6.3%	Floating	1/9/2023	New Orleans, LA	Hotel	Bridge	$218,916 Unit	59.9%	4
47	Senior Loan	3/12/2020	50.2	43.5	43.1	L+ 2.7%	L+ 2.9%	Floating	3/9/2025	Round Rock, TX	Multifamily	Light Transitional	$137,049 Unit	75.6%	3

Loan #	Form of Investment	Origination / Acquisition Date(2)	Total Loan	Principal Balance	Amortized Cost(3)	Credit Spread(4)	All-in Yield(5)	Fixed / Floating	Extended Maturity(6)	City, State	Property Type	Loan Type	Loan Per SQFT / Unit	LTV(7)	Risk Rating(8)
48	Senior Loan	6/15/2018	50.0	43.3	43.2	L+ 3.7%	L+ 3.9%	Floating	7/9/2023	Atlanta, GA	Office	Bridge	$119 Sq ft	57.2%	3
49	Senior Loan	3/29/2019	39.5	39.5	39.3	L+ 3.2%	L+ 3.6%	Floating	4/9/2024	Various, VA	Multifamily	Moderate Transitional	$54,558 Unit	58.2%	3
50	Senior Loan	3/30/2018	45.7	42.6	42.4	L+ 3.7%	L+ 3.9%	Floating	4/9/2023	Honolulu, HI	Office	Light Transitional	$159 Sq ft	57.9%	3
51	Senior Loan	1/28/2019	43.1	39.1	38.8	L+ 3.0%	L+ 3.2%	Floating	2/9/2024	Dallas, TX	Office	Light Transitional	$222 Sq ft	64.3%	3
52	Senior Loan	3/7/2019	39.2	38.7	38.4	L+ 3.8%	L+ 4.0%	Floating	3/9/2024	Lexington, KY	Hotel	Moderate Transitional	$107,221 Unit	61.6%	4
53	Senior Loan	3/11/2019	39.0	39.2	39.2	L+ 3.4%	L+ 5.3%	Floating	4/9/2024	Miami, FL	Hotel	Bridge	$296,544 Unit	59.3%	4
54	Senior Loan	3/10/2020	37.5	35.1	35.0	L+ 2.7%	L+ 3.0%	Floating	3/9/2025	Austin, TX	Multifamily	Bridge	$94,458 Unit	73.5%	3
55	Senior Loan	1/4/2018	36.0	30.2	30.2	L+ 3.4%	L+ 3.7%	Floating	1/9/2023	Santa Ana, CA	Office	Light Transitional	$182 Sq ft	71.8%	2
56	Senior Loan	6/4/2019	34.7	32.0	31.8	L+ 3.5%	L+ 3.8%	Floating	6/9/2024	Riverside, CA	Mixed-Use	Bridge	$99 Sq ft	68.0%	3
57	Senior Loan	5/27/2018	33.0	30.7	30.6	L+ 3.7%	L+ 3.9%	Floating	6/9/2023	Woodland Hills, CA	Retail	Bridge	$498 Sq ft	63.6%	4
58	Senior Loan	9/13/2019	26.7	25.9	25.7	L+ 2.8%	L+ 3.0%	Floating	10/9/2024	Austin, TX	Multifamily	Bridge	$135,051 Unit	77.5%	3
59	Senior Loan	6/14/2017	23.1	23.1	23.1	L+ 4.9%	L+ 5.3%	Floating	7/9/2020	Newark, NJ	Multifamily	Bridge	$151,660 Unit	62.2%	3
60	Senior Loan	12/21/2018	18.0	15.0	14.8	L+ 3.2%	L+ 3.5%	Floating	1/9/2024	Loma Linda, CA	Mixed-Use	Bridge	$92 Sq ft	48.3%	3
61	Senior Loan	11/16/2016	11.5	11.5	11.5	L+ 5.1%	L+ 5.4%	Floating	5/9/2022	Manhattan, NY	Condominium	Moderate Transitional	$688 Sq ft	49.8%	4
62	Senior Loan	11/16/2016	8.7	8.7	8.7	L+ 5.1%	L+ 5.4%	Floating	5/9/2022	Manhattan, NY	Condominium	Moderate Transitional	$800 Sq ft	43.3%	4
63	Senior Loan	11/16/2016	5.3	5.3	5.3	L+ 5.1%	L+ 5.4%	Floating	5/9/2022	Manhattan, NY	Condominium	Moderate Transitional	$1,046 Sq ft	40.7%	4
64	Senior Loan	11/16/2016	2.5	2.5	2.5	L+ 5.1%	L+ 5.4%	Floating	5/9/2022	Manhattan, NY	Condominium	Moderate Transitional	$676 Sq ft	46.6%	4
Subtotal / Weighted Average			5,600.6	5,035.9	5,022.3	L +3.4% (9)	L +3.7%		4 yrs					65.9%	3.1
Mezzanine Loans:															
65	Mezzanine Loan	6/28/2019	35 (10)	20	19.8	L+ 10.3%	L + 10.8%	Floating	6/28/2025	Napa, CA	Hotel	Construction	$818,195 Unit	41.0%	3
Subtotal / Weighted Average			35	20	19.8	L +10.3%	L +10.8%		5.5 yrs					41.0%	3
Total / Weighted Average			5,635.3	5,055.9	5,042.1	L +3.4%	L +3.7%		4 yrs					65.8%	3.1

(1) First mortgage loans are whole mortgage loans unless otherwise noted. Loans numbered 61, 62, 63 and 64 represent 24% *pari passu* participation interests in whole mortgage loans.

(2) Date loan was originated or acquired by us, which date has not been updated for subsequent loan modifications.

(3) Represents unpaid principal balance net of unamortized costs.

(4) Represents the formula pursuant to which our right to receive a cash coupon on a loan is determined.

(5) In addition to credit spread, all-in yield includes the amortization of deferred origination fees, purchase price premium and discount, loan origination costs and accrual of both extension and exit fees. All-in yield for the total portfolio assumes the applicable floating benchmark rate as of June 30, 2020 for weighted average calculations.

(6) Extended maturity assumes all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date. As of June 30, 2020, based on unpaid principal balance, 57.8% of our loans were subject to yield maintenance or other prepayment restrictions and 42.2% were open to repayment by the borrower without penalty.

(7) Except for construction loans, LTV is calculated for loan originations and existing loans as the total outstanding principal balance of the loan or participation interest in a loan (plus any financing that is *pari passu* with or senior to such loan or participation interest) divided by the as-is real estate value at the time of origination or acquisition of such loan or participation interest. For construction loans only, LTV is calculated as the total commitment amount of the loan divided by the as-stabilized value of the real estate securing the loan. The as-is or as-stabilized (as applicable) value reflects our Manager's estimates, at the time of origination or acquisition of the loan or participation interest in a loan, of the real estate value underlying such loan or participation interest determined in accordance with our Manager's underwriting standards and consistent with third-party appraisals obtained by our Manager.

(8) For a discussion of risk ratings, please see Notes 2 and 3 to our Consolidated Financial Statements included in this Form 10-Q.

(9) Represents the weighted average of the credit spread as of June 30, 2020 for the loans, all of which are floating rate.

(10) Reflects the total loan amount, including non-consolidated senior interest, allocable to the property's 135 hotel rooms.

(11) This loan is comprised of a first mortgage loan of $308.8 million and a contiguous mezzanine loan of $42.0 million, of which the Company owns both. Each loan carries the same interest rate.

(12) This loan is comprised of a first mortgage loan of $106.3 million and a contiguous mezzanine loan of $93.7 million, of which the Company owns both. Each loan carries the same interest rate.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our business model seeks to minimize our exposure to changing interest rates by matching duration of our assets and liabilities and match-indexing our assets using the same, or similar, benchmark indices, typically LIBOR. Accordingly, rising interest rates will generally increase our net interest income, while declining interest rates will generally decrease our net interest income, subject to the impact of interest rate floors embedded in substantially all of our loans. At June 30, 2020, the weighted average LIBOR floor for our loan portfolio was 1.76%. As of June 30, 2020, 100% of our loans by unpaid principal balance earned a floating rate of interest and were financed with liabilities that require interest payments based on floating rates. Approximately 95.8% of our liabilities do not contain LIBOR floors greater than zero. The result is an amount of net equity that is generally positively correlated to rising interest rates and falling interest rates.

The following table illustrates the impact on our interest income and interest expense, for the twelve-month period following June 30, 2020, of an immediate increase or decrease in the underlying benchmark interest rate of 25, 50 and 75 basis points on our existing floating rate mortgage loan portfolio and related liabilities (dollars in thousands):

Assets (Liabilities) Subject to Interest Rate Sensitivity[1]		25 Basis Point Increase	25 Basis Point Decrease	50 Basis Point Increase	50 Basis Point Decrease	75 Basis Point Increase	75 Basis Point Decrease
$ 5,055,913	Interest income	$ 4	$ —	$ 243	$ —	$ 820	$ —
(3,768,000) (2)	Interest expense	(9,247)	5,707	(18,415)	5,707	(27,622)	5,707
$ 1,287,913	Total change in net interest income	$ (9,243)	$ 5,707	$ (18,172)	$ 5,707	$ (26,802)	$ 5,707

(1) Floating rate mortgage loan assets and liabilities are indexed to LIBOR.

(2) Floating rate liabilities include secured revolving repurchase agreements, collateralized loan obligations, senior secured and secured credit agreements and asset-specific financings.

Credit Risk

Our loans and CRE debt securities are also subject to credit risk. The performance and value of our loans and other investments depend upon the sponsors' ability to operate the properties that serve as our collateral so that they produce cash flows adequate to pay interest and principal due to us. To monitor this risk, the asset management team reviews our portfolio and maintains regular contact with borrowers, co-lenders and local market experts to monitor the performance of the underlying collateral, anticipate borrower, property and market issues and, to the extent necessary or appropriate, enforce our rights as the lender.

In addition, we are exposed to the risks generally associated with the commercial real estate market, including variances in occupancy rates, capitalization rates, absorption rates and other macroeconomic factors beyond our control. We seek to manage these risks through our underwriting and asset management processes.

Liquidity Risk

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings including margin calls, fund and maintain investments, pay dividends to our stockholders and other general business needs. Our liquidity risk is principally associated with our financing of longer-maturity investments with shorter-term borrowings in the form of secured revolving repurchase agreements. We are subject to "margin call" risk under our secured revolving repurchase agreements. In the event that the value of our assets pledged as collateral suddenly decreases as a result of changes in credit spreads or interest rates, margin calls relating to our secured revolving repurchase agreements could increase, causing an adverse change in our liquidity position. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Results of Operations—Liquidity and Capital Resources—Liquidity Needs" in this Quarterly Report on Form 10-Q for information regarding margin calls that we funded during the quarter ended March 31, 2020 in connection with secured revolving repurchase agreements used to finance our former investments in CRE debt securities. Additionally, if one or more of our secured revolving repurchase agreement counterparties chooses not to provide ongoing funding, we may be unable to replace the financing through other lenders on favorable terms or at all. As such, we provide no assurance that we will be able to roll over or replace our secured revolving repurchase agreements as they mature from time to time in the future. During the quarter ended June 30, 2020, prior to making our voluntary deleveraging payment, we satisfied one margin call aggregating $20.0 million in connection with our secured revolving repurchase agreements financing our loan investments by pledging a previously unencumbered loan investment. On May 28, 2020, we made voluntary deleveraging payments totaling $157.7 million to our 6 secured revolving repurchase lenders and one secured credit

facility lender in exchange for their agreement to suspend margin calls for defined periods, subject to certain conditions. At the time these payments were made, no margin deficits existed, and no margin calls have been issued to us since. If market turbulence persists, we may be required to post cash collateral in connection with our secured revolving repurchase agreements secured by our mortgage loan investments upon or after the expiry of these agreements. We maintain frequent dialogue with the lenders under our secured revolving repurchase agreements, and senior secured and secured credit agreements regarding our management of their collateral assets in light of the impacts of the COVID-19 pandemic. For more information regarding the impact that COVID-19 has had on our liquidity and may have on our future liquidity, see "Risk Factors."

In some situations, we have in the past, and may in the future, be forced to sell assets to maintain adequate liquidity. Market disruptions may lead to a significant decline in transaction activity in all or a significant portion of the asset classes in which we invest and may at the same time lead to a significant contraction in short-term and long-term debt and equity funding sources. A decline in market liquidity of real estate-related investments, as well as a lack of availability of observable transaction data and inputs, may make it more difficult to sell assets or determine their fair values. As a result, we may be unable to sell investments, or only be able to sell investments at a price that may be materially different from the fair values presented. Also, in such conditions, there is no guarantee that our borrowing arrangements or other arrangements for obtaining leverage will continue to be available or, if available, will be available on terms and conditions acceptable to us.

Prepayment Risk

Prepayment risk is the risk that principal will be repaid at a different rate than anticipated, causing the return on certain investments to be less than expected. As we receive prepayments of principal on our assets, any premiums paid on such assets are amortized against interest income. In general, an increase in prepayment rates accelerates the amortization of purchase premiums, thereby reducing the interest income earned on the assets. Conversely, discounts on such assets are accreted into interest income. In general, an increase in prepayment rates accelerates the accretion of purchase discounts, thereby increasing the interest income earned on the assets.

Extension Risk

Our Manager computes the projected weighted average life of our assets based on assumptions regarding the rate at which the borrowers will prepay the mortgages or extend. If prepayment rates decrease in a rising interest rate environment or extension options are exercised, the life of our loan investments could extend beyond the term of the secured debt agreements. We expect that the economic and market disruptions caused by COVID-19 will lead to a decrease in prepayment rates and an increase in the number of our borrowers who exercise extension options. This could have a negative impact on our results of operations. In some situations, we may be forced to sell assets to maintain adequate liquidity, which could cause us to incur losses. For more information regarding the impact of COVID-19 on the financial condition of our borrowers, see "Risk Factors."

Capital Market Risk

We are exposed to risks related to the equity capital markets and our related ability to raise capital through the issuance of our stock or other equity instruments. We are also exposed to risks related to the debt capital markets and our related ability to finance our business through borrowings under secured revolving repurchase agreements, collateralized loan obligations, senior secured and secured credit agreements, term loans, or other debt instruments or arrangements. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore requires us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt and equity capital markets to inform our decisions on the amount, timing and terms of capital we raise.

During the six months ended June 30, 2020, the COVID-19 pandemic caused significant disruptions to the U.S. and global economies. These disruptions have contributed to significant and ongoing volatility, widening credit spreads and sharp declines in liquidity in the real estate securities markets. This capital markets environment has led to increased cost of funds and reduced availability of efficient debt capital, factors which have caused us to reduce our investment activity. We also anticipate that these conditions will adversely impact the ability of commercial property owners to service their debt and refinance their loans as they mature. For more information, see "Risk Factors."

Counterparty Risk

The nature of our business requires us to hold our cash and cash equivalents with, and obtain financing from, various financial institutions. This exposes us to the risk that these financial institutions may not fulfill their obligations to us under these various contractual arrangements. We mitigate this exposure by depositing our cash and cash equivalents and entering into financing agreements with high credit-quality institutions.

The nature of our loans and other investments also exposes us to the risk that our counterparties do not make required interest and principal payments on scheduled due dates. We seek to manage this risk through a comprehensive credit analysis prior to making an investment and rigorous monitoring of the underlying collateral during the term of our investments.

Non-Performance Risk

In addition to the risks related to fluctuations in cash flows and asset values associated with movements in interest rates, there is also the risk of non-performance on floating rate assets. In the case of a significant increase in interest rates, the additional debt service payments due from our borrowers may strain the operating cash flows of the collateral real estate assets and, potentially, contribute to non-performance or, in severe cases, default. This risk is partially mitigated by various factors we consider during our underwriting and loan structuring process, including but not limited to, requiring substantially all of our borrowers, to purchase an interest rate cap contract for the term of our loan.

Loan Portfolio Value

We may in the future originate loans that earn a fixed rate of interest on unpaid principal balance. The value of fixed rate loans is sensitive to changes in interest rates. We generally hold all of our loans to maturity, and do not expect to realize gains or losses on any fixed rate loan we may hold in the future, as a result of movements in market interest rates during future periods.

Real Estate Risk

The market values of commercial mortgage assets are subject to volatility and may be adversely affected by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors); local real estate conditions; changes or continued weakness in specific industry segments; construction quality, age and design; demographic factors; and retroactive changes to building or similar codes. In addition, decreases in property values reduce the value of the collateral and the potential proceeds available to a borrower to repay the underlying loans, which could also cause us to suffer losses.

Currency Risk

We may in the future hold assets denominated in foreign currencies, which would expose us to foreign currency risk. As a result, a change in foreign currency exchange rates may have an adverse impact on the valuation of our assets, as well as our income and distributions. Any such changes in foreign currency exchange rates may impact the measurement of such assets or income for the purposes of our REIT tests and may affect the amounts available for payment of dividends on our common stock.

We intend to hedge any currency exposures in a prudent manner. However, our currency hedging strategies may not eliminate all of our currency risk due to, among other things, uncertainties in the timing and/or amount of payments received on the related investments and/or unequal, inaccurate or unavailability of hedges to perfectly offset changes in future exchange rates. Additionally, we may be required under certain circumstances to collateralize our currency hedges for the benefit of the hedge counterparty, which could adversely affect our liquidity.

We may hedge foreign currency exposure on certain investments in the future by entering into a series of forwards to fix the U.S. dollar amount of foreign currency denominated cash flows (interest income, rental income and principal payments) we expect to receive from any foreign currency denominated investments. Accordingly, the notional values and expiration dates of our foreign currency hedges would approximate the amounts and timing of future payments we expect to receive on the related investments.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2020. Based upon that evaluation, our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer) concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2020.

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting (as such term as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of June 30, 2020, we were not involved in any material legal proceedings. See the "Litigation" section of Note 14 to the Consolidated Financial Statements included in this Form 10-Q for information regarding legal proceedings, which information is incorporated by reference in this Item 1.

Item 1A. Risk Factors

The following risk factors should be read in conjunction with the risk factors set forth in our Form 10-K filed with the SEC on February 19, 2020 and in our Form 10-Q filed with the SEC on May 11, 2020.

The market and economic disruptions caused by COVID-19 have negatively impacted our business.

The novel coronavirus (COVID-19) pandemic is causing significant disruptions to the U.S. and global economies and has contributed to volatility, illiquidity and negative pressure in the financial markets. The COVID-19 outbreak has led governments and other authorities around the world to impose measures intended to control its spread, including restrictions on freedom of movement and business operations such as travel bans, border closings, business closures, quarantines and shelter-in-place orders. The market and economic disruptions caused by COVID-19 have negatively impacted and could further negatively impact our business.

Real estate securities markets have experienced significant volatility, widening credit spreads and sharp declines in liquidity, which have negatively impacted our former CRE debt securities portfolio. This portfolio was pledged as collateral under daily mark-to-market secured revolving repurchase facilities. Fluctuations in the value of our CRE debt securities portfolio, including as a result of changes in credit spreads, resulted in us being required to post cash collateral with our lenders under these facilities. These fluctuations and requirements to post cash collateral were material. To mitigate the impact to our business from these developments, we sold during March and April 2020, all of our CRE debt securities. We recorded aggregate losses from these sales of $203.4 million. Although these losses will be available to offset certain capital gains that we may have now or in the future, these losses will not reduce the amount that we will be required to distribute under the requirement that we distribute to our stockholders at least 90% of our REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gain) each year in order to continue to qualify as a REIT.

Many jurisdictions have begun to "reopen" by reducing measures that were previously taken to limit the spread of COVID-19, but we cannot predict the length of time that it will take for a meaningful economic recovery to take place. In a number of jurisdictions, these reopening measures led to a surge in new cases of COVID-19 which, in turn, led governmental authorities to reimpose certain of the restrictions that previously had been lifted. We also cannot predict whether or not reopening will lead to additional surges in new cases of COVID-19 such that governmental authorities decide to reimpose quarantines, lockdowns or travel restrictions, which could further materially and adversely affect our results and financial condition.

Measures that we have taken and may take in the future to maintain adequate liquidity have negatively impacted our business and may negatively impact our business in the future.

As discussed elsewhere in this Form 10-Q, as a result of extreme short-term volatility and negative pressure in the financial markets, during the six months ended June 30, 2020, we funded during March and April 2020 margin calls aggregating $157.7 million. In order to mitigate the impacts to our business from these developments and to maintain adequate liquidity, we were forced to sell certain of our assets at an inopportune time. We realized a loss of $36.2 million in connection with such sales that occurred prior to April 1, 2020, and recorded an impairment charge at March 31, 2020 of $167.3 million. Realized losses incurred in April in connection with the divestiture of the entirety of our CRE debt securities portfolio were substantially the same as the impairment charge.

In May 2020, we made voluntary deleveraging payments to seven of our secured lenders who finance portions of our loan portfolio in exchange for, among other things, agreements by the lenders to refrain from making margin calls for defined periods, subject to certain conditions. There is no assurance that these agreements will not be terminated prior to their contractual maturity due to changes in the regulatory environment, breach of the agreement by one or more of the lenders, or other factors beyond our control.

If this turbulent market environment persists beyond the defined period of the margin holiday agreements referenced above, we may in the future be required to post additional cash collateral with our whole loan lenders. In such a situation, we may be forced to sell additional assets to maintain adequate liquidity. Market disruptions may lead to a significant decline in transaction activity in all or a significant portion of the asset classes in which we invest and may at the same time lead to a significant contraction in short-term and long-term debt and equity funding sources. A decline in liquidity of real estate and real estate-related investments, as well as a lack of availability of observable transaction data and inputs, may make it more difficult to sell assets or determine their fair values. As a result, we may be unable to sell investments, or only be able to sell investments at a price that may be materially different from the fair values presented.

In order to maintain adequate liquidity, we have elected, and may continue to elect, to retain cash rather than deploying it into investments in income-producing assets. A reduction in the amount of our income-producing assets, including through asset sales, coupled with an increase in uninvested cash would result in diminished earning capacity for the Company and could materially and adversely affect us, our financial condition and our results of operations.

We expect that the economic and market disruptions caused by COVID-19 will adversely impact the financial condition of our borrowers and limit our ability to grow our business.

We expect that, over the near and long term, the economic and market disruptions caused by COVID-19 will adversely impact the financial condition of our borrowers. As a result, we anticipate that the number of borrowers who become delinquent or default on their loans may increase significantly. We have been contacted by certain of our borrowers who seek to defer the payment of principal and interest on certain of our loans. We have entered into modifications to existing loan agreements with several of our borrowers that, would permit borrowers to defer payment of some or all of the interest on their loans for a period of up to six months, and/or the reallocation of certain cash reserve balances within the loan structure for use in paying interest or operating expenses. In exchange, borrowers and sponsors will be required to provide us additional cash for payment of interest, operating expenses, replenishment of capital reserves. Except for customary nonrecourse carve-outs for certain actions and environmental liability, most commercial mortgage loans are nonrecourse obligations of the sponsor and borrower, meaning that there is no recourse against the assets of the borrower or sponsor other than the underlying collateral. A number of states are considering or have already implemented temporary moratoriums on the ability of lenders to initiate foreclosures, which could further limit our ability to foreclose and recover against our collateral, or pursue recourse claims (should they exist) against a borrower or sponsor in the event of a default.

We originate and acquire transitional loans, which provide interim financing to borrowers seeking short-term capital for the acquisition or transition (for example, lease up and/or rehabilitation) of commercial real estate. Market and economic disruptions caused by COVID-19, as well as measures intended to prevent the spread of COVID-19, have caused declines in leasing and other forms of commercial real estate economic activity, which will likely make it more difficult for our borrowers to successfully achieve the business plans for these properties, and we will bear the risk that we may not recover some or all of our investment. This risk may be heightened by the fact that we are not required to observe specific diversification criteria, which means that our investments may be concentrated in certain property types that are more adversely affected by COVID-19 than other property types. For example, as of June 30, 2020, certain of the loans in our loan portfolio are secured by hotels and retail properties. Federal and state mandates implemented to control the spread of COVID-19, including restrictions on freedom of movement and business operations such as travel bans, border closings, business closures, quarantines and shelter-in-place orders, have and are likely to continue to negatively impact the hotel and retail industries, which could adversely affect our investments in assets secured by properties that operate in those industries. For more information on the concentration of credit risk in our loan portfolio by geographic region, property type and loan category, see Note 15 to the Consolidated Financial Statements included in this Form 10-Q.

Any future period of payment delinquencies, defaults, foreclosures or losses will likely adversely affect our net interest income from loans and CRE debt securities in our portfolio, may impair our ability to originate and acquire loans, and impede our ability to access the capital markets, which in each case would materially and adversely affect us. In addition, to the extent current conditions persist or worsen, we expect transaction volume and real estate values may decline, which will likely reduce the level of new mortgage and other real estate-related loan originations and may expose us to loan impairments. Such a reduction in origination activity would adversely affect our ability to grow our business and fully execute our investment strategy and could decrease our earnings and liquidity.

In the event that we assume, through foreclosure or deed-in-lieu of foreclosure, the ownership of property securing any of our loans and we decide to sell such property, the liquidation proceeds upon sale may not be sufficient to recover our cost basis in our loan, resulting in a loss to us. Furthermore, any costs or delays involved in the liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss. The incurrence of any such losses could materially and adversely affect us. We may also be subject to environmental liabilities arising from such properties. Under various U.S. federal, state and local laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. If we assume ownership of any properties underlying our loans, the presence of hazardous substances on a property may adversely affect our ability to sell the property and we may incur substantial remediation costs. As a result, the discovery of material environmental liabilities attached to such properties could materially and adversely affect us.

Our ability to make distributions to our stockholders has and may continue to be adversely affected by COVID-19.

We are generally required to distribute to our stockholders at least 90% of our REIT taxable income (excluding net capital gain and without regard to the deduction for dividends paid) each year for us to qualify as a REIT under the Internal Revenue Code, which requirement we have historically satisfied through quarterly distributions of all or substantially all of our REIT taxable income in such year, subject to certain adjustments. However, in light of the negative impact on our liquidity caused by the recent economic and market turmoil resulting from COVID-19, in March 2020 we announced the deferral of the payment of our previously authorized cash dividend for the first quarter of 2020 to July 2020, which was subsequently paid on July 14, 2020 to shareholders of record as of June 15, 2020.

Despite the Company's issuance on May 28, 2020 of $225.0 million of Series B Preferred Stock, COVID-19 induced uncertainty regarding the future state of the real estate capital markets, and operating performance of commercial real estate, means that no assurance can be given that we will be able to make distributions to our stockholders at any time in the future, or that the level of any distributions we do make to our stockholders will achieve a market yield, or increase or even be maintained over time.

Additionally, in 2017, the Internal Revenue Service issued a revenue procedure permitting "publicly offered" REITs (i.e., REITs required to file annual and periodic reports with the SEC under the Exchange Act) to make elective cash/stock dividends (i.e., dividends paid in a mixture of stock and cash), with at least 20% of the total distribution being paid in cash, to satisfy their REIT distribution requirements. On May 4, 2020, the Internal Revenue Service issued a revenue procedure that temporarily reduces (through the end of 2020) the minimum amount of the total distribution that must be paid in cash to 10%. Pursuant to these revenue procedures, we may elect to make future distributions of our taxable income in a mixture of our common stock and cash. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such dividends in excess of cash received. If a U.S. stockholder sells the common stock that it receives as a dividend in order to pay this tax, the sale proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we or the applicable withholding agent may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

Market disruptions caused by COVID-19 have made it more difficult for us to determine the fair value of our investments.

As discussed in Note 2 to the Consolidated Financial Statements included in this Form 10-Q, market-based inputs are generally the preferred source of values for purposes of measuring the fair value of our assets under GAAP. The commercial property investment sales market, and the commercial mortgage loan and CRE debt securities markets, have and continue to experience extreme volatility, reduced transaction volume and liquidity, and disruption as a result of COVID-19, which has made it more difficult to rely on market-based inputs in connection with the valuation of our assets under GAAP. In the absence of market inputs, GAAP permits the use of management assumptions to measure fair value. However, the considerable market volatility and disruption caused by COVID-19 and the considerable uncertainty regarding the ultimate impact and duration of the pandemic have made it more difficult for our management to formulate assumptions to measure the fair value of our assets.

As a result of these developments, measuring the fair value of our assets has become much more difficult. The fair value of certain of our investments may fluctuate over short periods of time, and our determinations of fair value may differ materially from the values that would have been used if a ready market for these investments existed. The value of our common stock could be adversely affected if our determinations regarding the fair value of these investments were materially higher than the values that we ultimately realize upon their disposal. Additionally, our results of operations for a given period could be adversely affected if our determinations regarding the fair value of investments treated as available-for-sale or trading assets were materially higher than the values that we ultimately realize upon their disposal.

We have experienced a decline in the fair value of our investments as a result of COVID-19, which could materially and adversely affect us.

As of March 31, 2020, we did not have the intent to hold certain of our CRE debt securities to maturity. As a result, we recorded an impairment charge of $167.3 million in addition to the $36.2 million of loss on sales realized in the three months ended March 31, 2020. This impairment charge was fully realized in April 2020 in connection with the sale of the remainder of our CRE debt securities portfolio.

Negative impacts on our business caused by COVID-19 may cause us to default on certain financial covenants contained in our financing arrangements.

Our current financing arrangements contain covenants that include certain financial requirements, including maintenance of minimum liquidity, minimum tangible net worth, maximum debt to equity ratio, limitations on capital expenditures, indebtedness, distributions, transactions with affiliates and maintenance of positive net income as defined in the agreements. Additionally, the agreements governing our Series B Preferred Stock include a financial covenant that imposes a maximum debt-to-equity ratio. For a description of certain of the covenants, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Covenants for Outstanding Borrowings."

Historically, we have remained in compliance with the covenants in our financing arrangements. However, as of March 31, 2020, we were not in compliance with respect to the debt-to-equity ratio covenant included in certain of these agreements. This non-compliance was cured on April 2, 2020 when we utilized proceeds from sales of certain CRE debt securities to repay outstanding borrowings under the related secured revolving repurchase agreements. We received waivers from the lender under each of the applicable agreements on May 8, 2020.

The agreements also include a covenant that obligates us to deliver certain audited financial statements for Holdco to the lenders within 90 days, or 120 days, after each December 31. We were not in compliance with respect to this covenant as of March 31, 2020. This non-compliance was cured on May 7, 2020. We received waivers from the lender under each of the applicable agreements on May 8, 2020.

Negative impacts on our business caused by COVID-19 have and will likely continue to make it more difficult to meet or satisfy these covenants, and we cannot assure you that we will remain in compliance with these covenants in the future. If we fail to meet or satisfy any of these covenants in our financing arrangements and are unable to obtain a waiver or other suitable relief from the lenders, we would be in default under these agreements, which could result in a cross-default or cross-acceleration under other financing arrangements, and our lenders could elect to declare outstanding amounts due and payable (or such amounts may automatically become due and payable), terminate their commitments, require the posting of additional collateral and enforce their respective interests against existing collateral. A default also could significantly limit our financing alternatives, which could cause us to curtail our investment activities or dispose of assets when we otherwise would not choose to do so. Further, this could make it difficult for us to satisfy the requirements necessary to maintain our qualification as a REIT for U.S. federal income tax purposes. As a result, a default on any of our debt agreements, and in particular our secured revolving repurchase agreements (since a significant portion of our assets are or will be, as the case may be, financed thereunder), could materially and adversely affect us.

Measures intended to prevent the spread of COVID-19 have disrupted our ability to operate our business.

In response to the outbreak of COVID-19 and the federal and state mandates implemented to control its spread, all of the personnel of TPG provided to our Manager are working remotely. If the TPG personnel provided to our Manager are unable to work effectively as a result of COVID-19, including because of illness, quarantines, office closures, ineffective remote work arrangements or technology failures or limitations, our operations would be adversely impacted. Further, remote work arrangements may increase the risk of cybersecurity incidents and cyber-attacks, which could have a material adverse effect on our business and results of operations, due to, among other things, the loss of investor or proprietary data, interruptions or delays in the operation of our business and damage to our reputation.

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

The information required by Item 701 of Regulation S-K as to equity securities sold during the quarter ended June 30, 2020 that were not registered under the Securities Act of 1933, as amended, is included in our Current Report on Form 8-K filed with the SEC on May 29, 2020.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On July 28, 2020, the Company's Board of Directors appointed Matthew Coleman as the Company's President. Prior to such appointment, Mr. Coleman served as a Vice President of the Company. Greta Guggenheim will continue to serve as the Company's Chief Executive Officer and as a director. Mr. Coleman's full biography and, to the extent applicable, the information required by Item 404(a) of Regulation S-K, are included in the Company's definitive proxy statement filed with the Securities and Exchange Commission on May 15, 2020 (the "Proxy Statement"). Mr. Coleman's compensation is also described in the Proxy Statement.

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Amendment and Restatement of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (001-38156) filed on July 25, 2017)
3.2	Amended and Restated Bylaws of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (001-38156) filed on July 25, 2017)
3.3	Articles Supplementary of 11.0% Series B Cumulative Redeemable Preferred Stock of TPG RE Finance Trust Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
4.1	Specimen Common Stock Certificate of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-11/A (333-217446) filed on June 21, 2017)
10.1	Investment Agreement, dated as of May 28, 2020, by and between TPG RE Finance Trust, Inc. and PE Holder, L.L.C. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.2	Registration Rights Agreement, dated as of May 28, 2020, by and between TPG RE Finance Trust, Inc. and PE Holder, L.L.C. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.3	Warrant Agreement, dated as of May 28, 2020, by and between TPG RE Finance Trust, Inc. and PE Holder, L.L.C. (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.4	First Amendment to Amended and Restated Guarantee Agreement, dated as of May 28, 2020, made by and between TPG RE Finance Trust Holdco, LLC and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.5	First Amendment to Amended and Restated Guaranty, dated as of May 28, 2020, made by and between TPG RE Finance Trust Holdco, LLC in favor of Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.6	First Amendment to Amended and Restated Guarantee Agreement, dated as of May 28, 2020, made by and between TPG RE Finance Trust Holdco, LLC and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.7	First Amendment to Amended and Restated Guarantee Agreement, dated as of May 28, 2020, made by and between TPG RE Finance Trust Holdco, LLC and Goldman Sachs Bank USA (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.8	First Amendment to Amended and Restated Limited Guaranty, dated as of May 28, 2020, made and entered into by and between TPG RE Finance Trust Holdco, LLC and U.S. Bank National Association (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.9	First Amendment to Guaranty, dated as of May 28, 2020, made by TPG RE Finance Trust Holdco, LLC for the benefit of Barclays Bank PLC (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.10	First Amendment to Amended and Restated Guaranty, dated as of May 28, 2020, made by TPG RE Finance Trust Holdco, LLC in favor of Bank of America, N.A. (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.11	Second Amendment to Master Repurchase and Securities Contract, dated as of May 28, 2020, between TPG RE Finance 14, Ltd. and U.S. Bank National Association
10.12	Ninth Amendment to Master Repurchase and Securities Contract Agreement, dated as of June 30, 2020, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd.
31.1	Certificate of Greta Guggenheim, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2	Certificate of Robert Foley, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of Greta Guggenheim, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certificate of Robert Foley, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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

Date: July 29, 2020

TPG RE Finance Trust, Inc.

(Registrant)

/s/ GRETA GUGGENHEIM

Greta Guggenheim
Chief Executive Officer
(Principal Executive Officer)

/s/ ROBERT FOLEY

Robert Foley
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.11

Execution Copy

SECOND AMENDMENT TO MASTER REPURCHASE AND SECURITIES CONTRACT

This amendment (this "**Amendment**") is made between TPG RE Finance 14, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands ("**Seller**"), and U.S. Bank National Association ("**Buyer**") and is effective as of May 28, 2020 (the "**Effective Date**") except as otherwise provided below.

RECITALS

A. Seller and Buyer have executed that certain Master Repurchase and Securities Contract dated as of March 31, 2017, as amended by that certain Amendment No. 1 to Master Repurchase and Securities Contract, dated May 4, 2018 (as may be further amended, restated, supplemented, amended and restated and/or otherwise modified from time to time, the "**Agreement**"). Capitalized terms used in this Amendment but not otherwise defined herein shall have the meanings ascribed to them in the Agreement. The Transaction Documents set forth the terms and conditions upon which Buyer and Seller may enter into transactions in which Seller agrees to transfer to Buyer specified interests in Eligible Assets set forth in the related Confirmation against the transfer of funds by Buyer on the related Purchase Date with a simultaneous agreement by Buyer to transfer to Seller such specified interests in such Eligible Assets at a date certain or on demand, against the transfer of funds by Seller.

B. In connection with the Agreement, TPG RE Finance Trust Holdco, LLC, a Delaware limited liability company (the "**Guarantor**", together with Seller, each, a "**Seller Party**", and collectively, the "**Seller Parties**"), executed that certain Amended and Restated Limited Guaranty dated as of May 4, 2018, (as amended, restated, supplemented, amended and restated and/or otherwise modified from time to time, the "**Guaranty**"), pursuant to which the Guarantor unconditionally and irrevocably guaranteed to Buyer certain obligations of Seller under the Transaction Documents on the terms and conditions set forth therein.

C. Seller has requested that Buyer (i) permit certain modifications to the Agreement to, among other things, (A) forbear from issuing a Margin Call in respect of the Hurt Plaza Purchased Mortgage Loan (as defined below) and the One Bay Plaza Purchased Mortgage Loan (as defined below) for the period commencing on the Effective Date through and including December 1, 2020 (the "**Margin Holiday Period**"), (B) forbear from requiring Seller to pay any Margin Deficit with respect to the Hurt Plaza Purchased Mortgage Loan or One Bay Plaza Purchased Mortgage Loan during the Margin Holiday Period and (C) forbear from requiring Seller to repurchase the Hurt Plaza Purchased Mortgage Loan or One Bay Plaza Purchased Mortgage Loan in the event either becomes an Impaired Asset or otherwise ceases to be an Eligible Mortgage Loan pursuant to clause (iv) of the definition of Eligible Mortgage Loan during the Margin Holiday Period, and (ii) agree to a permit certain Material Purchased Mortgage Loan Modifications to be documented in modification documents to be entered into after the date hereof with respect to (A) the Hurt Plaza Purchased Mortgage Loan (the "**Hurt Plaza Purchased Mortgage Loan Modification**") and (B) the One Bay Plaza Purchased Mortgage Loan (the "**One Bay Plaza Purchased Mortgage Loan Modification**")

D. Buyer has agreed to (i) modify the Agreement as provided herein, (ii) permit the Hurt Plaza Purchased Mortgage Loan Modification and One Bay Plaza Purchased Mortgage Loan Modification and (iii) the other agreements and acknowledgments set forth herein, but, in each case, only upon the terms and conditions more particularly described in this Amendment.

In consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

E. On the date hereof, TPG RE Finance Trust, Inc., the sole member of Guarantor, is entering into that certain Investment Agreement with Affiliates of Starwood Capital Group in connection with its infusion of preferred equity in the amount of approximately $325 million (the "**Preferred Equity Investment**"), a description of which is contained in the summary attached hereto as Exhibit A. Simultaneously with entering into the Preferred Equity Investment, Buyer and Guarantor are entering into that certain Amendment to the Guaranty dated as of the date hereof (the "**Guaranty Amendment**").

SECTION 1. Amendment to Agreement. Subject to the satisfaction or waiver in writing of each condition precedent set forth in Section 4 hereof, and in reliance on the representations, warranties, covenants and agreements contained in this Amendment, the Agreement shall be amended in the manner provided in this Section 1.

1.1 Amended Definitions. Section 2 of the Agreement shall be and it hereby is amended by amending and restating following definitions in Section 2(a) of the Agreement in their entirety to read as follows:

"Alternative Rate" means, for any Pricing Rate Period or portion thereof, with respect to any Transaction, an annual rate determined in accordance with Section 27(c), and in no event shall such Alternative Rate ever be less than zero percent.

"Anti-Corruption Laws" means the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, and any other anti- corruption law applicable to Seller.

"PATRIOT ACT" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute.

"Sanctions" means sanctions administered or enforced from time to time by the U.S. government, including those administered by OFAC, the U.S. Department of State, or the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

1.2 Added Definitions. Section 2(a) of the Agreement shall be and it hereby is amended by adding the following definition, to be placed in the appropriate alphabetical order, to read as follows:

"Benchmark Replacement" means the sum of: (a) an alternate benchmark rate that has been selected by the Buyer giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. commercial real estate mortgage loan repurchase facilities denominated in Dollars that are substantially similar to the facilities under this Agreement and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

"Benchmark Replacement Adjustment" means, with respect to any replacement under this Agreement of LIBOR with an alternative benchmark rate, for each applicable Pricing Rate Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Buyer giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with an alternative benchmark rate by the Relevant Governmental Body and (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with an alternative benchmark rate at such time for U.S. commercial real estate mortgage loan repurchase facilities denominated in Dollars that are substantially similar to the facilities under this Agreement, which adjustment or method for calculating or determining such spread adjustment pursuant to clause (b) is published on an information service as selected by the Buyer from time to time and as may be updated periodically.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternative Rate," the definition of "Pricing Rate Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Buyer decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Buyer in a manner substantially consistent with then- prevailing market practice (or, if the Buyer decides that adoption of any portion of such market practice is not administratively feasible or if the Buyer determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Buyer decides is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to LIBOR:

(a) in the case of clauses (b), (c) or (d) of Section 27(c)(ii), the later of:

(i) the date of the public statement or publication of information referenced therein and

(ii) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR;

(b) in the case of clause (a) of Section 27(c)(ii), the earlier of

(i) the date of the public statement or publication of information referenced therein; and

(ii) the date specified by the Buyer by notice to the Seller; or

(c) in the case of clause (e) of Section 27(c)(ii), the date specified by the Buyer by notice to the Seller.

"Benchmark Transition Event" is defined in Section 27(c)(ii).

"Benchmark Unavailability Period" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced hereunder with a Benchmark Replacement, the period (y) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes under this Agreement and the other Transaction Documents in accordance with Section 27(c) and (z) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes under this Agreement and the other Transaction Documents pursuant to Section 27(c)(ii).

"Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"Hurt Plaza Purchased Mortgage Loan" means that certain senior loan purchased by Buyer on June 25, 2018, originated by Seller and secured directly and indirectly by, among other things, an office building located in Atlanta, Georgia.

"LIBOR" means the London Interbank Offered Rate.

"One Bay Plaza Purchased Mortgage Loan" means that certain senior loan purchased by Buyer on July 19, 2019, originated by Seller and secured directly and indirectly by, among other things, an office building located near San Francisco, California.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

1.3 Deleted Definitions. Section 2(a) of the Agreement shall be and it hereby is amended by deleting the definitions of "Sanctioned Country" and "Sanctioned Person" in their entirety.

1.4 LIBOR Notification. Section 2 of the Agreement shall be and it hereby is amended by adding the following Section 2(f) to read in its entirety as follows:

(f) LIBOR Notification. The interest rate on the Transactions and any advances hereunder is determined by reference to the LIBO Rate, which is derived from LIBOR. Section 27(c)(ii) provides a mechanism for (a) determining an alternative rate of interest if LIBOR is no longer available or in the other circumstances set forth in Section 27(c)(ii) and (b) modifying this Agreement to give effect to such alternative rate of interest. The Buyer does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to LIBOR or other rates in the definition of LIBO Rate or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 27(c)(ii), will have the same value as, or be economically equivalent to, the LIBO Rate.

1.5 Anti-Corruption Laws; Sanctions; Anti-Terrorism Laws. Section 9(b)(xxi) of the Agreement shall be and it hereby is amended and restated in its entirety to read as follows:

(xx) Anti-Corruption Laws; Sanctions; Anti-Terrorism Laws The Seller Parties and their respective directors, officers, and employees and, to the knowledge of the Seller, the agents of the Seller Parties are in compliance with Anti-Corruption Laws and all applicable Sanctions in all material respects. Each Seller Party has implemented and maintained in effect policies and procedures designed to ensure compliance with Anti-Corruption Laws and applicable Sanctions. None of the Seller Parties or, to the knowledge of Seller, any director, officer, employee, agent, or affiliate of any Seller Party is an individual or entity that is, or is 50% or more owned (individually or in the aggregate, directly or indirectly) or controlled by individuals or entities (including any agency, political subdivision or instrumentality of any government) that are (a) the target of any Sanctions or (b) located, organized or resident in a country or territory that is the subject of Sanctions (currently Crimea, Cuba, Iran, North Korea and Syria).

1.6 Sanctions. Section 11(s) of the Agreement shall be and it hereby is amended and restated in its entirety to read as follows:

(o) Seller will not, directly or (s) indirectly, use the Purchase Price received by Buyer, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (b)(i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including Buyer). The Seller shall provide such information and take such actions as are reasonably requested by Buyer in order to assist Buyer in maintaining compliance with anti-money laundering laws and regulations.

1.7 Alternate Rate of Interest. Section 27(c) of the Agreement shall be and it hereby is amended and restated in its entirety to read as follows:

(c) Alternate Rate of Interest.

(i) Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, if the Buyer determines (which determination shall be conclusive absent manifest error) that:

(a) deposits of a type and maturity appropriate to match fund the advances hereunder are not available to the Buyer in the relevant market, or

(b) the interest rate applicable to advances hereunder for the applicable Pricing Rate Period is not ascertainable or available (including, without limitation, because the applicable Reuters Screen (or on any successor or substitute page on such screen) is unavailable) or does not adequately and fairly reflect the cost of making or maintaining such advances,

then the outstanding Transactions shall, at Buyer's discretion, be converted automatically to Alternative Rate Transactions, for which the Pricing Rate shall be the Alternative Rate, on the last day of the then current Pricing Rate Period or within such earlier period as may be required by law.

(ii) Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, if the Buyer determines (which determination shall be conclusive absent manifest error) that any one or more of the following (each, a "Benchmark Transition Event") has occurred:

(a) the circumstances set forth in Section 27(c)(i) have arisen (including, without limitation, a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR described in clause (ii) of this Section 27(c)(ii) announcing that LIBOR is no longer representative) and such circumstances are unlikely to be temporary,

(b) ICE Benchmark Administration (or any Person that has taken over the administration of LIBOR for deposits in Dollars that is acceptable to the Buyer) discontinues its administration and publication of LIBOR for deposits in Dollars,

(c) a public statement or publication of information by or on behalf of the administrator of LIBOR described in clause (ii) of this Section 27(c) announcing that such administrator has ceased or will cease as of a specific date to provide LIBOR (permanently or indefinitely); provided that, at the time of such statement, there is no successor administrator that is acceptable to the Buyer that will continue to provide LIBOR after such specified date,

(d) a public statement by the supervisor for the administrator of LIBOR described in clause (ii) of this Section 27(c), the U.S. Federal Reserve System, an insolvency official with jurisdiction over such administrator for LIBOR, a resolution authority with jurisdiction over such administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over such administrator for LIBOR, which states that such administrator of LIBOR has ceased or will cease as of a specific date to provide LIBOR (permanently or indefinitely); provided that, at the time of such statement or publication, there is no successor administrator that is acceptable to the Buyer that will continue to provide LIBOR after such specified date; or

(e) commercial real estate mortgage loan repurchase facilities substantially similar to the facilities under this Agreement being executed at such time, or that include language substantially similar to that contained in this Section 27(c), are being executed or amended, as the case may be, to incorporate or adopt a new benchmark interest rate to replace LIBOR for deposits in Dollars,

then the Buyer and the Seller may amend this Agreement to replace the LIBO Rate with a Benchmark Replacement (the "Alternative Rate"). No replacement of the LIBO Rate with an Alternative Rate pursuant to this Section 27(c) will occur prior to the date set forth in the applicable amendment.

In connection with the implementation of a Benchmark Replacement, the Buyer will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

The Buyer will promptly notify the Seller of (1) any occurrence of a Benchmark Transition Event (other than pursuant to clause (v) of this Section 27(c)), (2) the implementation of any Benchmark Replacement, (3) the effectiveness of any Benchmark Replacement Conforming Changes, and (4) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Buyer pursuant to this Section 27(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 27(c).

Upon notice to the Seller by the Buyer in accordance with Section 15 of the commencement of a Benchmark Unavailability Period and until a Benchmark Replacement is determined in accordance with this Section 27(c), interest on each advance hereunder shall accrue at the Money Market Rate plus the Applicable Spread. Such Benchmark Replacement shall be adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation.

1.8 Margin Holiday Period – Margin Calls. Notwithstanding anything to the contrary contained in the Transaction Documents, during the Margin Holiday Period, Buyer shall not (x) make any Margin Calls in respect of the Hurt Plaza Purchased Mortgage Loan or One Bay Plaza Purchased Mortgage Loan pursuant to Section 4(a) of the Agreement, (y) require Seller to pay any Margin Deficit with respect to the Hurt Plaza Purchased Mortgage Loan or One Bay Plaza Purchased Mortgage Loan or (z) require Seller to repurchase either the Hurt Plaza Purchased Mortgage Loan or One Bay Plaza Purchased Mortgage Loan (i) pursuant to Section 4(d) of the Agreement or (ii) in the event either ceases to be an Eligible Mortgage Loan pursuant to clause (iv) of the definition thereof. In furtherance of the foregoing, the existence of any Margin Deficit with respect to the Hurt Plaza Purchased Mortgage Loan or One Bay Plaza Purchased Mortgage Loan under the Agreement shall, during the Margin Holiday Period, be disregarded for all purposes under Sections 3(d), 3(j), 3(k), 4(e), and 5(d) of the Agreement. This is not a waiver of any amounts due under the Agreement. Any and all interest, as applicable, will continue to accrue during the Margin Holiday Period. Except as otherwise expressly provided in this Amendment, all other payments, including but not limited to Price Differential and any fees required pursuant to the terms of the Transaction Documents, including the Fee Letter, required by the Transaction Documents must be made in the normal course.

1.9 Termination of the Margin Holiday Period. Notwithstanding anything to the contrary contained herein, the Margin Holiday Period shall terminate and any and all restrictions on Buyer's rights as set forth in Section 1.8 of this Amendment shall thereafter be null and void, upon the earlier to occur of (i) the expiration of the Margin Holiday Period or (ii) Buyer's written notice to Seller upon the occurrence of a Margin Holiday Termination Event. As used herein, the term "Margin Holiday Termination Event" shall mean (x) the occurrence of any Event of Default under the Agreement or other Transaction Documents other than as a result of the existence of a Margin Deficit with respect to the Hurt Plaza Purchased Mortgage Loan or One Bay Plaza Purchased Mortgage Loan or the failure of Seller to repurchase the Hurt Plaza Purchased Mortgage Loan and/or One Bay Plaza Purchased Mortgage Loan should such Purchased Mortgage Loan(s) become an Impaired Asset or cease to be an Eligible Purchased Mortgage Loan pursuant to clause (iv) of the definition thereof, (y) any representation made by Seller or Guarantor under or in connection with this Amendment shall prove to be false in any material respect as of the date when made or (z) in the event that (A) Seller receives notice from any Other Buyer(s) under any Other Facility Agreement(s) (as such terms are defined below) of the existence of any margin deficit or requesting payment of any margin call (the "**Other Facility Margin Notices**") and (B) the aggregate amount of all such margin deficits or margin calls set forth in the Other Facility Margin Notice(s) exceeds $15,000,000.00. Seller shall deliver to Buyer a copy of any Other Facility Margin Notice within one (1) Business Day of receipt by Seller. In the event Buyer terminates the Margin Holiday Period as set forth herein, Buyer shall be entitled to use the most recently delivered financial reporting from Seller to determine if a Margin Deficit exists.

SECTION 2.

2.1 **Purchase Price Reduction.** On the date hereof, Seller is transferring cash in the amount of $5,894,708.00 to Buyer in reduction of the outstanding Purchase Price of the Hurt Plaza Purchased Mortgage Loan and/or One Bay Plaza Purchased Mortgage Loan in the respective amounts set forth on Schedule I hereto (the "**Purchase Price Reduction**"). In connection with such Purchase Price Reduction, the Purchase Price Percentage and Maximum Purchase Price Percentage of the applicable Purchased Mortgage Loans shall hereafter be reduced to the respective amounts set forth on Schedule I hereto, and Buyer and Seller shall enter into amended and restated Confirmations for each such Purchased Mortgage Loan to reflect the new Purchase Price, Purchase Price Percentage and Maximum Purchase Price Percentage with respect to each such Purchased Mortgage Loan.

2.2 From and after the Effective Date, Section 5(d)(vii) of the Agreement is amended as follows and any Principal Payment distributable to Seller pursuant to Section 5(d)(vii) of the Agreement shall be distributed as follows:

(vii) to remit the remainder of any Principal Payment as follows: (i) with respect to the One Bay Plaza Purchased Mortgage Loan, twenty-five percent (25%) of such Principal Payment to Buyer, based upon a repayment to Seller by the Mortgagor of the One Bay Plaza Purchased Mortgage Loan at par, and the remainder to Seller and (ii) with respect to the Hurt Plaza Purchased Mortgage Loan, thirty-five percent (35%) of such Principal Payment to Buyer, based upon a repayment to Seller by the Mortgagor of the Hurt Plaza Purchased Mortgage Loan at par and the remainder to Seller.

SECTION 3.

3.1 **Modifications of the Hurt Plaza Purchased Mortgage Loan and One Bay Plaza Purchased Mortgage Loan**. During the Margin Holiday Period, notwithstanding any contrary provisions in the Agreement, including, without limitation, Sections 10(g), 10(p), and 24(a) thereof, Seller shall be permitted to enter into one or more Hurt Plaza Purchased Mortgage Loan Modifications and/or One Bay Plaza Purchased Mortgage Loan Modifications, without Buyer's consent (unless otherwise expressly provided below), with respect to:

(i) changing the payment terms of the related Mortgage Loan Documents to provide that all or a portion of interest (at Seller's election) shall not be required to be paid on a monthly basis and instead shall be deferred and paid at a later date or accrued and added to the principal balance of such Purchased Mortgage Loan for a period ending no later than December 31, 2020 (the "Purchased Mortgage Loan Margin Holiday Period");

(ii) (a) waiving, modifying or reallocating any required furniture, fixture and equipment ("FF&E") and capital expenditure escrow and reserve deposits during the Margin Holiday Period, and (b) utilizing FF&E reserves (including those held by the franchisor), existing (and new, as set forth below) excess cash flow reserves, and capital expenditure reserves to pay for accrued and unpaid interest on the Purchased Mortgage Loan as well as costs needed to carry the Mortgaged Property during the Purchased Mortgage Loan Margin Holiday Period; provided that such escrows and reserves are not Purchased Mortgage Loan proceeds pursuant to the terms of the Purchased Mortgage Loan Documents;

(iii) extending any required completion dates (and/or extending or permitting delays for force majeure events) for repairs or capital expenditure projects relating to the Mortgaged Property during the Margin Holiday Period;

(iv) if applicable, waiving or modifying any covenants requiring the Mortgagor to continuously operate or limiting cessation of operations at the Mortgaged Property during the Margin Holiday Period or such longer period as required by any relevant Governmental Authority or other Requirements of Law;

(v) if applicable, consenting to any modification to the applicable franchise agreement to address waivers and deferrals of FF&E, brand refresh, working capital and capital expenditure requirements during the Margin Holiday Period;

(vi) if applicable, consenting to any modification to the Mortgage Loan Documents to address any defaults and or bankruptcy of any retail or restaurant tenants (or their lease guarantors) at the Mortgaged Property and voting in any such bankruptcy;

(vii) if applicable., consenting to any modification to the applicable Ground Lease to address waivers and deferrals of tenant requirements under such Ground Lease during the Margin Holiday Period (including consenting to any modification to the Ground Lease that would permit ground rent forgiveness beyond the Margin Holiday Period (i.e., to the extent same is beneficial to the Mortgagor and Seller)); and/or

(viii) providing that all excess cash flow from the Mortgaged Property will be swept into a reserve account under Seller's control to be applied to pay accrued and unpaid interest on the Purchased Mortgage Loan, as well as costs needed to carry the Mortgaged Property.

Seller will keep Buyer reasonably informed regarding any Hurt Plaza Purchased Mortgage Loan Modifications and One Bay Plaza Purchased Mortgage Loan Modifications (including notifying Buyer of any requests therefore from the underlying borrower and providing copies of any related draft and final modification documents related thereto).

SECTION 4. Conditions. The amendments to the Agreement contained in Section 1 of this Amendment and the covenants and agreements contained in Section 3 of this Amendment, in each case, shall be effective upon the satisfaction of each of the conditions set forth in this Section 4.

4.1 Execution and Delivery. Each Seller Party and the Buyer shall have executed and delivered this Amendment and any other documents requested by the Buyer prior to the date hereof, all in form and substance satisfactory to the Buyer.

4.2 Intentionally Omitted.

4.3 No Default. After giving effect to the amendments contained herein, no Default or Event of Default shall have occurred and be continuing.

4.4 Representations and Warranties. The representations and warranties of the Seller set forth in Section 5 of this Amendment are true and correct.

4.5 Legal Matters Satisfactory. All legal matters incident to the consummation of the transactions contemplated hereby shall be reasonably satisfactory to counsel for the Buyer retained at the expense of the Seller. All legal matters have been satisfied as of the Effective Date as evidenced by Buyer's execution and delivery of this Amendment.

SECTION 5. Representations, Warranties and Covenants of the Seller Parties. To induce the Buyer to enter into this Amendment, each Seller Party hereby represents and warrants to the Buyer as follows, and shall observe the following covenants:

5.1 Reaffirmation of Representations and Warranties/Further Assurances. After giving effect to the amendments contained herein, each representation and warranty of the Seller Parties contained in the Agreement or in any other Transaction Document is true and correct in all material respects on the date of this Amendment (except that any representation or warranty which by its terms was made as of a specified date shall be true and correct in all material respects only as of such specified date and any representation or warranty which is qualified by reference to "materiality" or "Material Adverse Change" is true and correct in all respects). The applicable Seller Party must promptly correct, , any defect or error that may be discovered in any Transaction Document or in the execution, acknowledgment or recordation of any Transaction Document. Promptly upon reasonable request by Buyer, the applicable Seller Party also must do, execute, acknowledge, deliver, record, re-record, file, re- file, register and re-register, any and all deeds, conveyances, mortgages, deeds of trust, trust deeds, assignments, estoppel certificates, financing statements and continuations thereof, notices of assignment, transfers, certificates, assurances and other instruments as Buyer may reasonably require from time to time in order: (a) to carry out more effectively the purposes of the Transaction Documents; (b) to perfect and maintain the validity, effectiveness and priority of any security interests intended to be created by the Transaction Documents; and (c) to better assure, convey, grant, assign, transfer, preserve, protect and confirm unto Buyer the rights granted now or hereafter intended to be granted to Buyer under any Transaction Document or under any other instrument executed in connection with any Transaction Document or that any Seller Party may be or become bound to convey, mortgage or assign to Buyer in order to carry out the intention or facilitate the performance of the provisions of any Transaction Document. Upon Buyer's reasonable request, Seller Parties must furnish to Buyer evidence satisfactory to Buyer of every such recording, filing or registration.

5.2 Consent and Reaffirmation of Guaranty. Guarantor agrees that the obligations of Seller guaranteed under the Guaranty include, without limitation, certain obligations of Seller under the Agreement, as the Agreement has been modified pursuant to the terms of this Amendment, all as more particularly set forth in the Guaranty. In addition, Guarantor acknowledges that its obligations under the Guaranty are separate and distinct from those of Seller on the Agreement, and Guarantor represents and warrants to Buyer that Guarantor has no claims, offsets or defenses with respect to its obligations under the Guaranty.

5.3 Corporate Authority; No Conflicts. The execution, delivery and performance by Seller of this Amendment and all documents, instruments and agreements contemplated herein are within Seller's corporate, limited liability company, limited partnership or other organizational powers, have been duly authorized by necessary action, require no action by or in respect of, or filing with, any court or agency of government and do not violate or constitute a default under any provision of any applicable law or other agreements binding upon Seller or result in the creation or imposition of any Lien upon any of the assets of Seller except as permitted under the Agreement.

5.4 Enforceability. This Amendment constitutes the valid and binding obligation of such Seller Party enforceable in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditor's rights generally, and (ii) the availability of equitable remedies may be limited by equitable principles of general application.

SECTION 6. Miscellaneous.

6.1 Effectiveness of Prior Documents. By its signature below, each Seller Party hereby (a) acknowledges and agrees that, except as expressly provided herein and the Guaranty Amendment, the Agreement and each of the other Transaction Documents are hereby ratified and confirmed in all respects and shall remain in full force and effect, (b) ratifies and reaffirms its obligations under, and acknowledges, renews and extends its continued liability under, the Agreement and each other Transaction Document to which it is a party, (c) ratifies and reaffirms all of the Liens granted by it to secure the payment and performance of the Facility Obligations and (d) acknowledges that, except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of (i) any right, power or remedy of the Buyer under any of the Transaction Documents or (ii) any Default now existing or hereafter arising. Without limiting the generality of the foregoing, none of the execution, delivery, negotiation pursuant to, or other consummation of this Amendment shall constitute the commencement of an action such as to render operative any jurisdiction's "single action" or "one action" rule. Upon and after the execution of this Amendment by each of the parties hereto, each reference in the Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Agreement, and each reference in the other Transaction Documents to "the Agreement", "thereunder", "thereof" or words of like import referring to the Agreement, shall mean and be a reference to the Agreement as modified hereby. This Amendment is a Transaction Document, and all provisions in the Agreement pertaining to Transaction Documents apply hereto. This is an amendment, not a novation.

6.2 Government Deferral Order. In the event that any federal, state or local government unit, regulatory agency, or executive issues an order requiring a moratorium, stay, or otherwise imposes a mandatory forbearance, modification, deferral or other limit on the collection of loan payments of any kind during the term of the Agreement ("**Government Deferral Order**"), and subject to any such Government Deferral Order, any deferral or similar period required by such Government Deferral Order will be deemed to run concurrently with any modification, forbearance or deferment period provided for in this Amendment. This includes any change to any Repurchase Price in which Buyer has agreed to collect less than the full principal and interest otherwise due under the original Transaction Documents.

6.3 Survival. All agreements, representations and warranties made herein will survive the execution of this Amendment.

6.4 Parties in Interest. All of the terms and provisions of this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

6.5 Legal Expenses. The Seller Parties hereby agree to pay all reasonable fees and expenses of special counsel to the Buyer incurred by the Buyer in connection with the preparation, negotiation and execution of this Amendment and all related documents.

6.6 Counterparts. The Amendment may be signed in any number of counterparts, each of which will be considered an original, but when taken together will constitute one document. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or electronic image (including, without limitation, "pdf", "tif" or "jpg") format or executed via DocuSign will be effective as a delivery of an original of a manually executed counterpart of this Amendment and will create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as is such facsimile or electronic image signature page was an original thereof. However, this Amendment shall bind no party until the Seller, the Guarantor and the Buyer have executed a counterpart.

6.7 No Commitment to Extend, Modify or Forbear. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AMENDMENT OR THE GUARANTY AMENDMENT, BUYER HAS NOT AGREED, AND DOES NOT HEREBY AGREE, TO EXTEND, MODIFY OR OTHERWISE RESTRUCTURE ANY FACILITY, OR FORBEAR FROM EXERCISING ANY OF ITS RIGHTS OR REMEDIES UNDER THE TRANSACTION DOCUMENTS, AS AMENDED BY THIS AMENDMENT OR THE GUARANTY AMENDMENT. NO PRIOR COURSE OF DEALING, NO USAGE OF TRADE, AND NO ORAL STATEMENTS OR COMMENTS BY BUYER OR ITS OFFICERS, EMPLOYEES, ATTORNEYS OR OTHER AGENTS, WHETHER BEFORE, ON OR AFTER THE DATE HEREOF, WILL BE DEEMED TO BE A COMMITMENT OR AGREEMENT BY BUYER TO EXTEND, MODIFY, OR OTHERWISE RESTRUCTURE ANY FACILITY OR FORBEAR FROM EXERCISING ANY OF ITS RIGHTS OR REMEDIES, EXCEPT AS EXPRESSLY SET FORTH IN THE AMENDMENT, OR UNLESS THE SAME IS HEREAFTER REDUCED IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BUYER.

6.8 Complete Agreement. THIS AMENDMENT, THE GUARANTY AMENDMENT, THE AGREEMENT, AND THE OTHER TRANSACTION DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, OR ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

6.9 Copies; Electronic Records. Seller and the Guarantor hereby acknowledge the receipt of a copy of the Amendment and all other Transaction Documents. Buyer may, on behalf of Seller and the Guarantor, create a microfilm or optical disk or other electronic image of the Amendment, and any or all of the Transaction Documents. Buyer may store each such electronic image in its electronic form and then destroy the paper original as part of Buyer's normal business practices, with the electronic image deemed to be an original and of the same legal effect, validity, and enforceability as the paper original. To the extent permitted by law, Seller, the Guarantor and Buyer agree that Buyer may convert the Agreement into a "transferable record" or the equivalent thereof as defined in applicable law and that such transferable record will be the authoritative copy of the Agreement. Buyer, on its own behalf, may control and transfer such authoritative copy as permitted by such law.

6.10 Headings. The headings, captions and arrangements used in this Amendment are, unless specified otherwise, for convenience only and shall not be deemed to limit, amplify or modify the terms of this Amendment, nor affect the meaning thereof.

6.11 Notices. Notwithstanding anything to the contrary contained in the Repurchase Agreement (including Section 15 thereof) or any other Transaction Document, all notices, consents, approvals and other requests required or permitted under the Transaction Documents shall be in writing and given by e-mail or prepaid nationally recognized overnight courier. Any notice shall be deemed to have been received: (i) if sent by e-mail, on the date that it is delivered and (ii) on the next Business Day if sent by an overnight courier, provided that a copy of such notice delivered by overnight courier is also simultaneously sent by e-mail, and in each case addressed to the parties as follows, or to such other address as such party may hereafter specify in a written notice delivered pursuant to this paragraph:

If to Buyer:

U.S Bank National Association Galleria
North Tower I
13737 Noel Road, Suite 800
Dallas, Texas 75240
Attention: Huvishka Ali and Thomas Salmen Telephone:
(972) 581-1602/(612) 303-3640
e-mail: huvishka.ali@usbank.com / thomas.salmen@usbank.com

with a copy to:

U.S Bank National Association 13737
Noel Road, Suite 800 Dallas, Texas
75240
Attention: Loan Administration – Ellen Wilson/Martha Burnett Telephone: (972)
581-1668/(972) 581-1603
e-mail: ellen.wilson@usbank.com/marty.barnett@usbank.com

and to:

Stroock & Stroock & Lavan LLP 180
Maiden Land
New York, New York 10038 Attention: Michael
J. McCarthy, Esq.
Telephone: (212) 806-1286
e-mail: mmccarthy@stroock.com

If to Seller:

TPG RE Finance 14, Ltd.
c/o TPG RE Finance Trust Management, L.P. 888 Seventh
Avenue, 33rd Floor
New York, NY 10106
Attention: TRT Asset Management, Robert R. Foley, Deborah Ginsberg and Jason Ruckman
e-mail: bfoley@tpg.com, dginsberg@tpg.com and jruckman@tpg.com

with a copy to:

Ropes & Gray LLP
1211 Avenue of the Americas New
York, NY 10036 Attention: Daniel L.
Stanco
e-mail: daniel.stanco@ropesgray.com

If to Guarantor:

TPG RE Finance Trust Holdco, LLC
c/o TPG RE Finance Trust Management, L.P. 888 Seventh
Avenue, 33rd Floor
New York, NY 10106
Attention: Robert R. Foley, Deborah Ginsberg and Jason Ruckman
e-mail: bfoley@tpg.com, dginsberg@tpg.com and jruckman@tpg.com

with a copy to:

Ropes & Gray LLP
1211 Avenue of the Americas New
York, NY 10036 Attention: Daniel L.
Stanco
e-mail: daniel.stanco@ropesgray.com

6.12 Governing Law. This Amendment and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the State of New York. The other provisions of Section 20 of the Agreement are incorporated herein, *mutatis mutandis*, as if a part hereof.

6.13 Most Favored Nation. Notwithstanding anything to the contrary contained in this Amendment, in the event that Guarantor and/or any Subsidiary of Guarantor enters into any written agreement or amends in writing any other commercial real estate loan repurchase agreement, warehouse facility or credit facility which agreement or facility finances commercial real estate loans similar to the Purchased Mortgage Loans (the "**Other Facility Agreements**" and any other buyers or lenders that are party thereto, the "**Other Buyers**") and any such Other Facility Agreement, as compared to this Amendment, contains a margin holiday or similar period relating to margin calls that is shorter than the Margin Holiday Period and the material provisions of such Other Facility Agreement are not otherwise materially more favorable to Guarantor or such Affiliate, then the Margin Holiday Period shall be automatically modified to incorporate such shorter period contained in such Other Facility Agreement.

6.14 General Release.

(a) Seller and the Guarantor, for and on behalf of itself and its legal representatives, successors and assigns, fully, unconditionally, and irrevocably waives, releases, relinquishes and forever discharges Buyer, its parents, subsidiaries, and affiliates, its and their respective past, present and future directors, officers, managers, agents, employees, insurers, attorneys, representatives and all of their respective heirs, successors and assigns, (collectively, the "**Released Parties**"), of and from any and all manner of action or causes of action, suits, claims, liabilities, losses, costs, expenses, demands, judgments, damages (including compensatory and punitive damages), levies and executions of whatsoever kind, nature and/or description arising on or before the Effective Date, in each case whether known or unknown, asserted or unasserted, liquidated or unliquidated, joint or several, fixed or contingent, direct or indirect, contractual or tortious, which Seller, the Guarantor, or its legal representatives, successors or assigns, ever had or now has or may claim to have against any of the Released Parties, with respect to any matter whatsoever, including, without limitation, the Transaction Documents, the administration of any Transaction Documents, the negotiations relating to this Amendment and the other Transaction Documents executed in connection herewith and any other instruments and agreements executed by Seller and the Guarantor in connection therewith or herewith, arising on or before the Effective Date.

(b) Seller and the Guarantor covenant and agree not to sue any Released Party or in any way assist any other person in suing a Released Party with respect to any claim released herein. Seller and the Guarantor understand, acknowledge and agree that the release set forth in this Section may be plead as a full and complete defense to any claim described above and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of any provision in this Section.

(c) Seller and the Guarantor acknowledge that Buyer is specifically relying on the provisions contained in this Section as a material inducement in entering into the Amendment. It is the express intent of Seller and the Guarantor that the provisions set forth in this Section be construed as broadly as possible in favor of the Released Parties so as to forever foreclose the assertion by Seller or any Guarantor of any claims released hereby. The provision of this release will survive and continue to be in full force and effective irrespective of any termination of this Amendment (provided this Amendment takes effect as provided in the Section above entitled "Conditions Precedent") or the end of the Margin Holiday Period.

[Signatures on the Following Page]

The undersigned(s) hereby execute this document, intending to create an instrument executed under seal as of the day first set forth above.

SELLER:

TPG RE FINANCE 14, LTD.,
an exempted company incorporated
with limited liability under the laws of
the Cayman Islands
By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

Acknowledged and Agreed to:

GUARANTOR:

TPG RE FINANCE TRUST HOLDCO, LLC,
a Delaware limited liability company
By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

BUYER:

U.S. BANK NATIONAL ASSOCIATION

/s/ Thomas R. Salmen

Name: Thomas R. Salmen
Title: Senior Vice President

SCHEDULE I

SPECIFIED PURCHASED MORTGAGE LOANS

Purchased Asset Name	**Amount of Partial Repurchase to be applied in reduction of Purchase Price**	**Outstanding Purchase Price After Partial Repurchase as of May 28, 2020**	**New Purchase Price Percentage / Maximum Purchase Price Percentage**	**Committed Future Funding***
1. One Bay Plaza	$3,874,605	$39,245,395	70% / 70%	$5,484,605
2. Hurt Building	$2,020,103	$30,338,441	70% / 70%	$4,661,559
TOTAL	$5,894,708	$69,583,836		

* As such amounts may be modified pursuant to an amended and restated Confirmation as agreed to by Buyer and Seller from time to time after the date hereof.

NINTH AMENDMENT TO MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT

This Ninth Amendment to Master Repurchase and Securities Contract Agreement (this "**Amendment**"), dated as of June 30, 2020, is by and between GOLDMAN SACHS BANK USA, a New York state-chartered bank, as buyer ("**Buyer**"), and TPG RE FINANCE 2, LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands ("**Seller**"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Master Repurchase Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, Seller and Buyer have entered into that certain Master Repurchase and Securities Contract Agreement dated as of August 19, 2015 (as amended by that certain First Amendment to the Master Repurchase and Securities Contract Agreement, dated as of December 29, 2015, as further amended by that certain Second Amendment to the Master Repurchase and Securities Contract Agreement, dated as of November 3, 2016, as further amended by that certain Third Amendment to Master Repurchase and Securities Contract Agreement, dated as of June 12, 2017, as further amended by that certain Fourth Amendment to Master Repurchase and Securities Contract Agreement, dated as of February 14, 2018, as further amended by that certain Fifth Amendment to Master Repurchase and Securities Contract Agreement, dated as of May 4, 2018, as further amended by that certain Sixth Amendment to Master Repurchase and Securities Contract Agreement, dated as of August 17, 2018, as further amended by that certain Seventh Amendment to Master Repurchase and Securities Contract Agreement, dated as of August 16, 2019 and effective as of February 1, 2019, as further amended by that certain Eighth Amendment to the Master Repurchase and Securities Contract Agreement, dated as of August 19, 2019, and as further amended hereby, and as further amended, restated, supplemented or otherwise modified and in effect from time to time, collectively, the "**Master Repurchase Agreement**"); and

WHEREAS, Seller and Buyer wish to modify certain terms and provisions of the Master Repurchase Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Renewal Option. Seller and Buyer hereby agree to Seller's exercise of the First Additional Renewal Option (from August 19, 2020 to August 19, 2021) on the date hereof and agree that, subject to payment of the Renewal Standby Fee, the Availability Period Renewal Conditions are deemed to have been satisfied. Seller and Buyer hereby agree that Seller retains its right to exercise the Second Additional Renewal Option in accordance with Article 3(h) of the Master Repurchase Agreement.

2. Amendments to Master Repurchase Agreement. The Master Repurchase Agreement is hereby amended as follows:

i. The following definitions in Article 2 of the Master Repurchase Agreement are hereby deleted in their entirety and replaced with the following:

"**Availability Period Expiration Date**" shall mean August 19, 2021, as such date may be extended in accordance with Article 3(h) of this Agreement.

"**Maximum Facility Amount**" shall mean $250,000,000.00, as such amount may be increased pursuant to Article 3(o) of this Agreement.

ii. The following is hereby inserted into the Master Repurchase Agreement as Article 3(o):

"(o) Maximum Facility Amount. The Maximum Facility Amount may be increased after August 19, 2020 to Three Hundred Seventy-Five Million Dollars ($375,000,000), and may be further increased to Five Hundred Million Dollars ($500,000,000), provided in the case of each such increase that the conditions set forth in clauses (i)-(v) below are satisfied:

(i) Seller shall have delivered to Buyer a written request to increase the Maximum Facility Amount, which shall be delivered at least ten (10) Business Days prior to any increase being effectuated, which request shall specify the related increased Maximum Facility Amount it is requesting;

(ii) Seller shall, as applicable, execute: (A) an amendment documenting such increased Maximum Facility Amount or (B) such other documents as Buyer may reasonably require;

(iii) Seller shall have paid to Buyer the applicable Upsize Fee (as defined in the Fee Letter);

(iv) no Event of Default, Margin Deficit or Potential Default has occurred and is continuing or would result from such increase in the Maximum Facility Amount; and

(v) as of the date of such increase, the representations and warranties contained in Article 9 hereof (other than MTM Representations or any representations or warranties contained in a Requested Exceptions Report) are true and correct in all material respects, with the same force and effect as if made on and as of such date; except to the extent that such representations and warranties specifically refer to any earlier date, in which case they shall be true and correct as of such earlier date and except that for the purposes of this Article 3(o)(v), the representations and warranties regarding Seller or Guarantor's financial statements shall be deemed to refer to the most recent financial statements furnished to Buyer.

3. Effectiveness. The effectiveness of this Amendment is subject to receipt by Buyer of the following:

i. Amendment. This Amendment, duly executed and delivered by Seller and Buyer.

ii. Fees. Payment by Seller of (i) the Renewal Standby Fee on the date hereof and (ii) the actual costs and expenses, including, without limitation, the reasonable fees and expenses of counsel to Buyer, incurred by Buyer in connection with this Amendment and the transactions contemplated hereby.

4. No Amendments. No amendments have been made to the organizational documents of Seller and Guarantor since August 17, 2018, unless otherwise stated therein, which provide for, among other things, the authority of Seller and Guarantor to execute and deliver, as applicable, this Amendment and the Seventh Amendment to Fee Letter to be executed and delivered in connection with this Amendment.

5. Good Standing. Within a reasonable time after the date hereof, Seller shall provide good standing certificates for the Seller, Pledgor and Guarantor.

6. Continuing Effect; Reaffirmation of Guarantee. As amended by this Amendment, all terms, covenants and provisions of the Master Repurchase Agreement are ratified and confirmed and shall remain in full force and effect. In addition, any and all guaranties and indemnities for the benefit of Buyer (including, without limitation, the Guarantee) and agreements subordinating rights and liens to the rights and liens of Buyer, are hereby ratified and confirmed and shall not be released, diminished, impaired, reduced or adversely affected by this Amendment, and each party indemnifying Buyer, and each party subordinating any right or lien to the rights and liens of Buyer, hereby consents, acknowledges and agrees to the modifications set forth in this Amendment and waives any common law, equitable, statutory or other rights which such party might otherwise have as a result of or in connection with this Amendment.

7. Binding Effect; No Partnership; Counterparts. The provisions of the Master Repurchase Agreement, as amended hereby, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein contained shall be deemed or construed to create a partnership or joint venture between any of the parties hereto. For the purpose of facilitating the execution of this Amendment as herein provided, this Amendment may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, and such counterparts when taken together shall constitute but one and the same instrument.

8. Further Agreements. Seller agrees to execute and deliver such additional documents, instruments or agreements as may be reasonably requested by Buyer and as may be necessary or appropriate from time to time to effectuate the purposes of this Amendment.

9. Governing Law. The provisions of Article 19 of the Master Repurchase Agreement are incorporated herein by reference.

10. Headings. The headings of the sections and subsections of this Amendment are for convenience of reference only and shall not be considered a part hereof nor shall they be deemed to limit or otherwise affect any of the terms or provisions hereof.

11. References to Transaction Documents. All references to the Master Repurchase Agreement in any Transaction Document, or in any other document executed or delivered in connection therewith shall, from and after the execution and delivery of this Amendment, be deemed a reference to the Master Repurchase Agreement as amended hereby, unless the context expressly requires otherwise.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as a deed as of the day first written above.

BUYER:

GOLDMAN SACHS BANK USA, a New York state-chartered bank

By: /s/ Jeffrey Dawkins
Name: Jeffrey Dawkins
Title: Authorized Person

[ADDITIONAL SIGNATURE PAGE FOLLOWS]

SELLER:

TPG RE FINANCE 2, LTD., an Exempted company Incorporated with limited liability under the laws of the Cayman Islands

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

[ADDITIONAL SIGNATURE PAGE FOLLOWS]

AGREED AND ACKNOWLEDGED:

GUARANTOR:

TPG RE FINANCE TRUST HOLDCO, LLC, a Delaware limited liability company

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Greta Guggenheim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 of TPG RE Finance Trust, Inc.;

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 officer(s) 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 15d-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 officer(s) 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.

Date: July 29, 2020

/s/ Greta Guggenheim
Greta Guggenheim
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Foley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 of TPG RE Finance Trust, Inc.;

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 officer(s) 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 15d-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 officer(s) 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.

Date: July 29, 2020

/s/ Robert Foley
Robert Foley
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of TPG RE Finance Trust, Inc. (the "Company") for the quarterly period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Greta Guggenheim, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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.

Date: July 29, 2020

/s/ Greta Guggenheim
Greta Guggenheim
Chief Executive Officer
(Principal Executive Officer)

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of TPG RE Finance Trust, Inc. (the "Company") for the quarterly period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Foley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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.

Date: July 29, 2020

/s/ Robert Foley
Robert Foley
Chief Financial Officer
(Principal Financial Officer)

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.