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 September 30, 2021

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
6.25% Series C Cumulative Redeemable Preferred Stock, par value $0.001 per share	TRTX PRC	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 October 29, 2021, there were 77,047,966 shares of the registrant's 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 and in our Form 10-K filed with the Securities and Exchange Commission (the "SEC") on February 24, 2021, 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 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, or after June 30, 2023;
- 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.

In this quarterly report, except where the context requires otherwise:

- "Company," "we," "us," and "our" refer to TPG RE Finance Trust, Inc., a Maryland corporation and, where applicable, its subsidiaries.
- "Manager" refers to our external manager, TPG RE Finance Trust Management, L.P., a Delaware limited partnership.
- "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)

	September 30, 2021	December 31, 2020
Assets[1]		
Cash and Cash Equivalents	$ 269,263	$ 319,669
Restricted Cash	667	—
Accounts Receivable	17	785
Collateralized Loan Obligation Proceeds Held at Trustee	6,870	174
Accounts Receivable from Servicer/Trustee	8,639	418
Accrued Interest and Fees Receivable	28,650	27,391
Loans Held for Investment	4,749,289	4,516,400
Allowance for Credit Losses	(50,051)	(59,940)
Loans Held for Investment, Net (includes $1,247,516 and $2,259,467, respectively, pledged as collateral under secured credit facilities)	4,699,238	4,456,460
Loans Held for Sale, Net (includes $86,636 and $0, respectively, pledged as collateral under secured credit facilities)	86,636	—
Real Estate Owned	99,200	99,200
Other Assets	1,765	4,646
Total Assets	5,200,945	4,908,743
Liabilities and Equity[1]		
Liabilities		
Accrued Interest Payable	$ 2,661	$ 2,630
Accrued Expenses and Other Liabilities	13,019	14,450
Secured Credit Agreements (net of deferred financing costs of $4,377 and $8,831, respectively)	915,537	1,514,028
Collateralized Loan Obligations (net of deferred financing costs of $12,609 and $9,192, respectively)	2,749,901	1,825,568
Mortgage Loan Payable (net of deferred financing costs of $640 and $853, respectively)	49,360	49,147
Payable to Affiliates	5,473	5,570
Deferred Revenue	934	1,418
Dividends Payable	18,593	29,481
Total Liabilities	3,755,478	3,442,292
Commitments and Contingencies—See Note 15		
Temporary Equity		
Series B Cumulative Redeemable Preferred Stock ($0.001 par value per share; 13,000,000 and 13,000,000 shares authorized, respectively; 0 and 9,000,000 shares issued and outstanding, respectively)	—	199,551
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)	—	—
Series C Preferred Stock ($0.001 par value per share; 8,050,000 shares authorized; 8,050,000 and 0 shares issued and outstanding, respectively) ($201,250 aggregate liquidation preference)	8	—
Common Stock ($0.001 par value per share; 302,500,000 and 302,500,000 shares authorized, respectively; 77,047,966 and 76,787,006 shares issued and outstanding, respectively)	77	77
Additional Paid-in-Capital	1,710,222	1,559,681
Accumulated Deficit	(264,840)	(292,858)
Total Stockholders' Equity	$ 1,445,467	$ 1,266,900
Total Permanent Equity	$ 1,445,467	$ 1,266,900
Total Liabilities and Equity	$ 5,200,945	$ 4,908,743

(1) The Company's consolidated Total Assets and Total Liabilities as of September 30, 2021 include assets and liabilities of variable interest entities ("VIEs") of $3.5 billion and $2.8 billion, respectively. The Company's consolidated Total Assets and Total Liabilities as of December 31, 2020 include assets and liabilities of VIEs of $2.3 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 6 to the Consolidated Financial Statements for details.

See accompanying notes to the Consolidated Financial Statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Interest Income and Interest Expense				
Interest Income	$ 59,984	$ 69,854	$ 180,048	$ 221,654
Interest Expense	(20,979)	(21,450)	(63,286)	(85,772)
Net Interest Income	39,005	48,404	116,762	135,882
Other Revenue				
Other Income, net	97	81	350	528
Total Other Revenue	97	81	350	528
Other Expenses				
Professional Fees	1,044	1,613	3,380	7,468
General and Administrative	1,173	862	3,285	2,702
Stock Compensation Expense	1,250	1,147	4,099	4,234
Servicing and Asset Management Fees	462	395	1,117	932
Management Fee	5,473	5,293	15,910	15,408
Total Other Expenses	9,402	9,310	27,791	30,744
Securities Impairments	—	—	—	(203,397)
Credit Loss Benefit (Expense)	(139)	(654)	5,751	(53,456)
Income (Loss) Before Income Taxes	29,561	38,521	95,072	(151,187)
Income Tax Expense, net	(236)	(74)	(1,400)	(228)
Net Income (Loss)	$ 29,325	$ 38,447	$ 93,672	$ (151,415)
Preferred Stock Dividends and Participating Securities Share in Earnings (Loss)	(3,279)	(6,318)	(16,497)	(8,968)
Series B Preferred Stock Redemption Make-Whole Payment	—	—	(22,485)	—
Series B Preferred Stock Accretion and Write-off of Discount, including Allocated Warrant Fair Value and Transaction Costs	—	(1,347)	(25,449)	(1,790)
Net Income (Loss) Attributable to Common Stockholders - See Note 12	$ 26,046	$ 30,782	$ 29,241	$ (162,173)
Earnings (Loss) per Common Share, Basic	$ 0.34	$ 0.40	$ 0.38	$ (2.13)
Earnings (Loss) per Common Share, Diluted	$ 0.32	$ 0.39	$ 0.36	$ (2.13)
Weighted Average Number of Common Shares Outstanding				
Basic:	77,060,225	76,756,411	76,952,306	76,622,415
Diluted:	82,028,975	78,254,661	81,575,257	76,622,415
Other Comprehensive Income (Loss)				
Net Income (Loss)	$ 29,325	$ 38,447	$ 93,672	$ (151,415)
Unrealized Loss on Available-for-Sale Debt Securities	—	—	—	(1,051)
Comprehensive Net Income (Loss)	$ 29,325	$ 38,447	$ 93,672	$ (152,466)

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		Series C Preferred Stock		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, 2021	125	$ —	—	$ —	76,787,006	$ 77	$ 1,559,681	$ (292,858)	$ —	$ 1,266,900	$ 199,551
Issuance of Common Stock	—	—	—	—	110,096	—	—	—	—	—	—
Amortization of Share-Based Compensation	—	—	—	—	—	—	1,456	—	—	1,456	—
Net Income	—	—	—	—	—	—	—	31,955	—	31,955	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(6,124)	—	(6,124)	—
Series B Preferred Stock Accretion of Discount, including Allocated Warrant Fair Value and Transaction Costs	—	—	—	—	—	—	(1,452)	—	—	(1,452)	1,452
Dividends on Common Stock (Dividends Declared per Share of $0.20)	—	—	—	—	—	—	—	(15,507)	—	(15,507)	—
March 31, 2021	125	$ —	—	$ —	76,897,102	$ 77	$ 1,559,685	$ (282,534)	$ —	$ 1,277,228	$ 201,003
Issuance of Common Stock	—	—	—	—	192,023	—	—	—	—	—	—
Issuance of Series C Preferred Stock	—	—	8,050,000	$ 8	—	—	201,242	—	—	201,250	—
Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	—	—	—	—	—	—	(6,866)	—	—	(6,866)	—
Amortization of Share-Based Compensation	—	—	—	—	—	—	1,393	—	—	1,393	—
Net Income	—	—	—	—	—	—	—	32,391	—	32,391	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(6,214)	—	(6,214)	—
Series B Preferred Stock Redemption at Par Value	—	—	—	—	—	—	—	—	—	—	(225,000)
Series B Preferred Stock Redemption Make-Whole Payment	—	—	—	—	—	—	(22,485)	—	—	(22,485)	—
Series B Preferred Stock Accretion and Write-off of Discount, including Allocated Warrant Fair Value and Transaction Costs	—	—	—	—	—	—	(23,997)	—	—	(23,997)	23,997
Dividends on Common Stock (Dividends Declared per Share of $0.20)	—	—	—	—	—	—	—	(15,509)	—	(15,509)	—
June 30, 2021	125	$ —	8,050,000	$ 8	77,089,125	$ 77	$ 1,708,972	$ (271,866)	$ —	$ 1,437,191	$ —
Issuance of Common Stock	—	—	—	—	1,783	—	—	—	—	—	—
Retirement of Common Stock	—	—	—	—	(42,942)	—	—	—	—	—	—
Amortization of Share-Based Compensation	—	—	—	—	—	—	1,250	—	—	1,250	—
Net Income	—	—	—	—	—	—	—	29,325	—	29,325	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(3,708)	—	(3,708)	—
Dividends on Common Stock (Dividends Declared per Share of $0.24)	—	—	—	—	—	—	—	(18,591)	—	(18,591)	—
September 30, 2021	125	$ —	8,050,000	$ 8	77,047,966	$ 77	$ 1,710,222	$ (264,840)	$ —	$ 1,445,467	$ —

	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 Preferred Stock	—	—	—	—	—	—	—	—	—	—	210,598
Series B Preferred Stock Allocated Warrant Fair Value 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)	—
Series B Preferred Stock Accretion of Discount, including Allocated Warrant Fair Value and Transaction Costs	—	—	—	—	—	—	(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
Issuance of Common Stock	—	—	1,444	—	—	—	—	—	—	—	—
Retirement of Common Stock	—	—	(36,115)	—	—	—	—	—	—	—	—
Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	—	—	—	—	—	—	38	—	—	38	(27)
Amortization of Share-Based Compensation	—	—	—	—	—	—	1,147	—	—	1,147	—
Net Income	—	—	—	—	—	—	—	38,447	—	38,447	—
Other Comprehensive Loss	—	—	—	—	—	—	—	—	—	—	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(6,217)	—	(6,217)	—
Accretion of Discount on Series B Cumulative Redeemable Preferred Stock	—	—	—	—	—	—	(1,347)	—	—	(1,347)	1,347
Dividends on Common Stock (Dividends Declared per Share of $0.20)	—	—	—	—	—	—	—	(15,440)	—	(15,440)	—
September 30, 2020	125	$ —	76,757,761	$ 77	—	$ —	$ 1,559,522	$ (271,750)	$ —	$ 1,287,849	$ 198,152

See accompanying notes to the Consolidated Financial Statements

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

	Nine Months Ended September 30,	
	2021	**2020**
Cash Flows from Operating Activities:		
Net Income (Loss)	$ 93,672	$ (151,415)
Adjustment to Reconcile Net Income (Loss) to Net Cash Flows from Operating Activities:		
Amortization and Accretion of Premiums, Discounts and Loan Origination Fees, Net	(5,448)	(8,515)
Amortization of Deferred Financing Costs	11,258	10,062
Capitalized Accrued Interest	1,209	(3,889)
Loss on Sales of Loans Held for Investment, net	2,109	13,773
Loss on Sales of CRE Debt Securities, net	—	203,397
Stock Compensation Expense	4,099	4,234
Credit Loss (Benefit) Expense	(7,860)	39,685
Cash Flows Due to Changes in Operating Assets and Liabilities:		
Accounts Receivable	768	1,709
Accrued Interest Receivable	(1,021)	(1,367)
Accrued Expenses and Other Liabilities	(4,095)	(416)
Accrued Interest Payable	33	(3,808)
Payable to Affiliates	(98)	(1,530)
Deferred Fee Income	(484)	27
Other Assets	2,881	171
Net Cash Provided by Operating Activities	97,023	102,118
Cash Flows from Investing Activities:		
Origination of Loans Held for Investment	(1,062,872)	(351,650)
Advances on Loans Held for Investment	(110,196)	(171,389)
Principal Repayments of Loans Held for Investment	782,144	431,414
Sales of Loans Held for Investment	58,374	131,902
Purchase of Available-for-Sale CRE Debt Securities	—	(168,888)
Sales and Principal Repayments of Available-for-Sale CRE Debt Securities	—	766,437
Net Cash (Used in) Provided by Investing Activities	(332,550)	637,826
Cash Flows from Financing Activities:		
Payments on Collateralized Loan Obligations	(109,751)	—
Proceeds from Collateralized Loan Obligation	1,037,500	—
Proceeds from Issuance of Series C Preferred Stock	201,250	—
Payments on Secured Credit Agreements - Loan Investments	(1,122,858)	(810,487)
Proceeds from Secured Credit Agreements - Loan Investments	519,915	776,343
Payments on Secured Credit Agreements - CRE Debt Securities	—	(824,920)
Proceeds from Secured Credit Agreements - CRE Debt Securities	—	132,122
Payment of Deferred Financing Costs	(9,417)	(2,694)
Series B Preferred Stock Redemption Make-Whole Payment	(22,485)	—
Series B Preferred Stock Redemption at Par Value	(225,000)	—
Proceeds from Issuance of Series B Preferred Stock	—	210,598
Proceeds from Issuance of Warrants to Purchase Common Stock	—	14,402
Proceeds from Issuance of Common Stock	—	12,895
Dividends Paid on Common Stock	(60,499)	(81,218)
Dividends Paid on Class A Common Stock	—	(284)
Dividends Paid on Preferred Stock	(16,043)	(8,471)
Payment of Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	(6,824)	(12,342)
Net Cash Provided by (Used in) Financing Activities	185,788	(594,056)
Net Change in Cash, Cash Equivalents, and Restricted Cash	(49,739)	145,888
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	319,669	79,666
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 269,930	$ 225,554
Supplemental Disclosure of Cash Flow Information:		
Interest Paid	$ 52,033	$ 79,518
Taxes Paid	$ 1,169	$ 141
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Dividends Declared, not paid	$ 18,593	$ 15,444
Transfer from Loans Held for Investment to Loans Held for Sale	$ 86,636	$ —
Principal Repayments of Loans Held for Investment Held by Servicer/Trustee, Net	$ 15,332	$ 23,478
Accrued Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	$ 42	$ 3,047
Change in Accrued Deferred Financing Costs	$ 593	$ 567
Unrealized Loss on Available-for-Sale CRE Debt Securities	$ —	$ (1,051)

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 organized as a holding company and conducts its 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. The Company conducts its operations as a real estate investment trust ("REIT") for U.S. federal income tax purposes. The Company is generally not subject to U.S. federal income taxes on its REIT taxable income to the extent that it annually distributes all of its REIT taxable income to stockholders and maintains its qualification as a REIT. The Company also operates its business in a manner that permits it 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"), primarily investment-grade 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. The Company believes it has made all necessary adjustments, consisting of only normal recurring items, so that the consolidated financial statements are presented fairly and that estimates made in preparing the consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These interim consolidated financial statements should be read in conjunction with the Company's Form 10-K filed with the SEC on February 24, 2021.

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 (loss) or total assets in the consolidated statements of income (loss) and comprehensive income (loss) and consolidated balance sheets, respectively. Prior period amounts related to preferred stock dividends and participating securities' share in earnings (loss) were reclassified to conform with the current period presentation of net (loss) income attributable to common stockholders in the consolidated statements of income (loss) and comprehensive income (loss). Additionally, amounts related to collateralized loan obligation proceeds held at trustee were reclassified from accounts receivable from servicer/trustee in prior period consolidated balance sheets to conform with the current period presentation.

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 our allowance 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 reduced availability of observable pricing inputs due to market dislocation resulting from the coronavirus pandemic ("COVID-19"). 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.

Risks and Uncertainties

COVID-19 has had an adverse impact on economic and market conditions and triggered 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. As a result of the approval of multiple COVID-19 vaccines for use and the distribution of such vaccines among the general population, many jurisdictions have re-opened and loosened restrictions. However, wide disparities in vaccination rates and continued vaccine hesitancy, combined with the emergence of COVID-19 variants and surges in COVID-19 cases, could trigger the reinstatement of restrictions. Such restrictions could include travel restrictions, reduced business operations and social distancing requirements, which could dampen or delay any economic recovery. Although the Company has observed signs of economic recovery, they are uneven, and the Company cannot predict the time required for a widespread sustainable economic recovery to take place.

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 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 United States and global economies, (iv) the availability of a treatment and effectiveness of vaccines approved for COVID-19 and the willingness of individuals to get vaccinated, (v) 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, (vi) the impact of phase out of economic stimulus measures, the inflationary pressure of economic stimulus, and the eventual halt and reversal by the U.S. Treasury of asset purchases and (vii) the impact on the Company's borrowers, real estate values and cost of capital.

Principles of Consolidation

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810—*Consolidation ("ASC 810")* provides guidance on the identification of a variable interest entity ("VIE"), 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 the Company 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 conclusions for all its VIEs 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 in accordance with GAAP. See Note 6 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 interest income on a straight-line basis, when it approximates the interest method, over the related extension or modification period. Exit fees are accreted into interest 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, or if timely collection of principal and interest is doubtful. 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 in the value 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 the PIK interest is written off.

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 status. Based on the Company's judgment as to the collectability of principal, a loan on non-accrual status is either accounted for on a cash basis, where interest income is recognized only upon receipt of cash for interest payments, or on a cost-recovery basis, where all cash receipts reduce the loan's carrying value, and interest income is only recorded when such carrying value has been fully recovered.

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 cumulative charge-offs, interest applied to principal (for loans accounted for using the cost recovery method), unamortized premiums, discounts, 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 and fees receivable on the Company's consolidated balance sheets.

Non-Accrual Loans

Loans are placed on non-accrual status when the full and timely collection of principal and interest is doubtful, generally when: management determines that the borrower is incapable of, or has ceased efforts toward, curing the cause of a default; the loan becomes 90 days or more past due for principal and interest; or the loan experiences a maturity default. The Company considers an account past due when an obligor fails to pay substantially all (defined as 90%) of the scheduled contractual payments by the due date. In each case, the period of delinquency is based on the number of days payments are contractually past due. 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 the Company would not otherwise consider. The Company does not consider a restructuring that includes an insignificant delay in payment as a concession. 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 non-performing 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. 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.

Loans Held for Sale

The Company may change its intent, or its assessment of its ability, to hold for the foreseeable future loans held for investment based on changes in the real estate or capital markets, or when a shift in its loan portfolio construction occurs. Once a determination is made to sell a loan, it is transferred to loans held for sale when the Company no longer has the intent and ability to hold a loan for investment for the foreseeable future. In accordance with GAAP, loans classified as held for sale are recorded at the lower of cost or fair value, net of estimated selling costs, and the loan is excluded from the determination of the CECL reserve.

Credit Losses

Allowance for Credit Losses for Loans Held for Investment

On January 1, 2020, the Company adopted Accounting Standard Update (“ASU”) 2016-13, Financial Instruments-Credit Losses, and subsequent amendments, which replaced the incurred loss methodology with an expected loss model known as the Current Expected Credit Loss ("CECL") model. The initial CECL reserve recorded on January 1, 2020 is reflected as a direct charge to retained earnings on the Company’s consolidated statements of changes in equity. Subsequent changes to the CECL reserve are recognized through net income on the Company’s consolidated statements of income (loss) and comprehensive income (loss). The allowance for credit losses measured under the 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 related to 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 benefit (expense), which is reported in earnings in the consolidated statements of income (loss) and comprehensive income (loss) 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, existence of a liquid investment sales market for commercial properties, and availability of replacement short-term or long-term financing. The loans in the Company’s commercial mortgage loan portfolio are secured by collateral of the following property types: office (including life science-related properties); multifamily; hotel; mixed-use; condominium; and retail.

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. The Company regularly evaluates on a loan-by-loan basis, typically no less frequently than quarterly, 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/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.

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 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 loan investments originated during the most recent quarter, except in the case of specific circumstances warranting an exception.

The Company's CECL reserve also 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, inflation rates, interest rates, price indices for commercial property, current and expected future availability of liquidity in the commercial property debt and equity capital markets, and other macroeconomic factors that may influence 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. Selection of the economic forecast or forecasts used, in conjunction with loan level inputs, to determine the CECL reserve 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. The actual economic conditions impacting the Company's portfolio could vary significantly from the estimates the Company made for the periods presented.

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 remains materially and adversely impacted. Key inputs to the estimate include, but are not limited to, LTV, debt service coverage ratio, current and 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 market liquidity based on market indices or observable transactions involving the sale or financing of commercial properties. Estimates made by management are necessarily subject to change due to the limited number of observable inputs and uncertainty regarding the duration of the COVID-19 pandemic and its aftereffects.

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 loss-given-default ("LGD") 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. Consistent with ASC Topic 326, *Financial Instruments-Credit Losses* ("ASC 326"), a loan will be written off through Credit Loss Benefit (Expense) in the consolidated statements of income (loss) and comprehensive income (loss) when it is deemed non-recoverable upon a realization event. This is generally at the time the loan receivable is settled, transferred or exchanged, but non-recoverability may also be concluded by the Company if, in its determination, it is nearly certain that all amounts due will not be collected. This loss shall equal the difference between the cash received, or expected to be received, and the book value of the asset. 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 120,000 commercial real estate loans dating back to 1998, in an analytical model to compute statistical credit loss factors (i.e., probability-of-default, loss severity, and loss-given-default). These statistical credit loss factors are utilized together with individual loan information to estimate the allowance for credit losses. This methodology 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 reverts to unadjusted historical loan loss information. 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, or when it is deemed probable that the Company will not be able to collect all amounts due according to the contractual terms of the loan, the Company separately evaluates the amount of expected credit loss using other 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, if repayment is expected solely from 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, interest reserves, and occasionally to fund forecasted operating deficits during lease-up. 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.

CRE Debt Securities

In the past, the Company acquired CRE debt securities for investment purposes. The Company designated CRE debt securities as available-for-sale ("AFS") on the acquisition date. CRE debt securities that were classified as AFS were recorded at fair value through other comprehensive income or loss in the Company's consolidated financial statements. The Company recognized interest income on its CRE debt securities using the interest method, or on a straight-line basis when it approximated 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 was separately reported as accrued interest receivable on the Company's consolidated balance sheets. The Company used 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 were evaluated for impairment related to credit losses at least quarterly. For the purpose of identifying and measuring impairment, any applicable accrued interest was excluded from both the fair value and the amortized cost basis. The Company had elected to write off accrued interest by reversing interest income in the event the accrued interest is deemed uncollectible, generally when the security became 90 days or more past due for principal and interest.

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

Any AFS debt security in an unrealized loss position which the Company did not intend to sell or was not more likely than not required to sell before recovery of the amortized cost basis was assessed for expected credit losses. The performance indicators considered for CRE debt securities related to the underlying assets and included 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 compared 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 was less than the amortized cost basis for the security, a credit loss existed and an allowance for credit losses was recorded, limited by the amount the fair value was less than amortized cost basis.

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

Real Estate Owned

Real estate acquired through a foreclosure or by deed-in-lieu of foreclosure is classified as real estate owned ("REO") and held for investment on the Company's consolidated balance sheet until a pending sales transaction meets the criteria of ASC 360-10-45-9 and is considered to be held for sale or is sold. The Company's cost basis in REO is equal to the estimated fair value of the collateral at the date of acquisition, less estimated selling costs. The estimated fair value of REO is determined using a discounted cash flow model and inputs that include the highest and best use for each asset, estimated future values based on extensive discussions with local brokers, investors and other market participants, the estimated holding period for the asset, and discount rates that reflect estimated investor return requirements for the risks associated with the expected use of each asset. If the estimated fair value of REO is lower than the carrying value of the related loan upon acquisition, the difference, along with any previously recorded specific CECL reserve, is recorded through Credit Loss Benefit (Expense) in the consolidated statements of income (loss) and comprehensive income (loss).

REO is initially measured at fair value and is thereafter subject to an ongoing impairment analysis. Subsequent to a REO acquisition, events or circumstances may occur that result in a material and sustained decrease in the cash flows generated from the asset. REO is evaluated for recoverability, on a fair value basis, when impairment indicators are identified. Any impairment loss, revenue and expenses from operations of the properties and resulting gains or losses on sale are included within the consolidated statements of income (loss) and comprehensive income (loss).

Portfolio Financing Arrangements

The Company finances its portfolio of loans, or participation interests therein, and REO using secured credit agreements, including secured credit facilities, mortgage loans payable, 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 (loss) and comprehensive income (loss).

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 September 30, 2021, the Company transferred, on a non-recourse basis, 100% of the senior mortgage loan that the Company 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 loans 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.

For more information regarding the Company's portfolio financing arrangements, see Note 7.

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 and restricted cash. 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.

- Loans held for sale: estimated fair market value based on sale comparables as corroborated by inquiry of other market participants or independent market data providers, less estimated selling costs.

- Secured credit facilities and mortgage loan payable: based on the rate at which a similar secured credit facility or mortgage loan payable 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 and commercial mortgage loan markets continue to experience uneven liquidity 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. Pursuant to this revenue procedure, 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.

In certain instances, the Company may generate excess inclusion income ("EII") within its corporate entity structure, specifically in its sub-REIT and taxable partnership entities. EII is present in certain of the Company's CRE CLOs as a result of a sharp decline in LIBOR after issuance, loans with high interest rate floors, and liabilities largely based on unfloored LIBOR or Compounded Secured Overnight Financing Rate ("SOFR"). EII, which is treated as unrelated business taxable income, is an obligation of the Company and is allocated only to its taxable REIT subsidiaries and not to its common stockholders.

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 calculates basic earnings per share using the two-class method which defines unvested share-based payment awards that contain nonforfeitable rights to dividends as participating securities. The two-class method is an allocation formula that determines earnings per share for each share of common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. Basic earnings per common share is calculated by dividing earnings allocated to common shareholders by the weighted-average number of common shares outstanding during the period.

Diluted earnings per share is computed under the more dilutive of the treasury stock method or 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 (the "Warrants", see Note 13) issued in connection with the Company's Series B Cumulative Redeemable Preferred Stock (the "Series B Preferred Stock"), which are exercisable only on a net-share settlement basis. The number of incremental shares is calculated utilizing the treasury stock method. 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 Company excludes participating securities and warrants from the calculation of diluted weighted average shares outstanding 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 the Company's 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, secured credit arrangements, and mortgage loan payable 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 credit arrangements other than our CRE CLOs, the initial term of the financing arrangement, or in case of costs directly associated with the loan, over the life of the facility or the loan, whichever is shorter; (b) for deferred financing costs related to mortgage loan payable, the initial maturities of the underlying loan(s) pledged to support the specific borrowing; and (c) for our CRE CLOs, over the estimated life of the liabilities issued based on the underlying loans' initial maturity dates, considering the expected repayment behavior of the loans collateralizing the notes and the impact of any reinvestment periods, as of the closing date.

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 September 30, 2021 and December 31, 2020. 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) $15 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 $15.0 million and $19.1 million, respectively, as of September 30, 2021 and December 31, 2020.

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.

Collateralized Loan Obligation Proceeds Held at Trustee

Collateralized Loan Obligation Proceeds Held at Trustee represent the TRTX 2021-FL4 Ramp-Up Account available to purchase eligible collateral interests from the Company during a ramp-up period of approximately six months following the FL4 Closing Date, and cash held by the Company's CLOs pending reinvestment in eligible collateral. The Company fully utilized the TRTX 2021-FL4 Ramp-Up Account during the three months ended June 30, 2021. See Note 6 for additional details related to the issuance of TRTX 2021-FL4 on March 31, 2021.

Accounts Receivable from Servicer/Trustee

Accounts receivable from Servicer/Trustee represents cash proceeds from loan 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.

Stockholders' Equity

Total Stockholders' Equity includes preferred stock, common stock, and warrants classified as temporary equity or permanent equity. Common shares generally represent a basic ownership interest in an entity and a residual corporate interest in liquidation, bearing the ultimate risk of loss and receiving the benefit of success. Common shares are usually perpetual in nature with voting rights and dividend rights. Preferred shares are usually characterized by the life of the instrument (i.e., perpetual or redeemable) and the ability of a holder to convert the equity instrument into cash, common shares, or a combination thereof. The terms of preferred shares can vary significantly, including but not limited to, an equity instrument's dividend rate, term (e.g., inclusion of a stated redemption date), conversion features, voting rights, and liquidation preferences.

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 relative 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 Series B Preferred Stock issued in connection with the Investment Agreement described in Note 13 is classified as temporary equity in the accompanying financial statements. The Company elected the accreted redemption value method under 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. Such adjustments are included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on the Company's consolidated statements of changes in equity and treated similarly to a dividend on preferred stock for GAAP purposes. On June 16, 2021, the Company redeemed all 9,000,000 outstanding shares of the Series B Preferred Stock and accelerated the accretion of the redemption value. As of September 30, 2021, the Company had no shares of Series B Preferred Stock outstanding. The Series B Preferred Stock issuance, including details related to the Warrants, and redemption are described in Note 13.

Permanent Equity

The Company has preferred stock, common stock, and warrants outstanding that are classified as permanent equity. The Company's common stock is perpetual in nature with voting rights and dividend rights. On June 14, 2021, the Company issued 8,050,000 shares of Series C Cumulative Redeemable Preferred Stock (the "Series C Preferred Stock") that is classified as permanent equity. The outstanding shares of Series C Preferred Stock have a 6.25% dividend rate and may be redeemed by the Company at its option on and after June 14, 2026. The Series C Preferred Stock issuance is described in Note 13.

Recently Issued Accounting Guidance

In March 2020, the FASB issued 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. In January 2021, the FASB clarified the scope of that guidance with the issuance of ASU 2021-01, “Reference Rate Reform: Scope.” This ASU provides optional guidance for a limited period of time to ease the burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. This would apply to companies meeting certain criteria that have contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This standard is effective for the Company immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company continues to evaluate the documentation and control processes associated with its 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, and continues to utilize required resources to revise its control and risk management systems to ensure there is no disruption to our day-to-day operations from the transition, when it does occur. The Company 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 its assets and liabilities generally remain match-indexed following this event. The Company is currently evaluating the impact of ASU 2020-04 on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815 – 40) (“ASU 2020-06”). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity’s own equity. The ASU is part of the FASB’s simplification initiative, which aims to reduce unnecessary complexity in GAAP. The ASU’s amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The Company is currently evaluating the impact of ASU 2020-06 on its consolidated financial statements.

In April 2021, the FASB issued ASU 2021-04, which included Topic 260 “Earnings Per Share”. This guidance clarifies and reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options due to a lack of explicit guidance in the FASB Codification. The ASU 2021-04 is effective for all entities for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2021-04 on its consolidated financial statements.

(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 comprise a single portfolio of mortgage loans, and the Company has developed its systematic methodology to determine the allowance for credit losses based on a single portfolio. 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. Interest accrued but not yet collected is separately reported as accrued interest and fees receivable on the Company’s consolidated balance sheets. Amounts within that caption relating to loans held for investment were $14.8 million and $14.0 million as of September 30, 2021 and December 31, 2020, respectively.

During the three months ended September 30, 2021, the Company originated seven mortgage loans, with a total commitment of $482.9 million, an initial unpaid principal balance of $433.6 million, and unfunded commitments at closing of $49.3 million. During the nine months ended September 30, 2021, the Company originated 17 mortgage loans, with a total commitment of $1,280.7 million, an initial unpaid principal balance of $1,068.1 million, and unfunded commitments at closing of $212.6 million.

The following table details overall statistics for the Company's loans held for investment portfolio as of September 30, 2021 and December 31, 2020 (dollars in thousands):

	September 30, 2021		December 31, 2020	
	Balance sheet portfolio	Total loan portfolio	Balance sheet portfolio	Total loan portfolio
Number of loans	65	66	57	58
Floating rate loans	100.0%	100.0%	100.0%	100.0%
Total loan commitment[1]	$ 5,240,569	$ 5,372,569	$ 4,943,511	$ 5,075,511
Unpaid principal balance[2]	$ 4,757,397	$ 4,757,397	$ 4,524,725	$ 4,524,725
Unfunded loan commitments[3]	$ 486,663	$ 486,663	$ 423,487	$ 423,487
Amortized cost	$ 4,749,289	$ 4,749,289	$ 4,516,400	$ 4,516,400
Weighted average credit spread[4]	3.3%	3.3%	3.2%	3.2%
Weighted average all-in yield[4]	4.9%	4.9%	5.3%	5.3%
Weighted average term to extended maturity (in years)[5]	2.8	2.8	3.1	3.1

(1) 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. In either case, the senior mortgage loan (i.e., the non-consolidated senior interest) is not included on the Company's balance sheet. When the Company creates structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party, the Company retains on its balance sheet a mezzanine loan. Total loan commitment encompasses the entire loan portfolio the Company originated, acquired and financed. As of September 30, 2021 and December 31, 2020, the Company had one non-consolidated senior interest outstanding of $132.0 million.

(2) Unpaid principal balance includes PIK interest of $3.5 million and $4.7 million as of September 30, 2021 and December 31, 2020, respectively.

(3) 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 the Company's borrowers, to finance operating deficits during renovation and lease-up, and in limited instances to finance construction.

(4) As of September 30, 2021, 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 September 30, 2021 for weighted average calculations.

(5) Extended maturity assumes all extension options are exercised by the borrower; provided, however, that the Company's loans may be repaid prior to such date. As of September 30, 2021, based on the unpaid principal balance of the Company's total loan exposure, 25.7% of the Company's loans were subject to yield maintenance or other prepayment restrictions and 74.3% were open to repayment by the borrower without penalty.

The following tables present an overview of the Company's loans held for investment portfolio by loan seniority as of September 30, 2021 and December 31, 2020 (dollars in thousands):

	September 30, 2021		
Loans Held for Investment, Net	Outstanding Principal	Unamortized Premium (Discount) and Loan Origination Fees, net	Amortized Cost
Senior loans	$ 4,722,397	$ (8,037)	$ 4,714,360
Subordinated and mezzanine loans	35,000	(71)	34,929
Total	$ 4,757,397	$ (8,108)	$ 4,749,289
Allowance for credit losses			(50,051)
Loans held for investment, net			$ 4,699,238

	December 31, 2020		
Loans Held for Investment, Net	Outstanding Principal	Unamortized Premium (Discount) and Loan Origination Fees, net	Amortized Cost
Senior loans	$ 4,492,209	$ (8,161)	$ 4,484,048
Subordinated and mezzanine loans	32,516	(164)	32,352
Total	$ 4,524,725	$ (8,325)	$ 4,516,400
Allowance for credit losses			(59,940)
Loans held for investment, net			$ 4,456,460

For the nine months ended September 30, 2021, the Company's loans held for investment portfolio activity was as follows (dollars in thousands):

	Carrying value
Balance as of December 31, 2020	$ 4,456,460
Additions during the period:	
Loans originated and acquired	1,062,872
Additional fundings	111,583
Amortization of origination fees	5,448
Deductions during the period:	
Collection of principal	(799,688)
Loans held for sale	(86,636)
Loan sale	(60,690)
Change in allowance for credit losses	9,889
Balance as of September 30, 2021	$ 4,699,238

During the three months ended September 30, 2021, the Company transferred a performing hotel loan from loans held for investment to loans held for sale on its consolidated balance sheet. As of September 30, 2021, the Company had an executed purchase and sale agreement with a qualified buyer that included no significant contingencies for the sale to close. The contractual sales price for the first mortgage loan is par, or $87.1 million. As of September 30, 2021, the Company transferred $86.6 million, including the impact of $0.5 million of transaction costs, to loans held for sale on its consolidated balance sheet. As of September 30, 2021, the hotel loan had a risk rating of 4.

During the three months ended June 30, 2021, the Company sold one hotel loan with an unpaid principal balance of $60.7 million for $59.5 million, resulting in a loss on sale of $1.6 million, including transaction costs of $0.4 million, before giving effect to the reduction of its general CECL reserve resulting from the related decline in total loan commitments.

As of September 30, 2021 and December 31, 2020, there was $8.1 million and $8.3 million, respectively, of unamortized loan fees and discounts included in loans held for investment, net in the consolidated balance sheets. The Company did not recognize any accelerated fee component of prepayment fees during the three months ended September 30, 2021 and 2020, and recognized $0 million and $0.3 million of such payments, respectively, during the nine months ended September 30, 2021 and 2020.

As of September 30, 2021 and December 31, 2020, there were no unamortized loan purchase discounts or premiums included in loans held for investment at amortized cost on the consolidated balance sheets.

Loan Risk Rating

As discussed in Note 2, the Company evaluates all of its loans to assign risk ratings on a quarterly basis. 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 described in Note 2. The Company generally assigns a risk rating of "3" to all loan investments originated during the most recent quarter, except in specific circumstances warranting an exception.

The following tables present amortized cost basis by origination year, grouped by risk rating, as of September 30, 2021 and December 31, 2020 for the Company's loans held for investment portfolio (dollars in thousands):

	September 30, 2021						
	Amortized cost by origination year						
	2021	2020	2019	2018	2017	Prior	Total
Senior loans by internal risk ratings:							
1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2	33,590	—	—	52,696	—	—	86,286
3	1,032,088	255,642	1,556,049	930,927	337,139	23,009	4,134,854
4	—	—	198,512	46,966	216,542	—	462,020
5	—	—	—	31,200	—	—	31,200
Total mortgage loans	$ 1,065,678	$ 255,642	$ 1,754,561	$ 1,061,789	$ 553,681	$ 23,009	$ 4,714,360
Subordinated and mezzanine loans by internal risk ratings:							
1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	—	—	—	—	—
3	—	—	34,929	—	—	—	34,929
4	—	—	—	—	—	—	—
5	—	—	—	—	—	—	—
Total subordinated and mezzanine loans	—	—	34,929	—	—	—	34,929
Total	$ 1,065,678	$ 255,642	$ 1,789,490	$ 1,061,789	$ 553,681	$ 23,009	$ 4,749,289

	December 31, 2020					
	Amortized cost by origination year					
	2020	2019	2018	2017	2016	Total
Senior loans by internal risk ratings:						
1	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	337,738	—	—	337,738
3	247,770	1,705,783	1,099,503	255,255	—	3,308,311
4	—	433,334	46,882	301,628	25,049	806,893
5	—	—	31,106	—	—	31,106
Total mortgage loans	$ 247,770	$ 2,139,117	$ 1,515,229	$ 556,883	$ 25,049	$ 4,484,048
Subordinated and mezzanine loans by internal risk ratings:						
1	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	—	—	—	—
3	—	32,352	—	—	—	32,352
4	—	—	—	—	—	—
5	—	—	—	—	—	—
Total subordinated and mezzanine loans	—	32,352	—	—	—	32,352
Total	$ 247,770	$ 2,171,469	$ 1,515,229	$ 556,883	$ 25,049	$ 4,516,400

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 September 30, 2021 and December 31, 2020 for the Company's loans held for investment portfolio (dollars in thousands):

Rating	September 30, 2021	December 31, 2020
1	$ —	$ —
2	86,286	337,738
3	4,169,783	3,340,663
4	462,020	806,893
5	31,200	31,106
Total	$ 4,749,289	$ 4,516,400
Allowance for credit losses	(50,051)	(59,940)
Carrying value	$ 4,699,238	$ 4,456,460
Weighted average risk rating(1)	3.1	3.1

(1) Weighted average risk rating calculated based on the amortized cost balance at period end for the Company's loans held for investment portfolio. The amounts as of September 30, 2021 exclude one hotel loan with a risk category "4" rating that was transferred to loans held for sale at quarter end. The hotel loan that is held for sale is recorded at its sales price (par) less transaction costs, or $86.6 million.

The weighted average risk rating of the Company's loans held for investment portfolio was 3.1 as of September 30, 2021 and December 31, 2020.

During the three months ended September 30, 2021, the Company upgraded one hotel loan from risk category "4" to "3" because of continued improvement in property-level operating performance and positive economic trends in the local market. Additionally, the Company received full loan repayments with respect to three loans with a total unpaid principal balance of $418.1 million and a weighted average risk rating of 2.4 at June 30, 2021. The three loans were included in the Company's multifamily and office property categories.

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 September 30, 2021. As part of its 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, see Note 2

The following tables present activity in the allowance for credit losses for the Company's loans held for investment portfolio by class of finance receivable for the three and nine months ended September 30, 2021 and 2020 (dollars in thousands):

	For the Three Months Ended September 30, 2021		
	Senior loans	Subordinated and mezzanine loans	Total
Allowance for credit losses for loans held for investment:			
CECL reserve as of July 1, 2021	$ 51,431	$ 510	$ 51,941
Credit loss expense (benefit)	(1,567)	(323)	(1,890)
Subtotal	49,864	187	50,051
Allowance for credit losses on unfunded loan commitments:			
CECL reserve as of July 1, 2021	3,360	11	3,371
Credit loss expense (benefit)	852	694	1,546
Subtotal	4,212	705	4,917
Total allowance for credit losses	$ 54,076	$ 892	$ 54,968

	For the Three Months Ended September 30, 2020		
	Senior loans	Subordinated and mezzanine loans	Total
Allowance for credit losses for loans held for investment:			
CECL reserve as of July 1, 2020	$ 51,557	$ 2,000	$ 53,557
Credit loss expense (benefit)	3,416	(313)	3,103
Subtotal	54,973	1,687	56,660
Allowance for credit losses on unfunded loan commitments:			
CECL reserve as of July 1, 2020	3,618	1,500	5,118
Credit loss expense (benefit)	(1,138)	(1,311)	(2,449)
Subtotal	2,480	189	2,669
Total allowance for credit losses	$ 57,453	$ 1,876	$ 59,329

	For the Nine Months Ended September 30, 2021		
	Senior loans	Subordinated and mezzanine loans	Total
Allowance for credit losses for loans held for investment:			
CECL reserve as of December 31, 2020	$ 58,210	$ 1,730	$ 59,940
Credit loss expense (benefit)	(8,346)	(1,543)	(9,889)
Subtotal	49,864	187	50,051
Allowance for credit losses on unfunded loan commitments:			
CECL reserve as of December 31, 2020	2,756	132	2,888
Credit loss expense (benefit)	1,456	573	2,029
Subtotal	4,212	705	4,917
Total allowance for credit losses	$ 54,076	$ 892	$ 54,968

	For the Nine Months Ended September 30, 2020		
	Senior loans	Subordinated and mezzanine loans	Total
Allowance for credit losses for loans held for investment:			
CECL reserve as of December 31, 2019	$ —	$ —	$ —
Cumulative-effect adjustment upon adoption of ASU 2016-13	16,903	880	17,783
Credit loss expense (benefit)	38,070	807	38,877
Subtotal	54,973	1,687	56,660
Allowance for credit losses on unfunded loan commitments:			
CECL reserve as of December 31, 2019	—	—	—
Cumulative-effect adjustment upon adoption of ASU 2016-13	1,862	—	1,862
Credit loss expense (benefit)	618	189	807
Subtotal	2,480	189	2,669
Total allowance for credit losses	$ 57,453	$ 1,876	$ 59,329

The amount of allowance for credit losses is influenced by the size of the Company's loan portfolio, loan quality, risk rating, delinquency status, historic loss experience and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions. During the three months ended September 30, 2021, the Company recorded a decrease of $0.3 million to its allowance for credit losses. The decline in the Company's allowance for credit losses was primarily due to an improving macroeconomic outlook based on recent observed economic data, improved property performance of underlying collateral for many of its loan investments that were adversely impacted by COVID-19, repayments and loan sales, a loan transferred from loans held for investment to loans held for sale, and normalizing commercial real estate capital markets activity. While the ultimate impact of these trends remains uncertain, the Company has selected its macroeconomic outlook based on this uncertainty, made specific forward-looking valuation adjustments to the inputs of its calculation of the allowance for credit losses to reflect variability regarding the timing, strength, and distribution of a sustained economic recovery, and unknown post-COVID levels of economic activity that may result.

During the nine months ended September 30, 2021, the Company recorded a decrease of $7.9 million to its allowance for credit losses, reducing its CECL reserve to $55.0 million as of September 30, 2021. For the nine months ended September 30, 2021, the Company's estimate of expected credit losses was impacted by loan originations, sales, and repayments of $1,062.9 million, $60.7 million, and $799.7 million, respectively, recessionary and recovery macroeconomic assumptions employed in determining the model-based general CECL reserve, and an increase in the Company's total loan commitments and unpaid principal balance as of September 30, 2021. For the nine months ended September 30, 2020, the allowance for credit losses increased to $59.3 million, comprised of $19.6 million in connection with the adoption of ASC 326 on January 1, 2020, and $39.7 million due to changes in economic outlook resulting from the initial impact of the COVID-19 pandemic. The weighted average risk rating of the Company's loans held for investment portfolio was 3.1 as of September 30, 2021, remaining unchanged since September 30, 2020.

One loan secured by a retail property was on non-accrual status as of September 30, 2021 and December 31, 2020 due to a default caused by non-payment of interest in December 2020. The amortized cost of the loan was $31.2 million and $31.1 million as of September 30, 2021 and December 31, 2020, respectively. In accordance with the Company's revenue recognition policy on loans placed on non-accrual status, the Company suspended accrual of interest income on this first mortgage loan. As of September 30, 2021 and December 31, 2020, the Company determined that this first mortgage loan met the CECL framework's criteria for individual assessment. Accordingly, the Company utilized the estimated fair value of the collateral on September 30, 2021 and December 31, 2020 to estimate a reserve for credit loss of $10.0 million, which is included in the 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 12.5%, and a terminal capitalization rate of 7.5%. These inputs are based on the location, type and nature of the property, current and anticipated market conditions, and management's knowledge, experience, and judgment. 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 later periods.

During the three months ended September 30, 2021, the Company executed five loan modifications with four borrowers. As of September 30, 2021, these loans had an aggregate commitment amount of $523.2 million and an aggregate unpaid principal balance of $515.7 million. None of the loan modifications triggered the accounting requirements of a troubled debt restructuring.

During the nine months ended September 30, 2021, the Company executed 12 loan modifications. As of September 30, 2021, the aggregate number of loan modifications in effect was 14 with an unpaid principal balance of $1.3 billion. All the modified loans are performing as of September 30, 2021.

Loan modifications implemented by the Company since January 1, 2021 typically involve the adjustment or waiver of property level or business plan milestones or performance tests that are prerequisite to the extension of a loan maturity, in exchange for borrower concessions that may include any or all of the following: a partial repayment of principal; termination of all or a portion of the remaining unfunded loan commitment; a cash infusion by the sponsor or borrower to replenish loan reserves (interest or capital improvements); additional call protection; and an increase in the loan coupon. Loan modifications implemented by the Company in 2020 typically involved the repurposing of existing reserves to pay interest and other property-level expenses, and providing relief to conditions for extension, such as waiving or reducing debt yield tests or modifying the conditions upon which the underlying borrower may extend the maturity date. In exchange, borrowers and sponsors made partial principal repayments and/or provided additional cash for payment of interest, operating expenses, and replenishment of interest reserves or capital reserves in amounts and combinations acceptable to the Company.

The following table presents the activity in the PIK balance for the nine months ended September 30, 2021 for the Company's loans held for investment portfolio and one loan classified as held for sale as of September 30, 2021 (dollars in thousands):

Balance as of December 31, 2020	$	4,701
PIK accrued		816
PIK repayments and write-off		—
Balance as of March 31, 2021	$	5,517
PIK accrued		360
PIK repayments		(1,034)
PIK write-off		(690)
Balance as of June 30, 2021	$	4,153
PIK accrued		209
PIK repayments		(871)
PIK write-off		—
Balance as of September 30, 2021	$	3,491

For the three months ended September 30, 2021, total PIK interest of $0.2 million on an existing modified loan was deferred and added to the outstanding loan principal in accordance with terms of the loan modification. For the nine months ended September 30, 2021, total PIK interest of $1.4 million on two loans was deferred and added to the outstanding loan principal in accordance with terms of the loan modification. PIK interest on six loans was outstanding as of September 30, 2021.

The following table presents collections of scheduled interest during the three and nine months ended September 30, 2021 and 2020 and the three months ended June 30, 2021 and March 31, 2021:

	Three Months Ended				Nine Months Ended	
	September 30, 2021	June 30, 2021	March 31, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Scheduled interest, including PIK	99.4%	99.3%	99.4%	100.0%	99.4%	100.0%
PIK interest as a percentage of scheduled interest	0.7%	1.1%	1.2%	2.9%	1.0%	1.2%

The following table presents an aging analysis for the Company's loans held for investment portfolio by class of loans as of September 30, 2021 based on amortized cost basis (dollars in thousands):

		Days outstanding					
	Current	Days: 30-59	Days: 60-89	Days: 90 or more	Total loans past due	Total loans	90 days or more past due and accruing interest
Loans Receivable:							
Senior loans	$ 4,683,160	$ —	$ —	$ 31,200	$ 31,200	$ 4,714,360	$ —
Subordinated and mezzanine loans	34,929	—	—	—	—	34,929	—
Total	$ 4,718,089	$ —	$ —	$ 31,200	$ 31,200	$ 4,749,289	$ —

At December 31, 2020, all loans were current.

(4) Real Estate Owned

In December 2020, the Company acquired two largely undeveloped commercially-zoned land parcels on the Las Vegas Strip comprising 27 acres (the "REO Property") pursuant to a negotiated deed-in-lieu of foreclosure. The Company's cost basis in the REO Property was $99.2 million, equal to the estimated fair value of the collateral at the date of acquisition, net of estimated selling costs. The Company's estimate of the REO Property's fair value was determined using a discounted cash flow model and Level 3 inputs, which include estimates of parcel-specific cash flows over a specific holding period, at a discount rate that ranges between 8.0% - 17.5% based on the risk profile of estimated cash flows associated with each respective parcel, and an estimated capitalization rate of 6.25%, where applicable. These inputs are based on the highest and best use for each parcel, estimated future values for the parcels based on extensive discussions with local brokers, investors and other market participants, the estimated holding period for the parcels, and discount rates that reflect estimated investor return requirements for the risks associated with the expected use of each sub-parcel.

As of September 30, 2021, the Company continued to hold the REO Property at its estimated fair value at the time of acquisition, net of estimated selling costs, of $99.2 million. The Company obtained from a third party a $50.0 million non-recourse first mortgage loan secured by the REO Property, which is classified as Mortgage Loan Payable on the consolidated balance sheets. See Note 7 for details of the Mortgage Loan Payable.

For the nine months ended September 30, 2021, operating revenues from the REO Property were sufficient to cover the operating expenses and were immaterial to the financial results of the Company.

(5) Available-for-Sale Debt Securities

As of September 30, 2021, the Company did not own any CRE debt securities. The Company did not acquire any CRE debt securities during the three and nine months ended September 30, 2021.

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 Impairments on the consolidated statement of income (loss) and comprehensive income (loss). 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 secured credit facilities used to finance these investments. To mitigate the impact to the Company's business from these developments, the Company decided in late March 2020 to sell its entire CRE debt securities portfolio. Accordingly, as of 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 Impairments on the consolidated statement of income (loss) and comprehensive income (loss). 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, equal to the impairment charge recorded during the three months ended March 31, 2020. For the nine months ended September 30, 2020, the Company recorded total impairment charges of $203.4 million recognized as expense in Securities Impairments on the consolidated statement of income (loss) and comprehensive income (loss), offset by a small realized gain.

(6) Variable Interest Entities and Collateralized Loan Obligations

Subsidiaries of the Company have outstanding as of September 30, 2021 three collateralized loan obligations to finance approximately $3.4 billion, or 70.7%, of the Company's loans held for investment portfolio, measured by unpaid principal balance.

On March 31, 2021 (the "FL4 Closing Date"), TPG RE Finance Trust CLO Sub-REIT ("Sub-REIT"), a subsidiary of the Company, entered into a collateralized loan obligation ("TRTX 2021-FL4" or "FL4") through its wholly-owned subsidiaries TRTX 2021-FL4 Issuer, Ltd., an exempted company incorporated in the Cayman Islands with limited liability, as issuer (the "FL4 Issuer"), and TRTX 2021-FL4 Co-Issuer, LLC, a Delaware limited liability company, as co-issuer (the "FL4 Co-Issuer" and together with the FL4 Issuer, the "FL4 Issuers"). On the FL4 Closing Date, FL4 Issuer issued $1.25 billion principal amount of notes (the "FL4 Notes"). The FL4 Co-Issuer co-issued $1.04 billion principal amount of investment grade-rated notes which were purchased by third party investors. Concurrently with the issuance of the FL4 Notes, the FL4 Issuer also issued 112,500 preferred shares, par value $0.001 per share and with an aggregate liquidation preference and notional amount equal to $1,000 per share (the "FL4 Preferred Shares" and, together with the FL4 Notes, the "FL4 Securities"), to TRTX Master Retention Holder, LLC, a Delaware limited liability company and indirect wholly-owned subsidiary of the Company ("FL4 Retention Holder").

Proceeds from the issuance of the FL4 Securities were used to (i) purchase one commercial real estate whole loan (the "FL4 Closing Date Whole Loan") and 17 pari passu participations in 17 separate commercial real estate whole loans (the "FL4 Closing Date Pari Passu Participations" and, together with the FL4 Closing Date Whole Loan, the "FL4 Closing Date Collateral Interests"), (ii) fund an account (the "FL4 Ramp-Up Account") in an amount of approximately $308.9 million to be used to purchase eligible collateral interests during a ramp-up period of approximately six months following the Closing Date (the "FL4 Ramp-Up Collateral Interests," and, together with the FL4 Whole Loans, the "FL4 Initial Collateral Interests") and (iii) to distribute to the Company $104.8 million of cash for investment or other corporate uses. The FL4 Closing Date Collateral Interests were purchased by the FL4 Issuer from the FL4 Seller, a wholly-owned subsidiary of the Company and an affiliate of the FL4 Issuers.

The Company fully invested the FL4 Ramp-Up Account of $308.9 million during the three months ended June 30, 2021.

TRTX 2021-FL4 permits the Company, during the 24 months after closing, to contribute eligible new loans or participation interests (the "FL4 Additional Interests") in loans to TRTX 2021-FL4 in exchange for cash, which provides additional liquidity to the Company to originate new loan investments as underlying loans repay. During the three months ended September 30, 2021, the Company utilized the reinvestment feature five times, contributing $178.2 million of new loans or participation interests, receiving net proceeds of $93.1 million after repaying $85.1 million of existing borrowings, including accrued interest. During the nine months ended September 30, 2021, the Company utilized the reinvestment feature seven times, contributing $255.5 million of new loans or participation interests, receiving net proceeds of $146.9 million after repaying $108.6 million of existing borrowings, including accrued interest.

As of September 30, 2021, FL4 Mortgage Assets represented 26.2% of the aggregate unpaid principal balance of the Company's loans held for investment portfolio and had an aggregate principal balance of approximately $1.2 billion.

As of September 30, 2021, TRTX 2019-FL4 had $3.3 million of cash available to acquire eligible assets which is included in Collateralized Loan Obligation Proceeds Held at Trustee on the Company's consolidated balance sheets.

In connection with TRTX 2021-FL4, the Company incurred $8.3 million of deferred financing costs, including issuance, legal, and accounting related costs, which are amortized on an effective yield basis over the expected life of the issued investment-grade notes. The expected life of the issued investment-grade notes is based upon the anticipated repayment behavior of the loans collateralizing the notes after giving effect to the reinvestment period, which was initially assessed on the FL4 Closing Date. On a quarterly basis, the Company reassesses the expected life of the issued investment-grade notes based upon current repayment behavior after giving effect to the reinvestment period and prospectively adjusts its amortization expense, if necessary. For the three and nine months ended September 30, 2021, amortization of deferred financing costs of $0.7 million and $1.2 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss). As of September 30, 2021, the Company's unamortized deferred financing costs related to TRTX 2021-FL4 were $7.1 million.

Interest expense on the outstanding FL4 Notes is payable monthly. For the three and nine months ended September 30, 2021, interest expense on the outstanding FL4 Notes (excluding amortization of deferred financing costs) of $4.5 million and $9.2 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss).

On October 25, 2019 (the "FL3 Closing Date"), Sub-REIT entered into a collateralized loan obligation ("TRTX 2019-FL3" or "FL3"). TRTX 2019-FL3 provides for reinvestment, during the 24 months after closing of FL3, whereby eligible new loans or participation interests (the "FL3 Additional Interests") in loans may be contributed to TRTX 2019-FL3 in exchange for cash, which provides liquidity to the Company to originate new loan investments as underlying loans repay.

During the three and nine months ended September 30, 2021, the Company utilized the reinvestment feature three times, contributing $189.6 million of new loans or participation interests, receiving net proceeds of $64.7 million after repaying $124.9 million of existing borrowings, including accrued interest.

For the three months ended September 30, 2020, the Company did not utilize the reinvestment feature. For the nine months ended September 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.

As of September 30, 2021 FL3 Mortgage Assets represented 25.8% of the aggregate unpaid principal balance of the Company's loans held for investment portfolio and had an aggregate principal balance of approximately $1.2 billion.

As of September 30, 2021, TRTX 2019-FL3 had $3.6 million of cash available to acquire eligible assets which is included in Collateralized Loan Obligation Proceeds Held at Trustee on the Company's consolidated balance sheets.

In connection with TRTX 2019-FL3, the Company incurred $7.8 million of deferred financing costs, including issuance, legal, and accounting related costs, which are amortized on an effective yield basis over the expected life of the issued investment-grade notes. The expected life of the issued investment-grade notes is based upon the anticipated repayment behavior of the loans collateralizing the notes after giving effect to the reinvestment period, both of which were initially assessed on the FL3 Closing Date. On a quarterly basis, the Company reassesses the expected life of the issued investment-grade notes based upon current repayment behavior after giving effect to the reinvestment period and prospectively adjusts its amortization expense, if necessary. For the three and nine months ended September 30, 2021, amortization of deferred financing costs of $0.6 million and $1.8 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss). As of September 30, 2021, the Company's unamortized deferred financing costs related to TRTX 2019-FL3 were $3.3 million.

Interest expense on the outstanding FL3 Notes is payable monthly. On March 5, 2021, the Financial Conduct Authority of the U.K. (the "FCA") announced that all LIBOR tenors relevant to us will cease to be published or will no longer be representative after June 30, 2023. The Alternative Reference Rates Committee (the "ARRC") interpreted this announcement to constitute a benchmark transition event, and on May 17, 2021, Wells Fargo Bank, National Association, solely in its capacity as designated transaction representative under the FL3 indenture, determined that a benchmark transition event had occurred with respect to FL3. Accordingly, on June 15, 2021, the benchmark index interest rate for bondholders under FL3 was converted from LIBOR to the Compounded Secured Overnight Financing Rate ("SOFR") plus a benchmark replacement adjustment of 11.448 basis points, conforming with the FL3 indenture and the recommendation of the ARRC. The designated transaction representative further determined that SOFR for any interest accrual period has been the "30-Day Average SOFR" published on the website of the Federal Reserve Bank of New York on each benchmark determination date. SOFR will be determined by the calculation agent in arrears using a lookback period equal to the number of calendar days in such interest accrual period plus two SOFR Business Days. As of September 30, 2021, the FL3 mortgage assets are indexed to LIBOR and the borrowings under FL3 were indexed to SOFR, creating a difference between benchmark interest

rates (a basis difference), for FL3 assets and liabilities, which is meant to be mitigated by the benchmark replacement adjustment described above. The Company has the right to transition the FL3 mortgage assets to SOFR, eliminating the basis difference between FL3 assets and liabilities, and will make its determination taking into account the loan portfolio as a whole. The transition to SOFR is not expected to have a material impact to FL3's assets and liabilities and related interest expense.

On October 1, 2021, based on an ARRC recommendation and the terms of the FL3 indenture, the designated transaction representative further determined that the benchmark index interest rate for bondholders under FL3 was converted from SOFR plus a benchmark replacement adjustment of 11.448 basis points to Term SOFR on the first day of the most recent calendar quarter (October 1, 2021 effective for the three months ended December 31, 2021 and in future periods). The transition to Term SOFR is not expected to have a material impact to FL3's assets and liabilities and related interest expense.

For the three and nine months ended September 30, 2021, interest expense on the outstanding FL3 Notes (excluding amortization of deferred financing costs) of $3.9 million and $11.5 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss). For the three and nine months ended September 30, 2020, interest expense on the outstanding FL3 Notes (excluding amortization of deferred financing costs) of $4.1 million and $16.2 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss).

On November 29, 2018 (the "FL2 Closing Date"), Sub-REIT entered into a collateralized loan obligation ("TRTX 2018-FL2" or "FL2"). TRTX 2018-FL2 provides for reinvestment, during the 24 months after closing of FL2, whereby eligible new loans or participation interests in loans may be contributed to TRTX 2018-FL2 in exchange for cash, which provided additional liquidity to the Company to originate new loan investments as underlying loans repay. The reinvestment period for TRTX 2018-FL2 ended on December 11, 2020. For the three months ended September 30, 2020, the Company utilized the reinvestment feature four times, contributing $159.5 million of new loans or participation interests in loans, and receiving net cash proceeds of $57.1 million, after the repayment of $102.4 million of existing borrowings, including accrued interest. For the nine months ended September 30, 2020, the Company utilized the reinvestment feature nine times, contributing $292.5 million of new loans or participation interests in loans, and receiving net cash proceeds of $122.8 million, after the repayment of $169.7 million of existing borrowings, including accrued interest.

As of September 30, 2021, FL2 Mortgage Assets represented 18.7% of the aggregate unpaid principal balance of the Company's loans held for investment portfolio and had an aggregate principal balance of approximately $891.0 million.

In connection with TRTX 2018-FL2, the Company incurred $8.7 million of deferred financing costs, including issuance, legal, and accounting related costs, which are amortized on an effective yield basis over the expected life of the issued investment-grade notes (the "FL2 Notes"). The expected life of the issued investment-grade notes is based upon the expected repayment behavior of the loans collateralizing the notes and the reinvestment period, both of which were initially assessed on the FL2 Closing Date. On a quarterly basis, the Company reassesses the expected life of the issued investment-grade notes based upon current repayment behavior after giving effect to the reinvestment period and prospectively adjusts its amortization expense, if necessary. For the three and nine months ended September 30, 2021, amortization of deferred financing costs of $0.8 million and $2.0 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss). As of September 30, 2021, the Company's unamortized deferred financing costs related to TRTX 2018-FL2 were $1.7.

Interest expense on the outstanding FL2 Notes is payable monthly. For the three and nine months ended September 30, 2021, interest expense on the outstanding FL2 Notes (excluding amortization of deferred financing costs) of $2.8 million and $9.0 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss). For the three and nine months ended September 30, 2020, interest expense on the outstanding FL2 Notes (excluding amortization of deferred financing costs) of $3.3 million and $13.3 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss).

In accordance with ASC 810, the Company evaluated the key attributes of the issuers of the FL4 Notes (the "FL4 Issuers"), FL3 Notes (the "FL3 Issuers") and 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 FL4 Issuers, 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 FL4 Issuers, 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 FL4 Issuers, FL3 Issuers and the FL2 Issuers.

The Company's total assets and total liabilities as of September 30, 2021 included VIE assets and liabilities related to TRTX 2021-FL4, TRTX 2019-FL3, TRTX 2018-FL2, and two loans held for investment with an unpaid principal balance of $82.8 million within the Sub-REIT structure. The Company's total assets and total liabilities as of December 31, 2020 included VIE assets and liabilities related to TRTX 2021-FL4, TRTX 2019-FL3, and TRTX 2018-FL2. The following table outlines the total assets and liabilities within the Sub-REIT structure (dollars in thousands):

	September 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 22,979	$ 78,350
Collateralized loan obligation proceeds held at trustee	6,870	174
Accounts receivable from servicer/trustee	1,689	—
Accrued interest receivable	6,868	740
Loans held for investment	3,412,627	2,199,666
Total assets	$ 3,451,033	$ 2,278,930
Liabilities		
Accrued interest payable	$ 1,998	$ 1,311
Accrued expenses	1,907	630
Collateralized loan obligations	2,749,901	1,825,569
Payable to affiliates	3,830	14,016
Total Liabilities	$ 2,757,636	$ 1,841,526

The following tables outline TRTX 2021-FL4, TRTX 2019-FL3 and TRTX 2018-FL2 loan collateral and borrowings under the TRTX 2021-FL4, TRTX 2019-FL3 and TRTX 2018-FL2 collateralized loan obligations as of September 30, 2021 and December 31, 2020 (dollars in thousands):

September 30, 2021			
Collateral (loan investments)		Debt (notes issued)	
Outstanding principal	Carrying value	Face value	Carrying value
$ 3,363,691	$ 3,332,085	$ 2,762,510	$ 2,749,901

December 31, 2020			
Collateral (loan investments)		Debt (notes issued)	
Outstanding principal	Carrying value	Face value	Carrying value
$ 2,230,276	$ 2,230,276	$ 1,834,760	$ 1,825,568

Assets held by the FL4 Issuers, FL3 Issuers and the FL2 Issuers are restricted and can only be used to settle obligations of the related VIE. The liabilities of the FL4 Issuers, FL3 Issuers and the FL2 Issuers are non-recourse to the Company and can only be satisfied from the then-current assets of the related VIE.

The following table outlines the weighted average spreads and maturities for TRTX 2021-FL4, TRTX 2019-FL3 and TRTX 2018-FL2 loan collateral and borrowings under the TRTX 2021-FL4, TRTX 2019-FL3 and TRTX 2018-FL2 collateralized loan obligations as of September 30, 2021 and December 31, 2020 (dollars in thousands):

	September 30, 2021		December 31, 2020	
	Weighted average spread (%)[1]	Weighted average maturity (years)[2]	Weighted average spread (%)[1]	Weighted average maturity (years)[2]
Collateral (loan investments)				
TRTX 2018-FL2	3.29%	2.2	3.33%	4.9
TRTX 2019-FL3[3]	3.23%	2.4	3.20%	4.1
TRTX 2021-FL4	3.18%	3.1	—	—
Debt (notes issued)				
TRTX 2018-FL2	1.50%	16.1	1.45%	16.9
TRTX 2019-FL3[3]	1.44%	13.0	1.44%	13.8
TRTX 2021-FL4	1.60%	16.4	—	—

(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.

(3) On June 15, 2021, the benchmark index interest rate for borrowings under TRTX 2019-FL3 was transitioned from LIBOR to SOFR by the designated transaction representative under the FL3 indenture.

(7) Secured Credit Agreements and Mortgage Loan Payable

As of September 30, 2021 and December 31, 2020, the Company had secured credit facilities used to finance certain of the Company's loan investments, and a mortgage loan payable used to finance the Company's REO Property. 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 mortgage loan payable, these borrowing arrangements contain defined mark-to-market provisions that permit our 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 ("credit marks") due to reasons other than capital markets events that result in 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 capital markets events have caused credit spreads to change for similar borrowing obligations ("spread marks").

The following table presents certain information regarding the Company's secured credit agreements as of September 30, 2021 and December 31, 2020. Except as otherwise noted, all agreements are on a partial (25%) recourse basis (dollars in thousands):

	September 30, 2021									
Secured credit agreements and mortgage loan payable:	**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**
Secured credit facilities(1)										
Goldman Sachs	08/19/22	08/19/24	1 Month LIBOR	2.0%	2.1%	$ 250,000	$ 152,012	$ 97,988	$ 164,824	$ 164,134
Wells Fargo	04/18/22	04/18/24	1 Month LIBOR	1.6%	1.7%	750,000	489,209	260,791	332,143	329,424
Barclays	08/13/22	08/13/23	1 Month LIBOR	1.5%	1.6%	750,000	638,125	111,875	171,223	170,901
Morgan Stanley	05/04/22	05/04/23	1 Month LIBOR	1.8%	1.9%	500,000	335,359	164,641	223,685	222,880
JP Morgan	10/30/23	10/30/25	1 Month LIBOR	1.7%	1.8%	400,000	258,913	141,087	235,724	234,196
US Bank	07/09/22	07/09/24	1 Month LIBOR	1.4%	1.7%	44,730	5,485	39,245	58,752	58,752
Bank of America	09/29/22	09/29/22	1 Month LIBOR	1.8%	1.9%	200,000	96,961	31,664	42,352	42,352
Institutional financing	10/30/23	10/30/25	1 Month LIBOR	4.5%	4.8%	249,546	176,923	72,623	129,026	128,969
Subtotal						$ 3,144,276	$ 2,152,987	$ 919,914	$ 1,357,729	$ 1,351,608
Mortgage loan payable										
Institutional lender	12/15/21	12/15/22	1 Month LIBOR	4.5%	5.0%	50,000	—	50,000	99,200 (2)	—
Subtotal						$ 50,000	$ —	$ 50,000	$ 99,200	$ —
Total						$ 3,194,276	$ 2,152,987	$ 969,914	$ 1,456,929	$ 1,351,608

(1) Borrowings under secured credit facilities with a guarantee for 25% recourse from Holdco.

(2) Represents the fair value of the REO Property at the time of acquisition as described in Note 4.

Secured credit agreements and mortgage loan payable:	Initial maturity date	Extended maturity date	Index rate	Weighted average credit spread	Interest rate	December 31, 2020 Commitment amount	Maximum current availability	Balance outstanding	Principal balance of collateral	Amortized cost of collateral
Secured credit facilities(1)										
Goldman Sachs	08/19/21	08/19/22	1 Month LIBOR	2.7%	2.9%	$ 250,000	$ 199,113	$ 50,887	$ 96,381	$ 94,971
Wells Fargo	04/18/22	04/18/22	1 Month LIBOR	1.7%	1.9%	750,000	533,601	216,399	290,237	288,696
Barclays	08/13/22	08/13/22	1 Month LIBOR	1.5%	1.7%	750,000	433,739	316,261	443,845	442,757
Morgan Stanley	05/04/21	05/04/22	1 Month LIBOR	1.8%	2.0%	500,000	174,045	325,955	434,630	433,031
JP Morgan	10/30/23	10/30/25	1 Month LIBOR	1.6%	1.8%	400,000	192,906	207,094	351,123	347,852
US Bank	07/09/22	07/09/24	1 Month LIBOR	1.5%	1.8%	139,960	70,376	69,584	101,372	101,287
Bank of America	09/29/21	09/29/22	1 Month LIBOR	1.8%	1.9%	200,000	112,867	87,133	117,393	117,393
Institutional financing	10/30/23	10/30/25	1 Month LIBOR	4.5%	4.8%	249,546	—	249,546	427,330	426,984
Subtotal						$ 3,239,506	$ 1,716,647	$ 1,522,859	$ 2,262,311	$ 2,252,971
Mortgage loan payable										
Institutional lender	12/15/21	12/15/22	1 Month LIBOR	4.5%	5.0%	50,000	—	50,000	99,200 (2)	—
Subtotal						$ 50,000	$ —	$ 50,000	$ 99,200	$ —
Total						$ 3,289,506	$ 1,716,647	$ 1,572,859	$ 2,361,511	$ 2,252,971

(1) Borrowings under secured credit facilities with a guarantee for 25% recourse from Holdco.
(2) Represents the fair value of the REO Property at the time of acquisition as described in Note 4.

The Company's secured credit facilities contain defined mark-to-market provisions that permit the lenders to issue margin calls in the event collateral properties securing the Company's borrowings experience a non-temporary decline in value or net cash flow ("credit marks"). 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 capital markets events have caused credit spreads to change for similar borrowing obligations ("spread marks"). Furthermore, in connection with one of these borrowing arrangements, the lender has the right to re-margin the secured credit facility based solely on appraised loan-to-values after the second anniversary date of the facility.

The following table presents the recourse and mark-to-market provisions for the Company's secured credit agreements as of September 30, 2021:

Secured credit agreements and mortgage loan payable	Basis of margin calls	Recourse percentage	Initial maturity date	Extended maturity date
Secured credit agreements - loan investments				
Goldman Sachs	Credit	25.0%	08/19/22	08/19/24
Wells Fargo	Credit	25.0%	04/18/22	04/18/24
Barclays	Credit	25.0%	08/13/22	08/13/23
Morgan Stanley	Credit	25.0%	05/04/22	05/04/23
JP Morgan	Credit and Spread	25.0%	10/30/23	10/30/25
US Bank	Credit	25.0%	07/09/22	07/09/24
Bank of America	Credit	25.0%	09/29/22	09/29/22
Institutional financing(1)	Credit	25.0%	10/30/23	10/30/25
Mortgage loan payable - real estate owned				
Institutional lender	None	n.a.	12/15/21	12/15/22

(1) The secured credit agreement may be re-margined beginning after its second anniversary date based on a LTV test; otherwise, no credit or spread-based margin calls apply.

The following table presents the recourse and mark-to-market provisions for the Company's secured credit agreements as of December 31, 2020:

Secured credit agreements and mortgage loan payable	Basis of margin calls	Recourse percentage	Initial maturity date	Extended maturity date
Secured credit agreements - loan investments				
Goldman Sachs	Credit	25.0%	08/19/21	08/19/22
Wells Fargo	Credit	25.0%	04/18/22	04/18/22
Barclays	Credit	25.0%	08/13/22	08/13/22
Morgan Stanley	Credit	25.0%	05/04/21	05/04/22
JP Morgan	Credit and Spread	25.0%	10/30/23	10/30/25
US Bank	Credit	25.0%	07/09/22	07/09/24
Bank of America	Credit	25.0%	09/29/21	09/29/22
Institutional financing(1)	Credit	25.0%	10/30/23	10/30/25
Mortgage loan payable - real estate owned				
Institutional lender	None	n.a.	12/15/21	12/15/22

(1) The secured credit agreement may be re-margined beginning after its second anniversary date based on a LTV test; otherwise, no credit or spread-based margin calls apply.

Secured Credit Facilities

As of September 30, 2021 and December 31, 2020, the Company had seven secured credit facilities to finance its loan investing activities. Credit spreads vary depending upon the collateral type, advance rate and other factors. Assets pledged as of September 30, 2021 and December 31, 2020 consisted of 49 and 55 mortgage loans, or participation interests therein, respectively. Under six of the seven secured credit agreements, the Company transfers all of its rights, title and interest in the loans to the secured credit facility 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 secured credit facility 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. For the seventh credit facility, which is a mortgage warehouse facility, the lender receives a security interest (pledge) in the loans financed under the arrangement. The secured credit facilities used to finance loan investments are 25% recourse to Holdco.

Under each of the Company's secured credit facilities, including the mortgage warehouse facility, the Company is required to post margin for changes in conditions to specific loans that serve as collateral for those secured credit facilities. The lender's margin amount is in all but one instance limited to collateral-specific credit marks based on other-than-temporary declines in the value of the properties securing the underlying loan collateral. Market value determinations and redeterminations may be made by the repurchase lender in its sole discretion subject to certain specified parameters. These considerations include credit-based factors (which are generally based on factors other than those related to the capital markets). In only one instance do the considerations include changes in observable credit spreads in the market for these assets. These factors are described in the immediately preceding table.

The following table summarizes certain characteristics of the Company's secured credit facilities secured by commercial mortgage loans, including counterparty concentration risks, as of September 30, 2021 (dollars in thousands):

	September 30, 2021						
Secured credit facilities	Commitment amount	UPB of collateral	Amortized cost of collateral(1)	Amount payable(2)	Net counterparty exposure(3)	Percent of stockholders' equity	Days to extended maturity
Goldman Sachs Bank	$ 250,000	$ 164,824	$ 165,866	$ 98,052	$ 67,814	4.7%	1,054
Wells Fargo	750,000	332,143	330,995	261,235	69,760	4.8%	931
Barclays	750,000	171,223	171,197	111,968	59,229	4.1%	682
Morgan Stanley Bank	500,000	223,685	223,732	164,662	59,070	4.1%	581
JP Morgan Chase Bank	649,546	364,750	364,202	213,901	150,301	10.4%	1,491
US Bank	44,730	58,752	59,119	39,300	19,819	1.4%	1,013
Bank of America	200,000	42,352	42,739	31,687	11,052	0.8%	364
Total / weighted average	$ 3,144,276	$ 1,357,729	$ 1,357,849	$ 920,805	$ 437,044		965

(1) Loan amounts include interest receivable of $6.2 million and are net of premium, discount and origination fees of $6.1 million.
(2) Loan amounts include interest payable of $0.9 million and do not reflect unamortized deferred financing fees of $4.4 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.

The following table summarizes certain characteristics of the Company's secured credit facilities secured by commercial mortgage loans, including counterparty concentration risks, as of December 31, 2020 (dollars in thousands):

	December 31, 2020						
Secured credit facilities	**Commitment amount**	**UPB of collateral**	**Amortized cost of collateral(1)**	**Amount payable(2)**	**Net counterparty exposure(3)**	**Percent of stockholders' equity**	**Days to extended maturity**
Goldman Sachs Bank(4)	$ 250,000	$ 96,381	$ 96,843	$ 50,909	$ 45,934	3.6%	596
Wells Fargo	750,000	290,237	290,403	216,734	73,669	5.8%	473
Barclays	750,000	443,845	443,620	316,524	127,096	10.0%	590
Morgan Stanley Bank	500,000	434,630	433,948	326,199	107,749	8.5%	489
JP Morgan Chase Bank	649,546	778,453	777,862	457,041	320,821	25.3%	1,764
US Bank	139,960	101,372	101,599	69,649	31,950	2.5%	1,286
Bank of America(5)	200,000	117,393	117,637	87,119	30,518	2.4%	637
Total / weighted average	$ 3,239,506	$ 2,262,311	$ 2,261,912	$ 1,524,175	$ 737,737		938

(1) Loan amounts include interest receivable of $10.4 million and are net of premium, discount and origination fees of $11.8 million.

(2) Loan amounts include interest payable of $1.0 million and do not reflect unamortized deferred financing fees of $8.3 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) Maximum commitment amount was reduced from $750.0 million to $250.0 million at the Company's election as part of an as-of-right extension executed in June 2020. The secured credit facility 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.

(5) Maximum commitment amount was reduced from $500.0 million to $200.0 million at the Company's election as part of an as-of-right extension executed in June 2020. The secured credit facility 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.

Financial Covenant Compliance

The financial covenants and guarantees for outstanding borrowings related to the Company's secured credit facilities require Holdco to maintain compliance with certain financial covenants, which were amended on June 7, 2021. The continuing impact of COVID-19 may 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.

Financial Covenant relating to the Series B Preferred Stock

For as long as the Series B Preferred Stock was outstanding, the Company was 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 was excluded from the calculation of total indebtedness of the Company and its subsidiaries, and was included in the calculation of total stockholders' equity. On June 16, 2021, the Company redeemed all 9,000,000 outstanding shares of the Series B Preferred Stock and this covenant no longer applied.

Financial Covenant Compliance

The Company was in compliance with all financial covenants to the extent that balances were outstanding as of September 30, 2021 and December 31, 2020.

Mortgage Loan Payable

The Company through a special purpose entity subsidiary is a borrower under a $50.0 million mortgage loan secured by a first deed of trust against the REO Property. Refer to Note 4 for additional information. The first mortgage loan was provided by an institutional lender, has an initial maturity date of December 15, 2021, and includes an option to extend the maturity for 12 months subject to the satisfaction of customary extension conditions, including (i) the purchase of a new interest rate cap for the extension term, (ii) replenishment of the interest reserve with an amount equal to 12 months of debt service, (iii) payment of a 0.25% extension fee on the outstanding principal balance, and (iv) no event of default. The first mortgage loan permits partial releases of collateral in exchange for payment of a minimum release price equal to the greater of 100% of net sales proceeds (after reasonable transaction expenses) or 115% of the allocated loan amount. The loan bears interest at a rate of LIBOR plus 4.50% subject to a LIBOR interest rate floor of 0.50% and a rate cap of 0.50%. The Company has posted cash of $2.4 million to pre-fund interest payments due under the note during its initial term. As of September 30, 2021, the remaining reserve balance was $0.7 million.

(8) Schedule of Maturities

The future principal payments for the five years subsequent to September 30, 2021 and thereafter are as follows (in thousands):

	Total indebtedness	Collateralized loan obligations[1]	Secured credit facilities[2]	Mortgage loan payable[3]
2021	$ 56,985	$ 56,985	$ —	$ —
2022	339,872	258,208	31,664	50,000
2023	943,004	452,779	490,225	—
2024	1,468,632	1,070,607	398,025	—
2025	278,457	278,457	—	—
Thereafter	645,474	645,474	—	—
Total	$ 3,732,424	$ 2,762,510	$ 919,914	$ 50,000

(1) The scheduled maturities for the investment grade bonds issued by TRTX 2018-FL2, TRTX-2019 FL3 and TRTX-2021 FL4 are based upon the fully extended maturity of mortgage loan collateral, considering the reinvestment window of the collateralized loan obligation.

(2) The allocation of secured financing liabilities is based on the extended maturity date for those credit facilities where extension options are at the company's option, subject to no default, or the current maturity date of those facilities where extension options are subject to counterparty approval.

(3) The allocation of mortgage loan payable is based on the extended maturity date for the loan.

(9) 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. As of September 30, 2021, the Company had $217.1 million invested in money market funds with original maturities of less than 90 days. The carrying values of these financial assets and liabilities are reasonable estimates of fair value because of the short-term maturities of these instruments. The consolidated balance sheet also includes loans held for investment, the assets and liabilities of TRTX 2018-FL2, TRTX 2019-FL3 and TRTX 2021-FL4, and secured debt agreements 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. Additionally, the Company had one loan held for sale as of September 30, 2021 that was recorded at its fair value, less estimated selling costs.

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 September 30, 2021 and December 31, 2020 (dollars in thousands):

	September 30, 2021			
		Fair value		
	Carrying value	Level I	Level II	Level III
Financial assets				
Loans held for investment	$ 4,699,238	$ —	$ —	$ 4,735,786
Loans held for sale	86,636	—	—	86,636
Financial liabilities				
Collateralized loan obligations	2,749,901	—	—	2,741,971
Secured financing agreements	915,537	—	—	914,094
Mortgage loan payable	49,360	—	—	49,360

	December 31, 2020			
		Fair value		
	Carrying value	Level I	Level II	Level III
Financial assets				
Loans held for investment	$ 4,456,460	$ —	$ —	$ 4,472,984
Financial liabilities				
Collateralized loan obligations	1,825,568	—	—	1,834,760
Secured financing agreements	1,514,028	—	—	1,532,910
Mortgage loan payable	49,147	—	—	49,147

As of September 30, 2021 and December 31, 2020, the estimated fair value of the Company's loans held for investment portfolio was $4.7 billion and $4.5 billion, respectively, which approximated carrying value. The weighted average gross credit spread for the Company's loans held for investment portfolio as of September 30, 2021 and December 31, 2020 was 3.29% and 3.18%, respectively. The weighted average years to maturity as of September 30, 2021 and December 31, 2020 was 2.8 and 3.1 years, respectively, assuming full extension of all loans held for investment.

As of September 30, 2021 and December 31, 2020, the estimated fair value of the secured credit agreements approximated fair value as current borrowing spreads reflect market terms. As of September 30, 2021 and December 31, 2020, the estimated fair value of the collateralized loan obligation liabilities approximated carrying value as current borrowing spreads reflect market terms.

There were no transfers of financial assets or liabilities within the levels of the fair value hierarchy during the nine months ended September 30, 2021.

(10) Income Taxes

The Company indirectly owns 100% of the equity of multiple taxable REIT subsidiaries (collectively "TRSs"). 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 2017 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 September 30, 2021 and December 31, 2020, based on the Company's evaluation, the Company did not have any material 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 (loss) and comprehensive income (loss). For the three and nine months ended September 30, 2021, the Company did not have interest or penalties associated with the underpayment of any income taxes.

The Company owns, through a tax partnership ("Parent LLC"), 100% of the common equity in Sub-REIT, which qualifies as a REIT for U.S. federal income tax purposes and is a separate taxpayer from both the Company and Parent LLC. Parent LLC is owned by the Company both directly and through a TRS. The Company, through Sub-REIT, issues CRE CLO liabilities ("CLOs") to finance on a non-recourse, non-mark-to-market basis a large proportion of its loan investment portfolio. Due to unusually low LIBOR rates beginning in March 2020 coupled with the benefit of LIBOR floors relating to the various loans and participation interests pledged to Sub-REIT's CLOs, certain of Sub-REIT's CLOs currently generate excess inclusion income ("EII"), which is treated as unrelated business taxable income ("UBTI"). Published IRS guidance requires that Sub-REIT allocate its EII in accordance with its dividends paid. Accordingly, EII generated by Sub-REIT's CLOs is allocated to Parent LLC. Pursuant to the Parent LLC operating agreement, any EII allocated from Sub-REIT to Parent LLC is allocated further to the TRS. Consequently, no EII is allocated to the Company and, as a result, the Company's shareholders will not be allocated any EII or UBTI by the Company. The tax liability borne by the TRS on the EII is at the highest U.S. federal corporate tax rate (currently 21%). This tax liability is included in the consolidated statements of income (loss) and comprehensive income (loss) and balance sheets of the Company.

For the three months ended September 30, 2021 and 2020, the Company recognized $0.2 million and $0.1 million, respectively, of federal, state, and local tax expense. For the nine months ended September 30, 2021 and 2020, the Company recognized $1.4 million and $0.2 million, respectively, of federal, state and local tax expense (benefit). As of September 30, 2021 and 2020, the Company's effective tax rate was 1.5% and 0.2%, respectively.

As of September 30, 2021, the Company had no deferred income tax assets and a $0.2 million deferred income tax liability recorded for the operating activities of the Company's TRSs. As of December 31, 2020, no deferred income tax assets or liabilities were recorded for the operating activities of the Company's TRSs.

From March 23, 2020 through April 2020, the Company sold all its CRE debt securities with an aggregate face value of $969.8 million, generating gross sales proceeds of $766.4 million. The Company recorded losses from these sales of $203.4 million recognized as expense in Securities Impairments on the consolidated statements of income (loss) and comprehensive income (loss), which 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.

(11) 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. Net proceeds from the issuance of Series B and Series C Preferred Stock are included in the Company's Equity for purposes of determining the base management fee using the same daily weighted average method as is utilized for common equity. 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 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, as defined in the Management Agreement, means the net income (loss) attributable to the holders of the Company's common stock and Class A common stock (in those periods in which such Class A shares were outstanding) 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 so long as any shares of Series B Preferred Stock remain issued and outstanding, the Manager agreed to reduce by 50% the base management fee attributable to the Series B Preferred Stock net proceeds included in the Company's Equity, such that the base management fee rate will equal 0.75% per annum, instead of 1.50% per annum as provided in the Management Agreement. On June 16, 2021, the Company redeemed all 9,000,000 outstanding shares of the Series B Preferred Stock, incorporating the impact of the redemption into its Equity calculation. The reduced base management fee rate will apply until the Series B Preferred Stock issuance and redemption no longer impact the Company's Equity used to calculate the base management fee payable to its Manager.

Management Fees Incurred and Paid for the three and nine months ended September 30, 2021 and 2020

For the three and nine months ended September 30, 2021 and 2020, the Company incurred and paid the following management fees and incentive management fees pursuant to the Management Agreement (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Incurred				
Management fees	$ 5,473	$ 5,293	$ 15,910	$ 15,408
Incentive management fee	—	—	—	—
Total management and incentive fees incurred	$ 5,473	$ 5,293	$ 15,910	$ 15,408
Paid				
Management fees	5,344	5,115	15,796	12,367
Incentive management fee	—	—	—	—
Total management and incentive fees paid	$ 5,344	$ 5,115	$ 15,796	$ 12,367

Management fees and incentive management fees included in payable to affiliates on the consolidated balance sheets as of September 30, 2021 and December 31, 2020 are $5.5 million and $5.4 million, respectively. No incentive management fee was earned during the three and nine months ended September 30, 2021.

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 nine months ended September 30, 2021 and 2020, respectively, the Company reimbursed to the Manager $0.3 million and $0.8 million, respectively, of expenses for services rendered on its behalf by the Manager and its affiliates.

For as long as any shares of Series B Preferred Stock remained issued and outstanding, the Manager agreed that it would not seek reimbursement for reimbursable expenses in excess of the greater of (x) $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. On June 16, 2021, the Company redeemed all 9,000,000 outstanding shares of the Series B Preferred Stock and no shares of Series B Preferred Stock remained outstanding. As a result of the Series B Preferred Stock redemption, this agreement was terminated and there can be no assurance that the Manager will not seek reimbursement of such expenses in future quarters.

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 September 30, 2021 and December 31, 2020, $0.0 million and $0.2 million, respectively, remained outstanding and payable to the Manager or its affiliates for third party expenses that were incurred on behalf of the Company.

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

In connection with the Series C Preferred Stock issuance as described in Note 13, the Company paid TPG Capital BD, LLC a $0.7 million underwriting discount and commission for its services as joint bookrunner during the three months ended June 30, 2021. The underwriting discount and commission was settled net of the preferred stock issuance proceeds and recorded as a reduction to additional paid-in-capital in the Company's consolidated statement of changes in equity at closing.

(12) Earnings per Share

The Company calculates its basic and diluted earnings (loss) per share using the two-class method for all periods presented, which defines unvested share-based payment awards that contain nonforfeitable rights to dividends as participating securities. The two-class method is an allocation formula that determines earnings per share for each share of common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. 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 (which Class A shares were converted to common shares in February 2020), 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 September 30, 2021 and 2020, $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. For the nine months ended September 30, 2021 and 2020, $0.4 million and $0.5 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 14 for details.

In connection with the issuance of Series B Preferred Stock and the Warrants described in Note 13, 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 were to be accreted as a non-cash dividend on preferred stock over four years using the effective interest method. Such adjustments are included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on the Company's consolidated statements of changes in equity and treated as a deemed dividend on preferred stock for GAAP and income tax purposes. For the three months ended September 30, 2021 and 2020, this adjustment totaled $0.0 million and $1.3 million, respectively. For the nine months ended September 30, 2021 and 2020, this adjustment totaled $25.4 million and $1.8 million, respectively.

On June 16, 2021, the Company redeemed all 9,000,000 outstanding shares of Series B Preferred Stock, made a make-whole payment of $22.5 million and wrote-off $22.5 million of unamortized discount, including the unamortized amounts related to the allocated Warrant fair value and transaction costs. The Series B Preferred Stock make-whole payment and write-off of unamortized discount are included in the Company's consolidated statements of changes in equity and described in Note 13 and are not recognized as an expense for purposes of calculating either taxable income or the Company's minimum distribution requirement for purposes of maintaining its REIT status.

The computation of diluted earnings per common share is based on the weighted average number of participating securities outstanding plus the incremental shares that would be outstanding assuming exercise of the Warrants. The number of incremental common shares is calculated utilizing the treasury stock method. For the three and nine months ended September 30, 2021, the Warrants are included in the calculation of diluted earnings per common share because the Company generated earnings on a per common share basis, and the average market price of the Company's common stock during the three and nine months ended September 30, 2021 was $12.80 and $12.20, respectively, which exceeds the strike price of $7.50 per common share for Warrants currently outstanding.

The following table sets forth the calculation of basic and diluted earnings per common share based on the weighted-average number of shares of common stock outstanding for the three and nine months ended September 30, 2021 and 2020 (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	$ 29,325	$ 38,447	$ 93,672	$ (151,415)
Preferred stock dividends(1)	(3,157)	(6,217)	(16,081)	(8,474)
Participating securities' share in earnings (loss)	(122)	(101)	(416)	(494)
Series B preferred stock redemption make-whole payment(2)	—	—	(22,485)	—
Series B preferred stock accretion and write-off of discount, including allocated warrant fair value and transaction costs(3)	—	(1,347)	(25,449)	(1,790)
Net income (loss) attributable to common stockholders	$ 26,046	$ 30,782	$ 29,241	$ (162,173)
Weighted average common shares outstanding, basic	77,060,225	76,756,411	76,952,306	76,622,415
Incremental shares of common stock issued from the assumed exercise of the warrants	4,968,750	1,498,250	4,622,951	—
Weighted average common shares outstanding, diluted	82,028,975	78,254,661	$ 81,575,257	$ 76,622,415
Earnings (loss) per common share, basic(4)	$ 0.34	$ 0.40	$ 0.38	$ (2.13)
Earnings (loss) per common share, diluted(4)	$ 0.32	$ 0.39	$ 0.36	$ (2.13)

(1) Includes preferred stock dividends declared and paid for Series A preferred stock, Series C Preferred Stock, and Series B Preferred Stock shares outstanding for the three and nine months ended September 30, 2021 and 2020, respectively. For the three and nine months ended September 30, 2021 undeclared dividends of $0.04 million are included for Series C Preferred Stock shares outstanding in the period.

(2) Represents the make-whole payment to the holder of the Series B Preferred Stock for an amount equal to the present value of all remaining dividend payments due on such share of Series B Preferred Stock from and after the redemption date (and not including any declared or paid dividends or accrued dividends prior to such redemption date) through the second anniversary of the original issue date, computed in accordance with the terms of the Articles Supplementary. See Note 13 to these consolidated financial statements for details.

(3) Series B Preferred Stock Accretion and Write-off of Discount, including Allocated Warrant Fair Value and Transaction Costs includes amounts recorded as deemed dividends and the write-off of unamortized transaction costs and the unaccreted portion of the allocated Warrant fair value related to the Company's Series B Preferred Stock. For the nine months ended September 30, 2021, the write-off of unamortized transaction costs and unaccreted allocated Warrant fair value was $22.5 million.

(4) Basic and diluted (loss) earnings per common share are computed independently based on the weighted-average shares of common stock outstanding. Diluted (loss) earnings per common share also includes the impact of participating securities outstanding plus any incremental shares that would be outstanding assuming the exercise of the Warrants. Accordingly, the sum of the quarterly (loss) earnings per common share amounts may not agree to the total for the nine months ended September 30, 2021.

(13) Stockholders' Equity

Series C Cumulative Redeemable Preferred Stock

On June 14, 2021, the Company received net proceeds of $194.4 million from the sale of the 8,050,000 shares of Series C Preferred Stock after deducting the underwriting discount and commissions of $6.3 million and issuance costs of $0.6 million. The Company used the net proceeds from the offering to partially fund the redemption of all of the outstanding shares of the Company's Series B Preferred Stock. The Series C Preferred Stock is currently listed on the NYSE under the symbol "TRTX PRC."

The Company's Series C Preferred Stock has a liquidation preference of $25.00 per share. When, as, and if authorized by the Company's board of directors and declared by the Company, dividends on Series C Preferred Stock will be payable quarterly in arrears on or about March 30, June 30, September 30, and December 30 of each year at a rate per annum equal to 6.25% per annum of the $25.00 per share liquidation preference. Dividends on the Series C Preferred Stock are cumulative. The first dividend on the Series C Preferred Stock was payable on September 30, 2021, and covered the period from, and including, June 14, 2021 to, but not including, September 30, 2021 and was in the amount of $0.4601 per share.

On and after June 14, 2026, the Company, at its option, upon not fewer than 30 days' nor more than 60 days' written notice, may redeem the Series C Preferred Stock, in whole, at any time, or in part, from time to time, for cash, at a redemption price of $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) on such shares of Series C Preferred Stock to, but not including, the redemption date (other than any dividend with a record date before the applicable redemption date and a payment date after the applicable redemption date, which shall be paid on the payment date notwithstanding prior redemption of such shares.

Upon the occurrence of a Change of Control event, the holders of Series C Preferred Stock have the right to convert their shares solely into common stock at their request and do not have the right to request that their shares convert into cash or a combination of cash and common stock. The Company, upon the occurrence of a Change of Control event, at its option, upon not fewer than 30 days' nor more than 60 days' written notice, may redeem the shares of Series C Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price equal to $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including, the redemption date (other than any dividend with a record date before the applicable redemption date and a payment date after the applicable redemption date, which will be paid on the payment date notwithstanding prior redemption of such shares).

Holders of Series C Preferred Stock will not have any voting rights except as set forth in the Articles Supplementary.

Series B Cumulative Redeemable 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 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 could occur in up to three tranches prior to December 31, 2020. 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. At closing, the Purchaser acquired the initial tranche 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 allowed its option to issue additional shares of Series B Preferred Stock to expire unused.

Series B Preferred Stock

The Company's Series B Preferred Stock had a liquidation preference of $25.00 per share over all other classes of the Company's equity other than Series A preferred stock, which had liquidation preference over the Series B Preferred Stock.

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

On June 16, 2021, the Company redeemed all 9,000,000 outstanding shares of the Series B Preferred Stock at an aggregate redemption price of approximately $247.5 million. Dividends on all shares of Series B Preferred Stock were paid in full as of the redemption date. As a result of the redemption, dividends will no longer accrue or be declared on any shares of Series B Preferred Stock, and no shares of Series B Preferred Stock remain outstanding. In connection with the redemption, the Company made a make-whole payment to the holder of the Series B Preferred Stock of $22.5 million equal to the present value of all remaining dividend payments due on such shares of Series B Preferred Stock from and after the redemption date (and not including any declared or paid dividends or accrued dividends prior to such redemption date) through the second anniversary of the original issue date, computed in accordance with the terms of the Articles Supplementary. This make-whole payment is recorded as Series B Preferred Stock Redemption Make-Whole Payment on the Company's consolidated statements of changes in equity. Additionally, the Company accelerated the accretion of $22.5 million related to the remaining unamortized discount, including the unamortized allocated Warrant fair value and transactions costs, which was included in Series B Preferred Stock Accretion of Discount, including Allocated Warrant Fair Value and Transaction Costs on the Company's consolidated statements of changes in equity. Neither the make-whole payment nor the write-off of unamortized discount are recognized as expense for purposes of calculating either taxable income or the Company's minimum distribution requirement for purposes of maintaining its qualification as a REIT.

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 only 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. None of the Warrants have been exercised as of September 30, 2021.

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 a 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 was 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 was accreted using the effective interest method. Such adjustments were included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on the Company's consolidated statements of changes in equity and treated similarly to a dividend on preferred stock for GAAP purposes, but only the accretion of the Warrant allocated fair value was treated as a dividend for income tax purposes.

On June 16, 2021, the Company redeemed all 9,000,000 outstanding shares of the Series B Preferred Stock and no shares of Series B Preferred Stock are outstanding as of June 30, 2021. As a result of the Series B Preferred Stock redemption, $11.2 million of unamortized transaction costs and $11.3 million of unaccreted discount related to the Warrants were written off, and included in Series B Preferred Stock Accretion of Discount, including Allocated Warrant Fair Value and Transaction Costs on the Company's consolidated statements of changes in equity.

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 September 30, 2021, 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. As of September 30, 2021, 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 and nine months ended September 30, 2021, the Company sold no shares of common stock under this arrangement. For the nine months ended September 30, 2020, the Company sold 0.6 million shares of common stock at a weighted average price per share of $20.53 for gross proceeds of $12.9 million, and paid commissions totaling $0.2 million. The Company used the proceeds from the offering to originate commercial real estate loans, acquire CRE debt securities and for general corporate purposes.

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 the holder 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 to the holders of the Company's Series C Preferred Stock at the rate of 6.25% per annum of the $25.00 per share liquidation preference, and then to the holders of the Company's common stock, in each case, to the extent outstanding. 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 September 13, 2021, the Company's Board of Directors declared and approved a cash dividend of $0.24 per share of common stock, or $18.6 million in the aggregate, for the third quarter of 2021. The common stock dividend was paid on October 22, 2021 to the holders of record of the Company's common stock as of September 29, 2021.

On September 13, 2021, the Company's Board of Directors declared a cash dividend of $0.4601 per share of Series C Preferred Stock, or $3.7 million in the aggregate, for the period from issuance to, but not including, September 30, 2021. The Series C Preferred Stock dividend was paid on September 30, 2021 to the preferred stockholders of record as of September 20, 2021.

On September 15, 2020, the Company's Board of Directors declared and approved a cash dividend of $0.20 per share of common stock, or $15.4 million in the aggregate, for the third quarter of 2020. The common stock dividend was paid on October 23, 2020 to the holders of record of the Company's common stock as of September 25, 2020.

On September 15, 2020, the Company's Board of Directors declared a cash dividend of $0.69 per share of Series B Preferred Stock, or $6.2 million in the aggregate, for the third quarter of 2020. The Series B Preferred Stock dividend was paid on September 30, 2020 to the holder of record of the Series B Preferred Stock as of September 15, 2020.

For the nine months ended September 30, 2021 and 2020, common stock dividends of $49.6 million and $64.1 million, respectively, were declared and approved.

As of September 30, 2021 and December 31, 2020, common stock dividends of $18.6 million and $29.5 million, respectively, were unpaid and are reflected in dividends payable on the Company's consolidated balance sheets.

(14) Share-Based Incentive Plan

The Company does not have any employees. As of September 30, 2021, 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. For the three months ended September 30, 2021, the Company issued 1,783 shares and retired 42,942 shares pursuant to the terms of the Incentive Plan. Shares presented for the current year, 2021, includes 309,841 shares which have vested during the period from January 1, 2021 to September 30, 2021.

Vesting Year	Shares of Common Stock
2021	418,345
2022	183,030
2023	145,873
2024	89,548
Total	836,796

As of September 30, 2021, total unrecognized compensation cost relating to unvested share-based compensation arrangements was $5.6 million. This cost is expected to be recognized over a weighted average period of 1.3 years from September 30, 2021. For the three months ended September 30, 2021 and 2020, the Company recognized $1.3 million and $1.1 million, respectively, of share-based compensation expense. For the nine months ended September 30, 2021 and 2020, the Company recognized $4.1 million and $4.2 million, respectively, of share-based compensation expense.

(15) 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 may 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 and its variants, the availability of a treatment or effectiveness of vaccines approved for COVID-19, the distribution of COVID-19 vaccines and wide disparity of global vaccination rates, and reactions by consumers, companies, governmental entities and capital markets. Certain of the adverse impacts from the COVID-19 pandemic to the commercial real estate industry will only be known once firms and employees return to the workplace. 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 consolidated financial statements. These commitments to extend credit are made as part of the Company's portfolio of loans held for investment. The aggregate amount of unrecognized unfunded loan commitments existing as of September 30, 2021 and December 31, 2020 was $486.7 million and $423.5 million, respectively.

The Company recorded an allowance for credit losses on loan commitments that are not unconditionally cancellable by the Company of $4.9 million and $2.9 million as of September 30, 2021 and December 31, 2020 which is included in accrued expenses and other liabilities on the Company's consolidated balance sheets.

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 September 30, 2021 and December 31, 2020, the Company was not involved in any material legal proceedings and has not recorded an accrued liability for loss contingencies.

(16) Concentration of Credit Risk

Property Type

A summary of the Company's loans held for investment portfolio by property type as of September 30, 2021 and December 31, 2020 based on total loan commitment and current unpaid principal balance ("UPB") is as follows (dollars in thousands):

	September 30, 2021				
Property type	Loan commitment	Unfunded commitment	% of loan commitment	Loan UPB	% of loan UPB
Office	$ 2,778,523	$ 386,673	53.1%	$ 2,391,850	50.2%
Multifamily	1,249,025	68,246	23.8	1,181,078	24.8
Hotel	584,943	5,000	11.2	582,792	12.3
Mixed-Use	572,069	24,601	10.9	547,468	11.5
Retail	33,000	2,143	0.6	31,200	0.7
Condominium	23,009	—	0.4	23,009	0.5
Total	$ 5,240,569	$ 486,663	100.0%	$ 4,757,397	100.0%

	December 31, 2020				
Property type	Loan commitment	Unfunded commitment	% of loan commitment	Loan UPB	% of loan UPB
Office	$ 2,756,338	$ 356,034	55.7%	$ 2,400,304	53.0%
Multifamily	804,838	24,001	16.3	781,137	17.3
Hotel	737,293	9,864	14.9	731,487	16.2
Mixed-Use	586,993	31,398	11.9	555,595	12.3
Condominium	25,049	—	0.5	25,049	0.6
Retail	33,000	2,190	0.7	31,153	0.7
Total	$ 4,943,511	$ 423,487	100.0%	$ 4,524,725	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest resulting from certain loan modifications of $3.5 million and $4.7 million as of September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020 is as follows (dollars in thousands):

	September 30, 2021				
Geographic region	Loan commitment	Unfunded commitment	% of loan commitment	Loan UPB	% of loan UPB
East	$ 2,085,852	$ 114,305	39.8%	$ 1,972,717	41.5%
South	1,313,895	96,114	25.1	1,218,757	25.6
West	1,238,618	220,415	23.6	1,019,248	21.4
Midwest	602,204	55,829	11.5	546,675	11.5
Total	$ 5,240,569	$ 486,663	100.0%	$ 4,757,397	100.0%

	December 31, 2020				
Geographic region	Loan commitment	Unfunded commitment	% of loan commitment	Loan UPB	% of loan UPB
East	$ 2,009,022	$ 152,487	40.6%	$ 1,856,535	41.0%
South	1,289,141	97,405	26.1	1,192,852	26.4
West	1,128,897	121,738	22.8	1,009,589	22.3
Midwest	428,351	49,478	8.7	379,173	8.4
Various	88,100	2,379	1.8	86,576	1.9
Total	$ 4,943,511	$ 423,487	100.0%	$ 4,524,725	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest resulting from certain loan modifications of $3.5 million and $4.7 million as of September 30, 2021 and December 31, 2020, respectively.

Category

A summary of the Company's loans held for investment portfolio by loan category as of September 30, 2021 and December 31, 2020 based on total loan commitment and current UPB is as follows (dollars in thousands):

	September 30, 2021				
Loan category	**Loan commitment**	**Unfunded commitment**	**% of loan commitment**	**Loan UPB**	**% of loan UPB**
Moderate Transitional	$ 1,945,826	$ 326,944	37.1%	$ 1,620,054	34.1%
Light Transitional	1,700,225	129,504	32.4	1,570,720	33.0
Bridge	1,559,518	30,215	29.8	1,531,623	32.2
Construction	35,000	—	0.7	35,000	0.7
Total	$ 5,240,569	$ 486,663	100.0%	$ 4,757,397	100.0%

	December 31, 2020				
Loan category	**Loan commitment**	**Unfunded commitment**	**% of loan commitment**	**Loan UPB**	**% of loan UPB**
Light Transitional	$ 1,937,644	$ 173,518	39.2%	$ 1,764,126	39.0%
Moderate Transitional	1,633,131	224,532	33.0	1,410,145	31.2
Bridge	1,337,736	22,953	27.1	1,317,938	29.1
Construction	35,000	2,484	0.7	32,516	0.7
Total	$ 4,943,511	$ 423,487	100.0%	$ 4,524,725	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest resulting from certain loan modifications of $3.5 million and $4.7 million as of September 30, 2021 and December 31, 2020, 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 in the past and may in the future 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. Additional regional surges in infection rates due to COVID-19 variants, reversed re-openings, uncertainty regarding the effectiveness of vaccines approved for COVID-19 or booster for some, or high proportions of vaccine hesitancy in certain regions, could adversely affect the Company's loan investments secured by properties in these regions so impacted.

(17) Subsequent Events

The following events occurred subsequent to September 30, 2021:

- The Company closed, or is in the process of closing, eight first mortgage loans with a total loan commitment amount of $539.2 million and initial fundings of $465.3 million.
- From October 1, 2021 through November 2, 2021, the Company received full loan repayments related to three of its first mortgage loans with a total loan commitment and unpaid principal balance of $262.2 million and $257.1 million, respectively. The first mortgage loans were secured by the following property types (as a percentage of total loan commitments repaid): 85.7% mixed-use and 14.3% multifamily.
- On October 4, 2021, the Company closed the sale of a performing hotel loan classified as held for sale as of September 30, 2021. The Company sold the first mortgage loan at par, before including the impact of transaction costs. As of September 30, 2021, the hotel loan had a risk rating of 4.

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 24, 2021. 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 any results expressed or implied by these forward-looking statements 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 24, 2021.

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 debt instruments 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 September 30, 2021, our loans held for investment portfolio consisted of 64 first mortgage loans (or interests therein) and one mezzanine loan with total loan commitments of $5.2 billion, an aggregate unpaid principal balance of $4.8 billion, a weighted average credit spread of 3.3%, a weighted average all-in yield of 4.9%, a weighted average term to extended maturity (assuming all extension options have been exercised by borrowers) of 2.8 years, and a weighted average LTV of 66.3%. As of September 30, 2021, 100% of the loan commitments in our portfolio consisted of floating rate loans, of which 99.3% were first mortgage loans or, in two instances a first mortgage loan and contiguous mezzanine loan both owned by us, and 0.7% was a mezzanine loan. As of September 30, 2021, we had $486.7 million of unfunded loan commitments, our funding of which is subject to borrower satisfaction of certain milestones. Additionally, as of September 30, 2021 we classified a $86.6 million first mortgage loan as held for sale.

As of September 30, 2021, we had $99.2 million of real estate owned comprising 27 acres across two largely undeveloped commercially-zoned land parcels on the Las Vegas Strip (the "REO Property") acquired pursuant to a negotiated deed-in-lieu of foreclosure. The REO Property is held for investment and reflected on our consolidated balance sheets at its estimated fair value at the time of acquisition, net of estimated selling costs.

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.

The COVID-19 pandemic has caused significant disruptions to the U.S. and global economies. These disruptions contributed to significant and ongoing volatility, widening credit spreads and sharp declines in liquidity in the real estate securities and whole loan financing markets at points during 2020. The pace of recovery following this disruption remains uncertain, as do the longer-term economic effects and shifts in behavior. As a result of the impact of COVID-19, many commercial real estate finance and financial services industry participants, including us, reduced new investment activity until the capital markets became more stable, the macroeconomic outlook became clearer, market liquidity improved, and transaction volumes increased. For most of 2020, we focused on actively managing our loan portfolio credit, generating and recycling liquidity from existing assets, extending the maturities and further reducing the mark-to-market exposure of our liabilities and controlling corporate overhead as a percentage of our total assets and total revenues. Although market conditions remain uncertain due to COVID-19 and evolving new variants of the virus, the credit performance of our loan portfolio, loan repayments that have allowed us to retire certain borrowings and increase our liquidity, extended maturity dates for many of our secured credit agreements, the issuance on March 31, 2021 of TRTX 2021-FL4, a $1.25 billion CRE CLO, the issuance on June 14, 2021 of $201.3 million of Series C Preferred Stock, and the increase in non-mark-to-market liabilities to 77.8% of total borrowings positioned us to resume the origination of first mortgage transitional loans in the first quarter of 2021. During the course of 2021, loan originations and capital markets activity has resumed commensurate with the wider economic recovery.

For more information regarding the impact that COVID-19 has had and may have on our business, see risk factors set forth in our Form 10-K filed with the SEC on February 24, 2021.

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, 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, the selection, origination or purchase and sale of our portfolio investments, our financing activities and 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 senior investment professionals of TPG's real estate equity group and TPG's executive committee. For a summary of certain terms of the management agreement between us and our Manager (the "Management Agreement"), see Note 11 to our consolidated financial statements included in this Form 10-Q.

Third Quarter 2021 Activity

Operating Results:

- Recognized GAAP net income of $29.3 million, compared to $32.4 million for the three months ended June 30, 2021, a decrease of $3.1 million primarily due to an increase in credit loss expense in the current period.
- Net Income Attributable to Common Stockholders was $26.0 million, compared to a loss of $21.0 million for the three months ended June 30, 2021, an increase of $47.0 million, of which $46.5 million related to a make-whole payment and write-off of discount and transaction costs recognized during the second quarter due to the redemption of our Series B Preferred Stock on June 16, 2021.
- Generated Distributable Earnings of $27.0 million, an increase of $5.1 million compared to the three months ended June 30, 2021.
- Increased our quarterly common stock dividend by $0.04 per common share, or 20.0%, to $0.24 per common share from $0.20 per common share for the three months ended June 30, 2021.
- Produced net interest income of $39.0 million, resulting from interest income of $60.0 million and interest expense of $21.0 million. All net interest income resulted from our transitional first mortgage loan portfolio.
- Recorded a decrease in our allowance for credit loss of $0.3 million producing a total allowance for credit losses of $55.0 million.

Investment Portfolio Activity:

- Originated seven first mortgage loans with total loan commitments of $482.9 million, an aggregate initial unpaid principal balance of $433.6 million, unfunded loan commitments of $49.3 million, a weighted average interest rate of LIBOR plus 3.53%, and a weighted average LIBOR floor of 0.15%.
- Funded $37.3 million in future funding obligations associated with existing loans.
- Received full loan repayments of $418.1 million across three loans, and partial principal payments of $42.3 million across 10 loans, for total loan repayments of $460.4 million.

Liquidity Position:

Available liquidity as of September 30, 2021 of $323.6 million was comprised of:

- Cash-on-hand of $269.3 million, of which $254.3 million was available for investment, net of $15.0 million held to satisfy liquidity covenants under our secured credit agreements.
- $6.9 million of cash in TRTX 2021-FL4 and TRTX 2019-FL3 available for investment in eligible collateral.
- Undrawn capacity (liquidity available to us without the need to pledge additional collateral to our lenders) of $47.4 million under secured agreements with seven lenders.

Additionally, we held unencumbered loan investments with an aggregate unpaid principal balance of $154.2 million that are eligible to pledge under our existing financing arrangements.

We have financed our loan investments as of September 30, 2021 utilizing three CLOs totaling $2.8 billion, two of which were open for reinvestment of eligible loan collateral at quarter end, $0.9 billion under secured credit agreements with total commitments of $3.1 billion provided by seven lenders, and a $132.0 million non-consolidated senior interest. At September 30, 2021, approximately 74.0% of our borrowings were via our CLO vehicles and 26.0% were pursuant to our secured credit agreements.

Our ability to draw on our secured credit agreements is dependent upon our lenders' willingness to accept as collateral loan investments we pledge to them to secure additional borrowings. These financing arrangements have credit spreads based upon the LTV and other risk characteristics of collateral pledged, and provide financing with mark-to-market provisions generally limited to collateral-specific events and, in only one instance, to capital markets-specific events. As of September 30, 2021, borrowings under these secured credit agreements had a weighted average credit spread of 1.9% (1.7% for facilities with mark-to-market provisions and 4.5% for one facility with no mark-to-market provisions until November 2022), and a weighted average term to extended maturity assuming exercise of all extension options and term-out provisions of 2.6 years. These financing arrangements are generally 25% recourse to Holdco.

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 common share, Distributable Earnings, and book value per common share. As further described below, Distributable Earnings is a measure that is not prepared in accordance with GAAP. We use Distributable 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.

For the three months ended September 30, 2021, we recorded net income attributable to common stockholders of $0.32 per diluted common share, an increase of $0.59 per diluted common share from the three months ended June 30, 2021, primarily due to the redemption of our outstanding Series B Preferred Stock during the second quarter of 2021. In connection with the redemption of the Series B Preferred Stock during the three months ended June 30, 2021, we made a make-whole payment to the holder of the Series B Preferred Stock of $22.5 million and recorded a $22.5 million write-off associated with the unamortized discount upon redemption.

Distributable Earnings per diluted common share was $0.33 for three months ended September 30, 2021, an increase of $0.06 per diluted common share from the three months ended June 30, 2021. The increase in Distributable Earnings per diluted common share was primarily driven by a $0.04 per diluted common share reduction in our Series C Preferred Stock dividend rate compared to the Series B Preferred Stock dividend rate before its redemption on June 16, 2021.

For the three months ended September 30, 2021, we declared a cash dividend of $0.24 per common share, an increase of 20% from the second quarter of 2021, which was paid on October 22, 2021. Our book value per common share as of September 30, 2021 was $16.15, an increase of $0.12 from our book value per common share as of June 30, 2021, primarily due to net income in excess of our dividends declared per common and preferred shares in the period.

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 the 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 the Warrants from the calculation of basic earnings (loss) per share in periods of net losses since their effect would be anti-dilutive. For the three months ended September 30, 2021, we generated net income attributable to common stockholders and therefore included participating securities and the Warrants in our calculation of diluted earnings per share.

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

	Three Months Ended	
	September 30, 2021	June 30, 2021
Net income (loss)	$ 29,325	$ 32,391
Preferred stock dividends(1)	(3,157)	(6,799)
Participating securities' share in earnings (loss)	(122)	(148)
Series B preferred stock redemption make-whole payment(2)	—	(22,485)
Series B preferred stock accretion and write-off of discount, including allocated warrant fair value and transaction costs(3)	—	(23,997)
Net Income (Loss) Attributable to Common Stockholders - See Note 12	$ 26,046	$ (21,038)
Weighted average common shares outstanding, basic	77,060,225	76,899,270
Weighted average common shares outstanding, diluted	82,028,975	76,899,270
Earnings (loss) per common share, basic	$ 0.34	$ (0.27)
Earnings (loss) per common share, diluted	$ 0.32	$ (0.27)
Dividends declared per common share	$ 0.24	$ 0.20

(1) Includes preferred stock dividends declared and paid for Series A preferred stock, Series C Preferred Stock, and Series B Preferred Stock shares outstanding for the three months ended September 30, 2021 and June 30, 2021. For the three months ended September 30, 2021 and June 30, 2021, undeclared dividends of $0.04 million and $0.6 million, respectively, are included for Series C Preferred Stock shares outstanding in the period.

(2) Represents the make-whole payment to the holder of the Series B Preferred Stock for an amount equal to the present value of all remaining dividend payments due on such shares of Series B Preferred Stock from and after the redemption date (and not including any declared or paid dividends or accrued dividends prior to such redemption date) through the second anniversary of the original issue date, computed in accordance with the terms of the Articles Supplementary. See Note 13 to our consolidated financial statements included in this Form 10-Q.

(3) Series B Preferred Stock Accretion and Write-off of Discount, including Allocated Warrant Fair Value and Transaction Costs includes amounts recorded as deemed dividends and the write-off of unamortized transaction costs and the unaccreted portion of the allocated Warrant fair value related to the Series B Preferred Stock. For the three months ended June 30, 2021, the write-off of unamortized transaction costs and unaccreted allocated Warrant fair value was $22.5 million.

Distributable Earnings

Distributable Earnings is a non-GAAP measure, which we define as GAAP net income (loss) attributable to our common stockholders, including realized gains and losses, regardless of whether such items are included in other comprehensive income or loss, or in GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization expense, (iii) unrealized gains (losses), and (iv) certain non-cash or income and expense items. The exclusion of depreciation and amortization expense from the calculation of Distributable 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 Distributable Earnings provides meaningful information to consider in addition to our net income (loss) and cash flow from operating activities determined in accordance with GAAP. We generally must distribute at least 90% of our net taxable income annually, subject to certain adjustments and excluding any net capital gains, for us to continue to qualify as a REIT for U.S. federal income tax purposes. We believe that one of the primary reasons investors purchase our common stock is to receive our dividends. Because of our investors' continued focus on our ability to pay dividends, Distributable Earnings is an important measure for us to consider when determining our distribution policy and dividends per common share. Further, Distributable Earnings helps us to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan investment and operating activities.

Distributable Earnings excludes the impact of our credit loss provision or reversals of our credit loss provision, but only to the extent that our credit loss provision exceeds any realized credit losses during the applicable reporting period.

A loan will be written off as a realized loss when it is deemed non-recoverable upon a realization event. Such a realized loss would generally be recognized at the time the loan receivable is settled, transferred or exchanged, or in the case of foreclosure, when the underlying property is foreclosed upon or sold. Non-recoverability may also be concluded by us if, in our determination, it is nearly certain that all amounts due will not be collected. A realized loss may equal the difference between the cash or consideration received or expected to be received, and the net book value of the loan, reflecting our economics as it relates to the ultimate realization of the asset.

Distributable Earnings does not represent net income (loss) or cash generated from operating activities and should not be considered as an alternative to GAAP net income (loss), 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 Distributable Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Distributable Earnings may not be comparable to the Distributable Earnings reported by other companies.

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

	Three Months Ended	
	September 30, 2021	**June 30, 2021**
Net income (loss)	$ 29,325	$ 32,391
Preferred stock dividends(1)	(3,157)	(6,799)
Participating securities' share in earnings (loss)	(122)	(148)
Series B preferred stock redemption make-whole payment(2)	—	(22,485)
Series B preferred stock accretion and write-off of discount, including allocated warrant fair value and transaction costs(3)	—	(23,997)
Net income (loss) attributable to common stockholders - See Note 12	$ 26,046	$ (21,038)
Series B preferred stock redemption make-whole payment	—	22,485
Series B preferred stock write-off of discount, including allocated warrant fair value and transaction costs	—	22,489
Non-cash stock compensation expense	1,250	1,393
Credit loss (benefit) expense(4)	(343)	(3,478)
Distributable earnings	$ 26,953	$ 21,851
Weighted average common shares outstanding, basic	77,060,225	76,899,270
Weighted average common shares outstanding, diluted	82,028,975	81,875,946
Distributable Earnings per common share, basic	$ 0.35	$ 0.28
Distributable Earnings per common share, diluted	$ 0.33	$ 0.27

(1) Includes preferred stock dividends declared and paid for Series A preferred stock, Series C Preferred Stock, and Series B Preferred Stock shares outstanding for the three months ended September 30, 2021 and June 30, 2021. For the three months ended September 30, 2021 and June 30, 2021, undeclared dividends of $0.04 million and $0.6 million, respectively, are included for Series C Preferred Stock shares outstanding in the period.

(2) Represents the make-whole payment to the holder of the Series B Preferred Stock for an amount equal to the present value of all remaining dividend payments due on such shares of Series B Preferred Stock from and after the redemption date (and not including any declared or paid dividends or accrued dividends prior to such redemption date) through the second anniversary of the original issue date, computed in accordance with the terms of the Articles Supplementary. See Note 13 to our consolidated financial statements included in this Form 10-Q.

(3) Series B Preferred Stock Accretion and Write-off of Discount, including Allocated Warrant Fair Value and Transaction Costs includes amounts recorded as deemed dividends and the write-off of unamortized transaction costs and the unaccreted portion of the allocated Warrant fair value related to the Series B Preferred Stock. For the three months ended June 30, 2021, the write-off of unamortized transaction costs and unaccreted allocated Warrant fair value was $22.5 million.

(4) Credit Loss (Benefit) Expense for the three months ended September 30, 2021 excludes the loss on sale of $0.5 million related to one hotel loan sold at par, less transaction costs, transferred from our loans held for investment portfolio to loans held for sale at quarter end. Credit Loss (Benefit) Expense for the three months ended June 30, 2021 excludes a $1.6 million realized loss on sale of a first mortgage loan.

Book Value Per Common Share

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

	September 30, 2021	**June 30, 2021**
Total stockholders' equity and temporary equity	$ 1,445,467	$ 1,437,191
Series C preferred stock ($201,250 aggregate liquidation preference)	(201,250)	(201,250)
Series A preferred stock	(125)	(125)
Stockholders' equity, net of preferred stock	$ 1,244,092	$ 1,235,816
Number of common shares outstanding at period end	77,047,966	77,089,125
Book value per common share	$ 16.15	$ 16.03

Investment Portfolio Overview

Our interest-earning assets are comprised almost entirely of a portfolio of floating rate, first mortgage loans, or in limited instances, mezzanine loans. As of September 30, 2021, our balance sheet loan portfolio consisted of 65 loans held for investment and one loan held for sale totaling $5.3 billion of commitments with an unpaid principal balance of $4.8 billion, as compared to 62 loans held for investment with $5.3 billion of commitments and an unpaid principal balance of $4.8 billion as of June 30, 2021.

As of September 30, 2021, we owned real estate with a carrying value of $99.2 million comprising 27 acres across two largely undeveloped commercially-zoned land parcels on the Las Vegas Strip acquired pursuant to a negotiated deed-in-lieu of foreclosure. This Property is held for investment and reflected on our consolidated balance sheets at its estimated fair value at the time of acquisition, net of estimated selling costs.

Loan Portfolio

During the three months ended September 30, 2021, we originated seven mortgage loans with a total commitment of $482.9 million, an initial unpaid principal balance of $433.6 million, and unfunded commitment at closing of $49.3 million. Loan fundings included $37.3 million of deferred fundings related to previously originated loans. We received proceeds from loan repayments in-full of $418.1 million across three loans, and principal amortization payments of $42.3 million across 10 loans, for total loan repayments of $460.4 million during the period. Additionally, we transferred a performing hotel loan from loans held for investment to loans held for sale on our consolidated balance sheet. The contractual sales price for the loan is par, or $87.1 million, and its carrying value is its sales price (par) less transaction costs, or $86.6 million.

The following table details our loans held for investment portfolio activity by unpaid principal balance for the three months ended September 30, 2021 and June 30, 2021 (dollars in thousands):

	Three Months Ended	
	September 30, 2021	**June 30, 2021**
Loan originations and acquisitions — initial funding	$ 433,600	$ 596,958
Other loan fundings(1)	37,269	43,930
Loan repayments	(460,371)	(334,021)
Loan transferred to loans held for sale	(86,636)	—
Loan sale	—	(60,690)
Total loan activity, net	$ (76,138)	$ 246,177

(1) Additional fundings made under existing loan commitments.

We generated interest income of $60.0 million and incurred interest expense of $21.0 million, which resulted in net interest income of $39.0 million. All net interest income resulted from our transitional first mortgage loan portfolio and lending activities.

The following table details overall statistics for our loans held for investment portfolio as of September 30, 2021 (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)	$ 5,240,569	$ 5,372,569
Unpaid principal balance(2)	$ 4,757,397	$ 4,757,397
Unfunded loan commitments(3)	$ 486,663	$ 486,663
Amortized cost	$ 4,749,289	$ 4,749,289
Weighted average credit spread(4)	3.3%	3.3%
Weighted average all-in yield(4)	4.9%	4.9%
Weighted average term to extended maturity (in years)(5)	2.8	2.8
Weighted average LTV(6)	66.3%	66.3%

(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. As of September 30, 2021 and December 31, 2020, we had one non-consolidated senior interest outstanding of $132.0 million.

(2) Unpaid principal balance includes PIK interest of $3.5 million and $4.7 million as of September 30, 2021 and December 31, 2020, respectively.

(3) 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.

(4) As of September 30, 2021, 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 September 30, 2021 for weighted average calculations.

(5) 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 September 30, 2021, based on the unpaid principal balance of our total loan exposure, 25.7% of our loans were subject to yield maintenance or other prepayment restrictions and 74.3% were open to repayment without penalty.

(6) 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 September 30, 2021, 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."

Real Estate Owned

In December 2020, we acquired the REO Property pursuant to a negotiated deed-in-lieu of foreclosure. Our cost basis in the REO Property upon acquisition was $99.2 million, equal to the estimated fair value of the collateral at the date of acquisition, net of estimated selling costs. Our estimate of the REO Property's fair value was determined using a discounted cash flow model and Level 3 inputs, which include estimates of parcel-specific cash flows over a specific holding period, discount rates that range between 8.0% - 17.5% based on the risk profile of estimated cash flows associated with each respective parcel, and an estimated capitalization rate of 6.25%, where applicable. These inputs are based on the highest and best use for each parcel, estimated future values for the parcels based on extensive discussions with local brokers, investors and other market participants, the estimated holding period for the parcels, and discount rates that reflect estimated investor return requirements for the risks associated with the expected use of each sub-parcel.

As of September 30, 2021, we continued to hold the REO Property at its estimated fair value at the time of acquisition, net of estimated selling costs, of $99.2 million. We obtained from a third party a $50.0 million non-recourse first mortgage loan secured by the REO Property, which is classified as Mortgage Loan Payable on our consolidated balance sheets. See Note 7 to our consolidated financial statements included in this Form 10-Q for details of the Mortgage Loan Payable.

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 ("SitusAMC"), one of the largest commercial mortgage loan servicers, pursuant to which SitusAMC provides us with dedicated asset management employees to provide 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.

Loan Portfolio Review

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 Note 2 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 among risk categories the amortized cost of our loans held for investment portfolio as of September 30, 2021 and December 31, 2020 based on our internal risk ratings (dollars in thousands):

	September 30, 2021		December 31, 2020	
Risk Rating	Amortized cost	Number of loans	Amortized cost	Number of loans
1	$ —	—	$ —	—
2	86,286	2	337,738	4
3	4,169,783	56	3,340,663	37
4	462,020	6	806,893	15
5	31,200	1	31,106	1
Unpaid principal balance	$ 4,749,289	65	$ 4,516,400	57

The weighted average risk rating of our loans held for investment portfolio was 3.1 as of September 30, 2021 and December 31, 2020. The weighted average risk rating is calculated based on the amortized cost balance of our loans held for investment portfolio at period end. The amounts as of September 30, 2021 exclude one hotel loan with a risk rating of 4 that was transferred to loans held for sale at quarter end. The hotel loan that is held for sale is recorded at its sales price (par) less transaction costs, or $86.6 million.

During the three months ended September 30, 2021, we upgraded one hotel loan from risk category "4" to "3" because of continued improvement in property-level operating performance and positive economic trends in the local market. Additionally, we received full loan repayments with respect to three loans with a total unpaid principal balance of $418.1 million and a weighted average risk rating of 2.4 at June 30, 2021. The three loans were included in our multifamily and office property categories.

Loan Modification Activity

The economic and market disruptions caused by COVID-19 have adversely impacted the financial condition of many of our borrowers. These impacts have and may differ in timing, duration and magnitude depending on factors such as property type and geography. We have experienced a small number of delinquencies and defaults, but we cannot be certain delinquencies and defaults will not increase in the future.

Loan modifications implemented by us since January 1, 2021 typically involve the adjustment or waiver of property level or business plan milestones or performance tests that are prerequisite to the extension of a loan maturity, in exchange for borrower concessions that may include any or all of the following: a partial repayment of principal; termination of all or a portion of the remaining unfunded loan commitment; a cash infusion by the sponsor or borrower to replenish loan reserves (interest or capital improvements); additional call protection; and/or an increase in the loan coupon. Loan modifications implemented by us in 2020 typically involved the repurposing of existing reserves to pay interest and other property-level expenses, and providing relief to conditions for extension, such as waiving or reducing debt yield tests or modifying the conditions upon which the underlying borrower may extend the maturity date. In exchange, borrowers and sponsors made partial principal repayments and/or provided additional cash for payment of interest, operating expenses, and replenishment of interest reserves or capital reserves in amounts and combinations acceptable to us.

As of September 30, 2021, we had 14 loan modifications outstanding related to loans with an unpaid principal balance of $1.3 billion.

Loan modification activity from April 1, 2020 through September 30, 2021 is summarized in the following table (dollars in thousands):

	As of September 30, 2021
Executed loan modifications	31
Expired loan modifications[1]	(17)
Outstanding loan modifications	14
Unpaid principal balance of loans related to outstanding loan modifications	$ 1,336,559
Total PIK accrued	$ 6,213
PIK repayments and write-off	(2,722)
PIK outstanding	$ 3,491

(1) Includes an amendment and simultaneous assignment of an existing first mortgage loan by a third-party purchaser of the property securing the loan. This transaction was treated as an extinguishment of the existing loan and origination of a new loan under GAAP. Also includes the sale, at no gain or loss, of a mezzanine loan related to a contiguous first mortgage loan held by us.

During the three months ended September 30, 2021, we executed five loan modifications with four borrowers. As of September 30, 2021, the loans to which these modifications relate had an aggregate commitment amount of $523.2 million and an aggregate unpaid principal balance of $515.7 million. None of the loan modifications triggered the accounting requirements of a troubled debt restructuring. In connection with these modifications, borrowers infused $15.8 million to replenish reserves. All of the modified loans are performing as of September 30, 2021. Total PIK interest of $0.2 million on an existing modified loan was deferred and added to the outstanding loan principal in accordance with terms of the loan modification during the three months ended September 30, 2021. As of September 30, 2021, the total amount of PIK interest in the portfolio was $3.5 million with respect to six loans.

We continue to work with our borrowers to address the circumstances caused by COVID-19 while seeking to protect the credit attributes of our loans. However, we cannot assure you that these efforts will be successful, and we may experience payment delinquencies, defaults, foreclosures, or losses.

Allowance for Credit Losses

The amount of allowance for credit losses is influenced by the size of our loan portfolio, loan quality, risk rating, delinquency status, historic loss experience and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions. During the three months ended September 30, 2021, the Company recorded a decrease of $0.3 million to its allowance for credit losses. The decline in the Company's allowance for credit losses was primarily due to an improving macroeconomic outlook based on recent observed economic data, improved property performance of underlying collateral for many of its loan investments that were adversely impacted by COVID-19, loan repayments and sales, and normalizing commercial real estate capital markets activity. While the ultimate impact of these trends remains uncertain, we selected our macroeconomic outlook based on this uncertainty, made specific forward-looking valuation adjustments to the inputs of our calculation of the allowance for credit losses to reflect variability regarding the timing, strength, and distribution of a sustained economic recovery, and unknown post-COVID levels of economic activity that may result.

Investment Portfolio Financing

We finance our investment portfolio using secured credit agreements, including secured credit facilities, mortgage loans payable, asset-specific financing arrangements, and collateralized loan obligations. In certain instances, we may create structural leverage and obtain matched-term financing through the co-origination or non-recourse syndication of a senior loan interest to a third party (a "non-consolidated senior interest"). We generally seek to match-fund and match-index our investments by minimizing the differences between the durations and indices of our investments and those of our liabilities, while minimizing our exposure to mark-to-market risk.

Investment Portfolio Financing Arrangements

Our portfolio financing arrangements during the period ended September 30, 2021 and December 31, 2020 included collateralized loan obligations, secured credit agreements, a mortgage loan payable, and a non-consolidated senior interest. The increase in total indebtedness as of September 30, 2021 is primarily due to the closing of TRTX 2021-FL4, a $1.25 billion CLO, on March 31, 2021. TRTX 2021-FL4 has a weighted average advance rate of 83.0% and increased our total loan indebtedness and our non-mark-to-market financing, which at September 30, 2021 represented 77.8% of our total loan portfolio borrowings. In connection with TRTX 2021-FL4, we placed $1.04 billion (principal amount) of investment grade-rated notes with institutional investors. See Note 6 to our consolidated financial statements included in this Form 10-Q for details.

The following table details the aggregate outstanding principal balances of our investment portfolio financing arrangements as of September 30, 2021 and December 31, 2020 (dollars in thousands):

	Portfolio financing outstanding principal balance	
	September 30, 2021	December 31, 2020
Collateralized loan obligations	$ 2,762,510	$ 1,834,760
Secured credit facilities - loans	919,914	1,522,859
Mortgage loan payable	50,000	50,000
Total indebtedness[1][2]	$ 3,732,424	$ 3,407,619

(1) Excludes a non-consolidated senior interest outstanding as of September 30, 2021 and December 31, 2020 with a total loan commitment of $132.0 million.

(2) Excludes deferred financing costs of $17.6 million and $18.9 million as of September 30, 2021 and December 31, 2020, respectively.

Non-mark-to-market financing sources accounted for 77.8% of our total loan portfolio borrowings as of September 30, 2021. The remaining 22.2% of our loan portfolio borrowings, which are comprised primarily of our seven secured credit facilities, are subject to credit marks, and in only one instance to credit and spread marks. The following table summarizes our loan portfolio borrowings as of September 30, 2021 (dollars in thousands):

Loan portfolio financing arrangements	Basis of margin calls	Recourse percentage	Initial maturity date	Extended maturity date	Non-mark-to-market	Mark-to-market
Secured credit facilities						
Goldman Sachs	Credit	25.0%	08/19/22	08/19/24	$ —	$ 97,988
Wells Fargo	Credit	25.0%	04/18/22	04/18/24	—	260,791
Barclays	Credit	25.0%	08/13/22	08/13/23	—	111,875
Morgan Stanley	Credit	25.0%	05/04/22	05/04/23	—	164,641
JP Morgan	Credit and Spread	25.0%	10/30/23	10/30/25	—	141,087
US Bank	Credit	25.0%	07/09/22	07/09/24	—	39,245
Bank of America	Credit	25.0%	09/29/22	09/29/22	—	31,664
Institutional financing[1]	Credit	25.0%	10/30/23	10/30/25	72,623	—
					72,623	847,291
Collateralized loan obligations						
TRTX 2018-FL2	None	n.a	11/29/37	11/29/37	685,381	—
TRTX 2019-FL3	None	n.a	10/01/34	10/01/34	1,039,628	—
TRTX 2021-FL4	None	n.a	03/31/38	03/31/38	1,037,500	—
Non-consolidated senior interests	None	n.a	04/28/22	06/28/25	132,000	—
Total					$ 2,967,132	$ 847,291
Percentage of total					77.8%	22.2%

(1) The secured credit agreement may be re-margined beginning after its second anniversary date based on a LTV test; otherwise, no credit or spread-based margin calls apply.

Secured Credit Facilities

As of September 30, 2021, aggregate borrowings outstanding under our secured credit facilities totaled $0.9 billion, relating solely to our mortgage loan investments. As of September 30, 2021, the overall weighted average interest rate was LIBOR plus 1.9% per annum, the weighted average interest rate for borrowings with mark-to-market provisions was 1.7%, the weighted average interest rate for borrowings with no current mark-to-market provisions was 4.5%, and the overall weighted average advance rate was 73.8%. As of September 30, 2021, outstanding borrowings under these facilities had a weighted average term to extended maturity of 2.6 years assuming exercise of all extension options and term out provisions. These secured credit facilities are 25.0% recourse to Holdco.

The following table details our secured credit facilities as of September 30, 2021 (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(5)	$ 250,000	$ 164,824	78.6%	$ 104,325	$ 97,988	$ 6,337	$ 145,675	L+ 2.01%	08/19/24
Wells Fargo	750,000	332,143	79.9%	265,343	260,791	4,552	484,657	L+ 1.62%	04/18/24
Barclays	750,000	171,223	67.1%	112,763	111,875	888	637,237	L+ 1.53%	08/13/23
Morgan Stanley	500,000	223,685	78.1%	176,691	164,641	12,050	323,309	L+ 1.79%	05/04/23
JP Morgan	400,000	235,724	68.2%	164,232	141,087	23,145	235,768	L+ 1.67%	10/30/25
US Bank	44,730	58,752	70.0%	39,245	39,245	—	5,485	L+ 1.40%	07/09/24
Bank of America	200,000	42,352	75.0%	32,110	31,664	446	96,961	L+ 1.75%	09/29/22
Institutional financing	249,546	129,026	58.7%	72,623	72,623	—	176,923	L+ 4.50%	10/30/25
Subtotal / weighted average - loans	$ 3,144,276	$ 1,357,729	73.8%	$ 967,332	$ 919,914	$ 47,418	$ 2,106,015	L+ 1.91%	

(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 credit facilities 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.

(5) In August 2021, we extended the initial maturity date from August 19, 2021 to August 19, 2022, with two additional one-year extensions at our option, provided the secured credit facility is not in default.

Once we identify an asset and the asset is approved by the secured credit facility 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 loan asset, which is referred to as the "advance rate." In the case of borrowings under our secured credit facilities that are repurchase arrangements, this advance serves as the purchase price at which the lender acquires the loan asset from us 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 credit facility lenders.

For each transaction, we and the lender agree to a trade confirmation which sets forth, among other things, the asset purchase price, the maximum advance rate, the interest rate and the market value of the asset. For transactions under our secured credit facilities, the trade confirmation may also set forth any future funding obligations which are contemplated with respect to the specific transaction the underlying loan asset. For loan assets which involve future funding obligations of ours, the transaction may provide for the lender to fund portions (for example, pro rata per the maximum advance rate of the related transaction) of such future funding obligations. The trade confirmation can also set forth loan-specific margin maintenance provisions, described below.

Generally, our secured credit facilities allow for revolving balances, which allow us to voluntarily repay balances and draw again on existing available credit. The primary obligor on each secured credit facility is a separate special purpose subsidiary of ours which is restricted from conducting activity other than activity related to the utilization of its secured credit facility 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. 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.

Each of the secured credit facilities has "margin maintenance" provisions, which are designed to allow the 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 credit facilities 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. In certain cases, margin maintenance provisions can relate to minimum debt yields for pledged collateral considered as a whole, or limits on concentration of loan exposure measured by property type or loan type.

Our secured credit facilities contain defined 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 or net cash flow ("credit marks"). 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 capital markets events have caused credit spreads to change for similar borrowing obligations ("spread marks"). Furthermore, in connection with one of these borrowing arrangements, the lender has the right to re-margin the secured credit facility based solely on appraised loan-to-values in the third year of the facility. In the event that we experience market turbulence, we may be exposed to margin calls in connection with our secured credit facilities.

The maturity dates for each of our secured credit facilities are set forth in tables that appear earlier in this section. Our secured credit facilities generally have terms of between one and three years, but may be extended if we satisfy certain performance-based conditions. In the normal course of business, we maintain discussions with our lenders to extend or amend any financing facilities related to our loans.

As of September 30, 2021, the weighted average haircut (which is equal to one minus the advance rate percentage against collateral for our secured credit facilities taken as a whole) was 26.2% compared to 30.7% as of December 31, 2020 and 30.8% as of September 30, 2020.

The secured credit facilities also include cash management features which generally require that income from collateral loan assets be deposited in a lender-controlled account for distribution 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 under our borrowing arrangement remains outstanding. Furthermore, some secured credit facilities may require an accelerated principal amortization schedule if the secured credit facility 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 credit facility, we retain 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 credit facility, 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 lender's prior consent.

Collateralized Loan Obligations

As of September 30, 2021, we had three collateralized loan obligations, TRTX 2021-FL4, TRTX 2019-FL3 and TRTX 2018-FL2, totaling $2.8 billion, financing 46 existing first mortgage loan investments totaling $3.4 billion and holding $6.9 million of cash for investment in eligible loan collateral. Our CLOs provide low cost, non-mark-to-market, non-recourse financing for 75.0% of our loan portfolio borrowings. The collateralized loan obligations bear a weighted average interest rate of LIBOR plus 1.5%, have a weighted average advance rate of 82.1%, 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.

On March 5, 2021, the Financial Conduct Authority of the U.K. (the "FCA") announced that all LIBOR tenors relevant to us will cease to be published or will no longer be representative after June 30, 2023. The Alternative Reference Rates Committee (the "ARRC") interpreted this announcement to constitute a benchmark transition event, and on May 17, 2021, Wells Fargo Bank, National Association, solely in its capacity as designated transaction representative under the FL3 indenture, determined that a benchmark transition event had occurred with respect to FL3. Accordingly, on June 15, 2021, the benchmark index interest rate for bondholders under FL3 was converted from LIBOR to the Compounded Secured Overnight Financing Rate ("SOFR") plus a benchmark replacement adjustment of 11.448 basis points, conforming with the FL3 Indenture and the recommendation of the ARRC. The designated transaction representative further determined that SOFR for any interest accrual period had been the "30-Day Average

SOFR" published on the website of the Federal Reserve Bank of New York on each benchmark determination date. SOFR will be determined by the calculation agent in arrears using a lookback period equal to the number of calendar days in such interest accrual period plus two SOFR Business Days. As of September 30, 2021, the FL3 mortgage assets are indexed to LIBOR and the borrowings under FL3 were indexed to SOFR, creating a difference between benchmark interest rates (a basis difference), for FL3 assets and liabilities, which is meant to be mitigated by the benchmark replacement adjustment described above. We have the right to transition the FL3 mortgage assets to SOFR, eliminating the basis difference between FL3 assets and liabilities, and will make this determination taking into account our loan portfolio as a whole. The transition to SOFR is not expected to have a material impact to FL3's assets and liabilities and related interest expense.

On October 1, 2021, based on an ARRC recommendation and the terms of the FL3 indenture, the designated transaction representative further determined that the benchmark index interest rate for bondholders under FL3 was converted from SOFR plus a benchmark replacement adjustment of 11.448 basis points to Term SOFR on the first day of the most recent calendar quarter (October 1, 2021 effective for the three months ended December 31, 2021 and in future periods). The transition to Term SOFR is not expected to have a material impact to FL3's assets and liabilities and related interest expense.

During the three months ended September 30, 2021, we utilized the reinvestment feature in TRTX 2021-FL4 five times and TRTX 2019-FL3 three times, recycling loan unpaid principal balances of $178.2 million and $189.6 million, respectively. During the three months ended June 30, 2021, we fully invested $308.9 million in the FL4 Ramp-Up Account available to purchase eligible collateral interests. The reinvestment period for TRTX 2018-FL2 ended on December 11, 2020.

See Note 6 to our consolidated financial statements included in this Form 10-Q for details about our CLO reinvestment feature.

Mortgage Loan Payable

We are, through a special purpose entity subsidiary, a borrower under a $50.0 million mortgage loan secured by the REO Property. Refer to Note 4 to our consolidated financial statements included in this Form 10-Q for additional information. This mortgage loan was provided by an institutional lender, has an initial maturity date of December 15, 2021, and an option to extend the maturity for 12 months subject to the satisfaction of customary extension conditions, including (i) the purchase of a new interest rate cap for the extension term, (ii) replenishment of the interest reserve with an amount equal to 12 months of debt service, (iii) payment of a 0.25% extension fee on the outstanding principal balance, and (iv) no event of default. This mortgage loan permits partial releases of collateral in exchange for payment of a minimum release price equal to the greater of 100% of net sales proceeds (after reasonable transaction expenses) or 115% of the allocated loan amount for the respective parcel. This loan bears interest at a rate of LIBOR plus 4.50% subject to a LIBOR interest rate floor and cap of 0.50%. We posted cash of $2.4 million to pre-fund interest payments due under the note during its initial term. The remaining reserve balance as of September 30, 2021 was $0.7 million.

Non-Consolidated Senior Interests and Retained Mezzanine Loans

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 September 30, 2021, we retained a mezzanine loan investment with a total commitment of $35.0 million, an unpaid principal balance of $35.0 million, and an interest rate of LIBOR plus 10.3%.

The following table presents our non-consolidated senior interest and retained mezzanine loan outstanding as of September 30, 2021 (dollars in thousands):

Non-consolidated senior interests	Count	Guarantee	Loan commitment	Principal balance	Amortized cost	Weighted average credit spread[(1)]	Weighted average term to extended maturity
Senior loan sold or co-originated	1	None	$ 132,000	$ 132,000	n.a.	L+ 4.3%	6/28/2025
Retained mezzanine loan	1	None	35,000	35,000	34,929	L+ 10.3%	6/28/2025
Total loan	2		$ 167,000	$ 167,000		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 credit facilities require Holdco to maintain compliance with the following financial covenants (among others), which were amended on June 7, 2021 as follows:

Financial Covenant	Current	Prior to June 7, 2021
Cash Liquidity	Minimum cash liquidity of no less than the greater of: $15.0 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	$1.0 billion, plus 75% of all subsequent equity issuances (net of discounts, commissions, expense), minus 75% of the redeemed or repurchased preferred or redeemable equity or stock	$1.1 billion as of April 1, 2020, plus 75% of future equity issuances thereafter
Debt-to-Equity	Debt-to-Equity ratio not to exceed 4.25 to 1.0 with "equity" and "equity adjustment" as defined below	Debt-to-Equity ratio not to exceed 3.5 to 1.0 with "equity" and "equity adjustment" as defined below
Interest Coverage	Minimum interest coverage ratio of no less than 1.5 to 1.0	Minimum interest coverage ratio of no less than 1.5 to 1.0

The amendments as of June 7, 2021 revised the minimum tangible net worth test such that the amount for testing was reset as of June 7, 2021 to $1.0 billion plus 75% of net future equity issuances after June 7, 2021 minus 75% of redeemed equity or stock after June 7, 2021. Holdco's equity for purposes of calculating the debt-to-equity test (which was revised as of June 7, 2021 at 4.25 to 1:00) was revised to include: stockholders' equity as determined by GAAP; any other equity instrument(s) issued by Holdco or its Subsidiary that is or are classified as temporary equity under GAAP; and an adjustment equal to the sum of the Current Expected Credit Loss reserve, 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%. Additionally, the minimum liquidity test was increased as of June 7, 2021 to be no less than the greater of (x) 15.0 million and (y) 5% of Holdco's recourse indebtedness, and the minimum interest coverage ratio test remained unchanged at 1.5 to 1.0.

Financial Covenant relating to the Series B Preferred Stock

For as long as the Series B Preferred Stock was outstanding, we were 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 was excluded from the calculation of total indebtedness of the Company and its subsidiaries, and was included in the calculation of total stockholders' equity. On June 16, 2021, we redeemed all 9,000,000 outstanding shares of the Series B Preferred Stock. As of September 30, 2021, we did not have any shares of Series B Preferred Stock outstanding and this covenant no longer applied.

Financial Covenant Compliance

We were in compliance with all financial covenants for our secured credit facilities and mortgage loan payable to the extent of outstanding balances as of September 30, 2021 and December 31, 2020, respectively, and were in compliance with the financial covenant relating to the Series B Preferred Stock as of December 31, 2020.

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 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. 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 set forth in our Form 10-K filed with the SEC on February 24, 2021.

Debt-to-Equity Ratio and Total Leverage Ratio

The following table presents our Debt-to-Equity ratio and Total Leverage ratio as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Debt-to-equity ratio(1)	2.40x	2.44x
Total leverage ratio(2)	2.49x	2.54x

(1) Represents (i) total outstanding borrowings under financing arrangements, net, including collateralized loan obligations, secured credit facilities, and mortgage loan payable, 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 credit facilities, and mortgage loan payable, 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 September 30, 2021, 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 $1.1 billion of net floating rate exposure, subject to the impact of interest rate floors on all our floating rate loans and 3.1% of our liabilities. We had no fixed rate loans outstanding as of September 30, 2021. 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 the net floating rate exposure of our loan portfolio, including loans held for investment and one loan held for sale, as of September 30, 2021 (dollars in thousands):

	Net exposure
Floating rate mortgage loan assets(1)	$ 4,844,033
Floating rate mortgage loan liabilities(1)(2)	(3,682,423)
Total floating rate mortgage loan exposure, net	$ 1,161,610

(1) Floating rate mortgage loan assets and liabilities (with the sole exception of TRTX-2019 FL3 liabilities which are indexed to SOFR) are indexed to LIBOR. The net exposure to the underlying benchmark interest rate is directly correlated to our assets indexed to the same rate.

(2) Floating rate liabilities include secured credit facilities and collateralized loan obligations.

With the cessation of LIBOR expected to occur effective January 1, 2022, or June 30, 2023, we continue to evaluate the documentation and control processes 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. Although recent statements from regulators indicate the possibility of a longer period of transition, perhaps through June 2023, we continue to utilize resources to revise our control and risk management systems to ensure there is no disruption to our day-to-day operations from the transition, when it does occur. 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. While we generally seek to match index our assets and liabilities, there is likely to be a transition period as different underlying assets and sources of financing may transition from LIBOR to an alternative index at different times.

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 September 30, 2021 and June 30, 2021 for our loan portfolio (dollars in thousands):

	Three Months Ended,					
	September 30, 2021			June 30, 2021		
	Avg. amortized cost / carrying value[1]	Interest income / expense	Wtd. avg. yield / financing cost[2]	Avg. amortized cost / carrying value[1]	Interest income / expense	Wtd. avg. yield / financing cost[2]
Core Interest-earning assets:						
First mortgage loans	$ 4,795,533	$ 58,827	4.9%	$ 4,729,443	$ 60,793	5.1%
Retained mezzanine loans	34,789	1,157	13.3%	34,025	1,122	13.2%
Core interest-earning assets	$ 4,830,322	$ 59,984	5.0%	$ 4,763,468	$ 61,915	5.2%
Interest-bearing liabilities:						
Collateralized loan obligations	$ 2,765,565	$ 13,857	2.0%	$ 2,857,273	$ 13,528	1.9%
Secured credit agreements	943,536	6,412	2.7%	899,637	7,786	3.5%
Mortgage loan payable	50,000	710	5.7%	50,000	703	5.6%
Total interest-bearing liabilities	$ 3,759,101	$ 20,979	2.2%	$ 3,806,910	$ 22,017	2.3%
Net interest income[3]		$ 39,005			$ 39,898	
Other Interest-earning assets:						
Cash equivalents	$ 46,046	$ 3	0.0%	$ 228,815	$ 6	0.0%
Accounts receivable from servicer/trustee	54,061	2	0.0%	149,048	1	0.0%
Total interest-earning assets	$ 4,930,429	$ 59,989	4.9%	$ 5,141,331	$ 61,922	4.8%

(1) Based on carrying value for loans held for investment and one loan held for sale as of September 30, 2021 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) 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 (loss) and comprehensive income (loss).

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 nine months ended September 30, 2021 and 2020 for our loan portfolio (dollars in thousands):

	Nine Months Ended					
	September 30, 2021			September 30, 2020		
	Avg. amortized cost / carrying value[1]	Interest income / expense	Wtd. avg. yield / financing cost[2]	Avg. amortized cost / carrying value[1]	Interest income / expense	Wtd. avg. yield / financing cost[2]
Core Interest-earning assets:						
First mortgage loans	$ 4,678,282	$ 176,687	5.0%	$ 5,042,455	$ 211,684	5.6%
Retained mezzanine loans	33,961	3,361	13.2%	23,487	2,298	13.0%
CRE debt securities[3]	—	—	—	262,996	7,672	3.9%
Core interest-earning assets	$ 4,712,243	$ 180,048	5.1%	$ 5,328,938	$ 221,654	5.5%
Interest-bearing liabilities:						
Collateralized loan obligations	$ 2,600,659	$ 35,705	1.8%	$ 1,829,861	$ 33,976	2.5%
Secured credit agreements	1,043,230	25,428	3.2%	2,102,116	47,572	3.0%
Mortgage loan payable	50,000	2,153	5.7%	—	—	—
Asset-specific financings	—	—	—	77,000	4,224	7.3%
Secured revolving credit agreement	—	—	—	32,600	—	—
Total interest-bearing liabilities	$ 3,693,889	$ 63,286	2.3%	$ 4,041,577	$ 85,772	2.8%
Net interest income[4]		$ 116,762			$ 135,882	
Other Interest-earning assets:						
Cash equivalents	$ 185,564	$ 15	0.0%	$ 155,486	$ 408	0.3%
Accounts receivable from servicer/trustee	102,863	4	0.0%	20,134	39	0.3%
Total interest-earning assets	$ 5,000,670	$ 180,067	4.8%	$ 5,504,558	$ 222,101	5.4%

(1) Based on carrying value for loans held for investment and one loan held for sale as of September 30, 2021, 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 (loss) and comprehensive income (loss).

Our Results of Operations

Operating Results

The following table sets forth information regarding our consolidated results of operations for the three and nine months ended September 30, 2021 and 2020 (dollars in thousands, except per share data):

	Three Months Ended September 30,		Variance	Nine Months Ended September 30,		Variance
	2021	2020	2021 vs 2020	2021	2020	2021 vs 2020
INTEREST INCOME						
Interest Income	$ 59,984	$ 69,854	$ (9,870)	$ 180,048	$ 221,654	$ (41,606)
Interest Expense	(20,979)	(21,450)	471	(63,286)	(85,772)	22,486
Net Interest Income	39,005	48,404	(9,399)	116,762	135,882	(19,120)
OTHER REVENUE						
Other Income, net	97	81	16	350	528	(178)
Total Other Revenue	97	81	16	350	528	(178)
OTHER EXPENSES						
Professional Fees	1,044	1,613	(569)	3,380	7,468	(4,088)
General and Administrative	1,173	862	311	3,285	2,702	583
Stock Compensation Expense	1,250	1,147	103	4,099	4,234	(135)
Servicing and Asset Management Fees	462	395	67	1,117	932	185
Management Fee	5,473	5,293	180	15,910	15,408	502
Total Other Expenses	9,402	9,310	92	27,791	30,744	(2,953)
Securities Impairments	—	—	—	—	(203,397)	203,397
Credit Loss Benefit (Expense)	(139)	(654)	515	5,751	(53,456)	59,207
Income (Loss) Before Income Taxes	29,561	38,521	(8,960)	95,072	(151,187)	246,259
Income Tax Expense, net	(236)	(74)	(162)	(1,400)	(228)	(1,172)
Net Income (Loss)	29,325	38,447	(9,122)	93,672	(151,415)	245,087
Preferred Stock Dividends and Participating Securities Share in Earnings (Loss)	(3,279)	(6,318)	3,039	(16,497)	(8,968)	(7,529)
Series B Preferred Stock Redemption Make-Whole Payment	—	—	—	(22,485)	—	(22,485)
Series B Preferred Stock Accretion and Write-off of Discount, including Allocated Warrant Fair Value and Transaction Costs	—	(1,347)	1,347	(25,449)	(1,790)	(23,659)
Net Income (Loss) Attributable to Common Stockholders - See Note 12	$ 26,046	$ 30,782	(4,736)	$ 29,241	$ (162,173)	$ 191,414
OTHER COMPREHENSIVE INCOME (LOSS)						
Unrealized Gain (Loss) on CRE Debt Securities	$ —	$ —	$ —	$ —	$ (1,051)	$ 1,051
Comprehensive Net Income (Loss)	$ 29,325	$ 38,447	$ (9,122)	$ 93,672	$ (152,466)	$ 246,138
Earnings (Loss) per Common Share, Basic(1)	$ 0.34	$ 0.40	(0.06)	$ 0.38	$ (2.13)	2.51
Earnings (Loss) per Common Share, Diluted(1)	$ 0.32	$ 0.39	(0.07)	$ 0.36	$ (2.13)	2.49
Dividends Declared per Common Share	$ 0.24	$ 0.20	0.04	$ 0.64	$ 0.83	(0.19)

(1) Basic and diluted (loss) earnings per common share are computed independently based on the weighted-average shares of common stock outstanding. Diluted (loss) earnings per common share also includes the impact of participating securities outstanding plus any incremental shares that would be outstanding assuming the exercise of the Warrants. Accordingly, the sum of the quarterly (loss) earnings per common share amounts may not agree to the total for the nine months ended September 30, 2021.

Comparison of the Three Months Ended September 30, 2021 and September 30, 2020

Net Interest Income

Net interest income decreased to $39.0 million during the three months ended September 30, 2021 compared to $48.4 million for the three months ended September 30, 2020. The decrease was primarily due to higher repayment and sales volume, which reduced the average interest earning asset base of our loan portfolio by $177.1 million compared to the three months ended September 30, 2020. Additionally, our loan portfolio, including loans held for investment and one loan held for sale as of September 30, 2021, weighted average all-in yield and weighted average LIBOR floors declined from 5.3% and 1.69% as of September 30, 2020 to 4.9% and 1.33% as of September 30, 2021, respectively, resulting in lower net interest income and interest margins for the three months ended September 30, 2021.

Other Expenses

Other expenses increased $0.1 million for the three months ended September 30, 2021 compared to the three months ended September 30, 2020. The increase reflects an increase in general and administrative expense, stock compensation expense, management fees, and servicing and asset management fees totaling $0.7 million offset by a decrease of $0.6 million in professional fees (legal, accounting and advisory fees) incurred in connection with our response to COVID-19 during the three months ended September 30, 2020.

Credit Loss

Credit loss expense decreased by $0.5 million for the three months ended September 30, 2021 compared to the three months ended September 30, 2020, primarily due to loan portfolio activity including loan repayments and sales, an improved macroeconomic forecast, and better than expected operating performance of our underlying collateral for many of our loan investments in 2021 that were adversely impacted by COVID-19 in the prior year.

Preferred Stock Dividends Declared and Paid

During the three months ended September 30, 2021, we declared and paid a cash dividend of $3.7 million related to our Series C Preferred Stock. During the three months ended September 30, 2020, we declared and paid a cash dividend of $6.2 million related to our Series B Preferred Stock.

Dividends Declared Per Common Share

During the three months ended September 30, 2021, we declared cash dividends of $0.24 per common share, or $18.6 million. During the three months ended September 30, 2020, we declared cash dividends of $0.20 per common share, or $15.4 million.

Comparison of the Nine Months Ended September 30, 2021 and September 30, 2020

Net Interest Income

Net interest income decreased to $116.8 million, during the nine months ended September 30, 2021 compared to $135.9 million for the nine months ended September 30, 2020. The decrease was primarily due to higher repayment and sales volume, which reduced the average interest earning asset base of our loan portfolio by $353.7 million, compared to the nine months ended September 30, 2020. Additionally, our loan portfolio, including loans held for investment and one loan held for sale as of September 30, 2021, weighted average all-in yield and weighted average LIBOR floors declined from 5.3% and 1.69% as of September 30, 2020 to 4.9% and 1.33% as of September 30, 2021, respectively, resulting in lower net interest income and interest margins for the nine months ended September 30, 2021.

Other Revenue

Other revenue is comprised of interest income earned on certain cash collection accounts, net operating income from the REO Property held for investment, and miscellaneous fee income. Other revenue decreased by $0.2 million during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020, primarily due to lower overnight interest earned for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020.

Other Expenses

Other expenses decreased $3.0 million for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020, primarily due to a $4.1 million decrease in professional fees (legal, accounting and advisory fees) from those incurred in connection with our response to COVID-19 during the nine months ended September 30, 2020.

Credit Loss

Credit loss expense decreased by $59.2 million for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020, primarily due to loan portfolio activity including loan repayments and sales, an improved macroeconomic forecast, and better than expected operating performance of our underlying collateral for many of our loan investments in 2021 that were adversely impacted by COVID-19 in the prior year.

Securities Impairments

We have owned no CRE debt securities since April 2020, thus we had no securities impairments for the nine months ended September 30, 2021, compared to $203.4 million for the nine months ended September 30, 2020. Securities impairments for the nine months ended September 30, 2020 include losses on sales of CRE debt securities of $36.2 million and an impairment charge of $167.3 million, offset by a realized gain on sale of $0.1 million related to one CRE debt security owned at March 31, 2020.

Dividends Declared Per Common Share

During the nine months ended September 30, 2021, we declared cash dividends of $0.64 per common share, or $49.6 million. During the nine months ended September 30, 2020, we declared cash dividends of $0.83 per common share, or $64.1 million.

Unrealized Gain (Loss) on CRE Debt Securities

Other comprehensive income (loss) decreased $1.0 million during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. The decrease is due to the reversal of unrealized gains recognized during the nine months ended September 30, 2020, and no holdings of CRE debt securities in 2021.

Income Tax Expense

Income tax expense increased $1.2 million during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 primarily due to the excess inclusion income ("EII") generated by certain Sub-REIT's CRE CLOs as a result of a sharp decline in LIBOR after issuance, loans with high interest rate floors, and liabilities largely based on unfloored LIBOR or SOFR. Pursuant to our tax partnership ("Parent LLC") operating agreement, any EII allocated from Sub-REIT to Parent LLC is allocated further to our TRSs. Consequently, no EII is allocated to us and, as a result, our shareholders will not be allocated any EII or unrelated business taxable income by us. See Note 10 to our consolidated financial statements included in this Form 10-Q for details.

Series B Preferred Stock Redemption Make-Whole Payment

During the nine months ended September 30, 2021, we made a make-whole payment of $22.5 million to the holder of the Series B Preferred Stock equaling the present value of all remaining dividend payments due on such shares from and after the redemption date (and not including any declared or paid dividends or accrued dividends prior to such redemption date) through the second anniversary of the original issue date, computed in accordance with the terms of the Articles Supplementary. See Note 13 to our consolidated financial statements included in this Form 10-Q for additional details.

Series B Preferred Stock Accretion and Write-off of Discount, including Allocated Warrant Fair Value and Transaction Costs

During the nine months ended September 30, 2021, in connection with the redemption of the Series B Preferred Stock, we accelerated the accretion and wrote-off the unamortized discount related to the allocated Warrant fair value and transaction costs of $22.5 million. See Note 13 to our consolidated financial statements included in this Form 10-Q for additional details.

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 Series C Preferred Stock classified as permanent equity, issuance of Series B Preferred Stock treated as temporary equity, borrowings under secured credit facilities, collateralized loan obligations, mortgage loan payable, asset-specific financings, and non-consolidated senior interests. As of September 30, 2021, we had outstanding 77.0 million shares of our common stock representing $1.2 billion of stockholders' equity, $194.4 million of Series C Preferred Stock, and $3.7 billion of outstanding borrowings used to finance our investments and operations.

See Notes 6 and 7 to our consolidated financial statements included in this Form 10-Q for details regarding our borrowings under secured credit facilities, collateralized loan obligations, and mortgage loan payable.

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents, available borrowings under secured credit facilities and capacity in our collateralized loan obligations available for reinvestment, which are set forth in the following table (dollars in thousands):

	September 30, 2021	December 31, 2020
Cash and cash equivalents	$ 269,263	$ 319,669
Secured credit facilities	47,418	22,766
Collateralized loan obligation proceeds held at trustee	6,870	121
Total	$ 323,551	$ 342,556

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. For the nine months ended September 30, 2021, loan repayments totaled $859.3 million, and one loan with an unpaid principal balance of $60.7 million was sold for $59.5 million. For the nine months ended September 30, 2020, loan repayments totaled $520.3 million and loan sales were $145.7 million. Additionally, as of September 30, 2021 we held unencumbered loan investments with an aggregate unpaid principal balance of $154.2 million that are eligible to pledge under our existing financing arrangements.

We continue to monitor the COVID-19 pandemic and its impact on our borrowers, their tenants, our 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. Additional regional surges in infection rates due to COVID-19 variants, reversed re-openings, uncertainty regarding the effectiveness of vaccines approved for COVID-19, or high proportions of vaccine hesitancy in certain regions, may have a material impact on our operations and liquidity.

Uses of Liquidity

In addition to our ongoing loan activity, our primary liquidity needs include interest and principal payments under our $3.7 billion of outstanding borrowings under secured credit facilities, collateralized loan obligations and mortgage loan payable, $486.7 million of unfunded loan commitments on our loans held for investment, dividend distributions to our preferred and common stockholders, and operating expenses.

Consolidated Cash Flows

Our primary cash flow activities involve actively managing our investment portfolio, originating floating rate, first mortgage loan investments, and raising capital through public offerings of our equity and debt securities. The following table provides a breakdown of the net change in our cash, cash equivalents, and restricted cash balances for the nine months ended September 30, 2021 and 2020 (dollars in thousands):

	Nine Months Ended September 30,	
	2021	**2020**
Cash flows provided by operating activities	$ 97,023	$ 102,118
Cash flows (used in) provided by investing activities	(332,550)	637,826
Cash flows provided by (used in) financing activities	185,788	(594,056)
Net change in cash, cash equivalents, and restricted cash	$ (49,739)	$ 145,888

Operating Activities

During the nine months ended September 30, 2021, cash flows provided by operating activities totaled $97.0 million primarily related to net interest income, offset by operating expenses. During the nine months ended September 30, 2020, cash flows provided by operating activities totaled $102.1 million primarily related to net interest income, offset by operating expenses.

Investing Activities

During the nine months ended September 30, 2021, cash flows used in investing activities totaled $332.6 million primarily due to new loan originations of $1,062.9 million, advances on loans of $110.2 million, offset by loan repayments of $782.1 million and proceeds from sales of loans of $58.4 million. Cash flows provided by investing activities during the nine months ended September 30, 2020 totaled $637.8 million primarily due to repayments on loans held for investment of $431.4 million, sale of CRE debt securities totaling $766.4 million and proceeds from sale of loans of $131.9 million, offset by new loan originations and purchases of CRE debt securities of $520.5 million and advances on loans of $171.4 million.

Financing Activities

During the nine months ended September 30, 2021, cash flows provided by financing activities totaled $185.8 million primarily due to proceeds from the issuance of TRTX 2021-FL4 of $1.04 billion (described in Note 6 to our consolidated financial statements included in this Form 10-Q), issuance of Series C Preferred Stock of $201.3 million, offset by payments on secured financing agreements of $1,122.9 million, payments related to the redemption of Series B Preferred Stock of $247.5 million, and payment of dividends on our common stock and preferred stock of $76.5 million. During the nine months ended September 30, 2020, cash flows used in financing activities totaled $594.1 million primarily due to payments on secured financing agreements of $1.6 billion and payment of dividends on our common stock, Series A preferred stock and Series B Preferred Stock of $90.0 million, offset by additional proceeds from secured financing agreements of $908.5 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 securities 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. As of March 31, 2020, unpaid margin calls totaled $19.0 million, which were satisfied in April 2020 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 credit 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 all six of our secured credit agreement lenders and our 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. When 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 credit agreements secured by our mortgage loan investments, with the exception of one financing arrangement with a margin call holiday through September 2022. We maintain frequent dialogue with the lenders under our 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 and may have on our business, see risk factors set forth in our Form 10-K filed with the SEC on February 24, 2021.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of September 30, 2021 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]	$ 486,663	$ 151,810	$ 196,701	$ 138,152	$ —
Collateralized loan obligations—principal[2]	2,762,510	56,985	1,625,292	1,080,233	—
Secured credit facilities—principal[3]	919,914	31,664	888,250	—	—
Collateralized loan obligations—interest[4]	130,675	44,645	65,865	20,165	—
Secured credit facilities—interest[4]	41,119	18,935	22,184	—	—
Mortgage loan payable - principal	50,000	—	50,000	—	—
Mortgage loan payable - interest	2,818	2,332	486	—	—
Total	$ 4,393,699	$ 306,371	$ 2,848,778	$ 1,238,550	$ —

(1) The allocation of our unfunded loan commitments for our loans held for investment portfolio is based on the earlier of the commitment expiration date and the loan maturity date.

(2) Collateralized loan obligation liabilities are based on the fully extended maturity of mortgage loan collateral, considering the reinvestment window of our collateralized loan obligation.

(3) The allocation of secured debt agreements is based on the extended maturity date for those credit facilities where extensions are at our option, subject to no default, or the current maturity date of those facilities where extension options are subject to counterparty approval.

(4) Amounts include the related future interest payment obligations, which are estimated by assuming the amounts outstanding under our secured debt agreements and collateralized loan obligations and the interest rates in effect as of September 30, 2021 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 (with the sole exception of TRTX-2019 FL3 liabilities which are indexed to SOFR).

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 2021-FL4, 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 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 in the future.

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. No incentive fee was earned by our Manager during the three months ended September 30, 2021. See Note 11 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. Pursuant to this revenue procedure, 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 Distributable Earnings as described above. See Note 10 to our consolidated financial statements included in this Form 10-Q for additional details.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Corporate Activities

Issuance of Series C Preferred Stock

On June 14, 2021, we received net proceeds of $194.4 million from the sale of the 8,050,000 shares of Series C Preferred Stock after deducting the underwriting discount and commissions of $6.3 million and issuance costs of $0.6 million. We used the net proceeds from the offering to partially fund the redemption of all of the outstanding shares of the Series B Preferred Stock. The Series C Preferred Stock is currently listed on the NYSE under the symbol "TRTX PRC."

The Series C Preferred Stock has a liquidation preference of $25.00 per share. When, as, and if authorized by the board of directors and declared by us, dividends on the Series C Preferred Stock will be payable quarterly in arrears on or about March 30, June 30, September 30, and December 30 of each year at a rate per annum equal to 6.25% per annum of the $25.00 per share liquidation preference. Dividends on the Series C Preferred Stock are cumulative. The first dividend on the Series C Preferred Stock was paid on September 30, 2021, and was for the period from, and including, June 14, 2021 to, but not including, September 30, 2021. The Series C Preferred Stock dividend paid on September 30, 2021 was $0.4601 per share.

For additional details regarding the offering of Series C Preferred Stock, see Note 13 to our consolidated financial statements included in this Form 10-Q.

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 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 were permitted to occur in up to three tranches prior to December 31, 2020. 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 Purchaser acquired the first tranche pursuant to 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 allowed the option to issue additional shares of Series B Preferred Stock to expire unused.

On June 16, 2021, we redeemed all 9,000,000 outstanding shares of the Series B Preferred Stock at an aggregate redemption price of $247.5 million. Dividends on all shares of Series B Preferred Stock were paid in full as of the redemption date. As a result of the redemption, dividends will no longer accrue or be declared on any shares of Series B Preferred Stock, and no shares of Series B Preferred Stock remain outstanding. In connection with the redemption, we made a make-whole payment to the holder of the Series B Preferred Stock of $22.5 million, the amount equal to the present value of all remaining dividend payments due on such shares of Series B Preferred Stock from and after the redemption date (and not including any declared or paid dividends or accrued dividends prior to such redemption date) through the second anniversary of the original issue date, computed in accordance with the terms of the Articles Supplementary. This make-whole payment is recorded as Series B Preferred Stock Redemption Make-Whole Payment on our consolidated statements of changes in equity and treated similarly to a dividend on preferred stock for GAAP purposes. Additionally, we accelerated the accretion of approximately $22.5 million related to the remaining unamortized discount, which was included in Series B Preferred Stock Accretion and Write-off of Discount, including Allocated Warrant Fair Value and Transaction Costs on our consolidated statements of changes in equity and treated similarly to a dividend on preferred stock for GAAP purposes.

None of the Warrants had been exercised as of September 30, 2021.

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. As of September 30, 2021, 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. No shares of common stock were sold pursuant to the equity distribution agreement during the three and nine months ended September 30, 2021. For the nine months ended September 30, 2020, 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.

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 the holder of our Series B Preferred Stock at the rate of 11.0% per annum of the $25.00 per share liquidation preference and to the holders of our Series C Preferred Stock at the rate of 6.25% per annum of the $25.00 per share liquidation preference, and then to the holders of our common stock, in each case, to the extent outstanding. We intend to distribute each year substantially all 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 September 13, 2021, our Board of Directors declared and approved a cash dividend of $0.24 per share of common stock, or $18.6 million in the aggregate, for the third quarter of 2021. The common stock dividend was paid on October 22, 2021 to the holders of record of our common stock as of September 29, 2021.

On September 13, 2021, our Board of Directors declared a cash dividend of $0.4601 per share of Series C Preferred Stock, or $3.7 million in the aggregate, for the period from issuance to, but not including, September 30, 2021. The Series C Preferred Stock dividend was paid on September 30, 2021 to the preferred stockholders of record as of September 20, 2021.

On September 15, 2020, our Board of Directors declared and approved a cash dividend of $0.20 per share of common stock, or $15.4 million in the aggregate, for the third quarter of 2020. The common stock dividend was paid on October 23, 2020 to the holders of record of our common stock as of September 25, 2020.

On September 15, 2020, our Board of Directors declared a cash dividend of $0.69 per share of Series B Preferred Stock, or $6.2 million in the aggregate, for the third quarter of 2020. The Series B Preferred Stock dividend was paid on September 30, 2020 to the holder of record of the Series B Preferred Stock as of September 15, 2020.

For the nine months ended September 30, 2021 and 2020, common stock dividends of $49.6 million and $64.1 million, respectively, were declared and approved.

As of September 30, 2021 and December 31, 2020, common stock dividends of $18.6 million and $29.5 million, respectively, were 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 September 30, 2021:

- We closed, or are in the process of closing, eight first mortgage loans with a total loan commitment amount of $539.2 million and initial fundings of $465.3 million.
- From October 1, 2021 through November 2, 2021, we received full loan repayments related to three of our first mortgage loans with a total loan commitment and unpaid principal balance of $262.2 million and $257.1 million, respectively. The first mortgage loans were secured by the following property types (as a percentage of total loan commitments repaid): 85.7% mixed-use and 14.3% multifamily.
- On October 4, 2021, we closed the sale of a performing hotel loan classified as held for sale as of September 30, 2021. We sold the first mortgage loan at par, before including the impact of transaction costs. As of September 30, 2021, the hotel loan had a risk rating of 4.

Loan Portfolio Details

The following table provides details with respect to our loans held for investment portfolio on a loan-by-loan basis as of September 30, 2021 (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	8/21/2019	$ 290.8	$ 285.7	$ 285.3	L+ 1.6%	L +1.8%	Floating	9/9/2024	New York, NY	Office	Light Transitional	$574 Sq ft	65.2% (12)	3
2	Senior loan	8/7/2018	223.0	179.9	179.4	L+ 3.4%	L +3.6%	Floating	8/9/2024	Atlanta, GA	Office	Light Transitional	$214 Sq ft	61.4%	3
3	Senior loan	5/5/2021	215.0	122.0	121.4	L+ 3.9%	L +4.1%	Floating	5/9/2026	Daly City, CA	Office	Moderate Transitional	$545 Sq ft	63.1%	3
4	Senior loan	12/19/2018	210.0	185.3	185.3	L+ 3.6%	L +4.0%	Floating	1/9/2024	Detroit, MI	Office	Moderate Transitional	$217 Sq ft	59.8%	3
5	Senior loan (11)	9/18/2019	190.0	187.0	187.0	L+ 2.9%	L +3.3%	Floating	3/9/2023	New York, NY	Office	Moderate Transitional	$859 Sq ft	65.2%	3
6	Senior loan	7/20/2021	188.0	187.0	187.0	L+ 3.4%	L +0.0%	Floating	8/9/2026	Various, NJ	Multifamily	Bridge	$151,369 Unit	71.3%	3
7	Senior loan	6/28/2018	188.0	183.8	183.8	L+ 3.7%	L +4.2%	Floating	12/9/2021	Philadelphia, PA	Office	Bridge	$176 Sq ft	73.6%	3
8	Senior loan	9/29/2017	173.3	167.2	167.2	L+ 4.3%	L +4.7%	Floating	10/9/2022	Philadelphia, PA	Office	Moderate Transitional	$213 Sq ft	72.2%	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	9/28/2018	160.0	156.0	156.0	L+ 2.8%	L +3.0%	Floating	10/9/2023	Houston, TX	Mixed-Use	Light Transitional	$299 Sq ft	61.9%	3
11	Senior loan	5/15/2019	143.0	132.9	132.9	L+ 2.6%	L +2.9%	Floating	5/9/2024	New York, NY	Mixed-Use	Moderate Transitional	$1,741 Sq ft	61.0%	3
12	Senior loan	5/7/2021	122.5	118.0	118.0	L+ 2.9%	L +3.1%	Floating	5/9/2026	Towson, MD	Multifamily	Bridge	$147,947 Unit	70.2%	3
13	Senior loan	6/14/2021	114.0	86.0	86.0	L+ 3.1%	L +3.4%	Floating	7/9/2026	Hayward, CA	Office	Moderate Transitional	$308 Sq ft	49.7%	3
14	Senior loan	11/26/2019	113.0	113.7	113.7	L+ 3.0%	L +3.3%	Floating	12/9/2024	Burbank, CA	Hotel	Bridge	$231,557 Unit	70.4%	4
15	Senior loan	12/20/2018	105.9	98.9	98.9	L+ 3.3%	L +3.4%	Floating	1/9/2024	Torrance, CA	Mixed-Use	Moderate Transitional	$254 Sq ft	61.1%	3
16	Senior loan	12/18/2019	101.0	83.7	83.7	L+ 2.6%	L +2.8%	Floating	1/9/2025	Arlington, VA	Office	Light Transitional	$319 Sq ft	71.1%	3
17	Senior loan	1/27/2020	94.0	45.8	45.5	L+ 3.3%	L +3.6%	Floating	2/9/2025	Washington, DC	Office	Moderate Transitional	$339 Sq ft	61.6%	3
18	Senior loan	8/28/2019	90.0	79.6	79.2	L+ 3.1%	L +3.3%	Floating	9/9/2024	San Diego, CA	Office	Moderate Transitional	$382 Sq ft	67.7%	3
19	Senior loan	6/29/2021	90.0	81.4	81.4	L+ 3.0%	L +3.2%	Floating	7/9/2026	Columbus, OH	Multifamily	Light Transitional	$109,756 Unit	79.0%	3
20	Senior loan	9/29/2017	89.5	89.2	89.2	L+ 3.9%	L +4.2%	Floating	10/9/2022	Dallas, TX	Office	Moderate Transitional	$106 Sq ft	50.7%	3
21	Senior loan	9/25/2020	88.9	79.0	79.0	L+ 3.0%	L +3.1%	Floating	4/9/2025	Brooklyn, NY	Office	Light Transitional	$200 Sq ft	78.4%	3
22	Senior loan	3/27/2019	88.2	88.5	88.3	L+ 3.5%	L +3.8%	Floating	4/9/2024	Aurora, IL	Multifamily	Bridge	$211,394 Unit	74.8%	3
23	Senior loan	2/1/2017	80.7	80.7	80.7	L+ 4.7%	L +5.0%	Floating	2/9/2023	St. Pete Beach, FL	Hotel	Light Transitional	$211,257 Unit	60.7%	3
24	Senior loan	8/8/2019	76.5	62.7	62.7	L+ 3.0%	L +3.2%	Floating	8/9/2024	Orange, CA	Office	Moderate Transitional	$225 Sq ft	64.2%	3
25	Senior loan	12/10/2019	75.8	59.3	59.3	L+ 2.6%	L +2.8%	Floating	12/9/2024	San Mateo, CA	Office	Moderate Transitional	$368 Sq ft	65.8%	3
26	Senior loan	4/29/2019	70.0	70.0	69.9	L+ 3.3%	L +3.5%	Floating	5/9/2024	Clayton, MO	Multifamily	Bridge	$280,000 Unit	74.9%	3
27	Senior loan	7/16/2021	65.2	59.9	59.2	L+ 3.7%	L +0.0%	Floating	8/9/2026	Tampa, FL	Multifamily	Bridge	$264,837 Unit	87.6%	3
28	Senior loan	3/7/2019	64.7	64.7	64.7	L+ 3.1%	L +3.4%	Floating	3/9/2024	Rockville, MD	Mixed-Use	Bridge	$203 Sq ft	67.2%	3
29	Senior loan	6/28/2019	63.9	58.8	58.8	L+ 2.5%	L +2.7%	Floating	7/9/2024	Burlington, CA	Office	Light Transitional	$327 Sq ft	70.9%	3
30	Senior loan	11/8/2019	62.1	61.1	61.1	L+ 3.9%	L +4.0%	Floating	11/9/2021	Boston, MA	Mixed-Use	Light Transitional	$597 Sq ft	38.4%	3
31	Senior loan	6/25/2019	62.0	57.0	56.9	L+ 3.1%	L +3.3%	Floating	7/9/2024	Calistoga, CA	Hotel	Moderate Transitional	$696,629 Unit	48.6%	3
32	Senior loan	1/8/2019	59.7	44.5	44.5	L+ 3.8%	L +4.1%	Floating	2/9/2024	Kansas City, MO	Office	Moderate Transitional	$91 Sq ft	74.3%	4
33	Senior loan	9/30/2021	59.4	45.3	45.3	L+ 3.7%	L +0.0%	Floating	10/9/2026	Tampa, FL	Multifamily	Moderate Transitional	$218,322 Unit	62.7%	3
34	Senior loan	12/18/2019	58.8	56.9	56.7	L+ 2.7%	L +3.0%	Floating	1/9/2025	Houston, TX	Multifamily	Light Transitional	$80,109 Unit	73.6%	3
35	Senior loan	6/20/2018	55.7	55.7	55.7	L+ 3.0%	L +3.3%	Floating	7/9/2023	Houston, TX	Office	Light Transitional	$148 Sq ft	74.9%	3
36	Senior loan	3/12/2020	55.0	49.8	49.6	L+ 2.7%	L +2.9%	Floating	3/9/2025	Round Rock, TX	Multifamily	Light Transitional	$133,820 Unit	75.4%	3
37	Senior loan	1/22/2019	54.0	54.0	54.0	L+ 3.9%	L +4.1%	Floating	2/9/2023	Manhattan, NY	Office	Light Transitional	$441 Sq ft	61.1%	3
38	Senior loan	1/23/2018	53.6	52.7	52.7	L+ 3.4%	L +3.6%	Floating	2/9/2023	Walnut Creek, CA	Office	Bridge	$119 Sq ft	66.9%	2
39	Senior loan	10/10/2019	52.9	50.0	49.8	L+ 2.8%	L +3.1%	Floating	11/9/2024	Miami, FL	Office	Light Transitional	$214 Sq ft	69.5%	3
40	Senior loan (13)	6/3/2021	51.4	47.5	47.0	L+ 4.7%	L +4.8%	Floating	6/9/2026	Durham, NC	Multifamily	Bridge	$102,787 Unit	86.3%	3
41	Senior loan	12/20/2017	51.0	51.5	51.5	L+ 4.0%	L +4.3%	Floating	1/9/2023	New Orleans, LA	Hotel	Bridge	$217,949 Unit	59.9%	4
42	Senior loan	8/26/2021	51.0	25.2	24.7	L+ 4.1%	L +0.0%	Floating	9/9/2027	San Diego, CA	Office	Moderate Transitional	$630 Sq ft	72.1%	3
43	Senior loan	3/12/2020	50.2	45.3	45.1	L+ 2.7%	L +2.9%	Floating	3/9/2025	Round Rock, TX	Multifamily	Light Transitional	$137,049 Unit	75.6%	3
44	Senior loan	6/2/2021	48.3	42.4	41.9	L+ 3.8%	L +4.0%	Floating	6/9/2026	Fort Lauderdale, FL	Office	Light Transitional	$187 Sq ft	71.0%	3
45	Senior loan	4/6/2021	47.0	45.9	45.7	L+ 3.7%	L +4.0%	Floating	4/9/2026	St. Petersburg, FL	Multifamily	Bridge	$222,749 Unit	74.8%	3
46	Senior loan	11/29/2018	47.0	47.0	47.0	L+ 3.3%	L +3.5%	Floating	12/9/2023	Brooklyn, NY	Multifamily	Moderate Transitional	$166,619 Unit	58.0%	4

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)
47	Senior loan	9/30/2021	45.9	45.9	45.4	L+ 3.3%	L +0.0%	Floating	10/9/2026	San Antonio, TX	Multifamily	Bridge	$136,488 Unit	64.1%	3
48	Senior loan	3/17/2021	45.4	38.0	37.6	L+ 3.3%	L +3.6%	Floating	4/9/2026	Indianapolis, IN	Multifamily	Light Transitional	$62,209 Unit	63.7%	3
49	Senior loan	3/30/2018	43.8	41.8	41.8	L+ 3.7%	L +3.9%	Floating	4/9/2023	Honolulu, HI	Office	Light Transitional	$152 Sq ft	57.9%	3
50	Senior loan	1/28/2019	40.3	40.3	40.2	L+ 3.0%	L +3.2%	Floating	2/9/2024	Dallas, TX	Office	Light Transitional	$208 Sq ft	64.3%	3
51	Senior loan	3/7/2019	39.2	40.4	40.4	L+ 3.8%	L +4.2%	Floating	3/9/2024	Lexington, KY	Hotel	Moderate Transitional	$107,221 Unit	61.6%	4
52	Senior loan	3/11/2019	39.0	39.4	39.4	L+ 3.4%	L +3.6%	Floating	4/9/2024	Miami Beach, FL	Hotel	Bridge	$295,455 Unit	59.3%	3
53	Senior loan	7/15/2021	39.0	39.0	38.6	L+ 3.5%	L +0.0%	Floating	8/9/2026	Chicago, IL	Multifamily	Bridge	$261,745 Unit	78.8%	3
54	Senior loan	3/10/2020	37.5	36.5	36.5	L+ 2.7%	L +3.0%	Floating	3/9/2025	Austin, TX	Multifamily	Bridge	$94,458 Unit	73.5%	3
55	Senior loan	6/3/2021	36.4	33.9	33.6	L+ 3.6%	L +3.8%	Floating	6/9/2026	Riverside, CA	Mixed-Use	Bridge	$103 Sq ft	62.2%	2
56	Senior loan	1/4/2018	35.2	30.1	30.1	L+ 3.4%	L +3.7%	Floating	1/9/2023	Santa Ana, CA	Office	Light Transitional	$178 Sq ft	71.8%	3
57	Senior loan	8/11/2021	34.5	31.4	31.2	L+ 3.6%	L +0.0%	Floating	9/9/2026	Mesa, AZ	Multifamily	Bridge	$176,020 Unit	78.5%	3
58	Senior loan	5/27/2018	33.0	31.2	31.2	L+ 3.7%	L +3.9%	Floating	6/9/2023	Woodland Hills, CA	Retail	Bridge	$498 Sq ft	63.6%	5
59	Senior loan	5/14/2021	27.6	21.6	21.4	L+ 3.2%	L +3.5%	Floating	6/9/2026	Pensacola, FL	Multifamily	Moderate Transitional	$137,752 Unit	72.8%	3
60	Senior loan	9/13/2019	26.7	26.3	26.2	L+ 2.8%	L +3.0%	Floating	10/9/2024	Austin, TX	Multifamily	Bridge	$135,051 Unit	77.5%	3
61	Senior loan	10/19/2016	9.6	9.6	9.6	L+ 5.1%	L +5.4%	Floating	5/9/2022	Manhattan, NY	Condominium	Moderate Transitional	$588 Sq ft	49.8%	3
62	Senior loan	10/19/2016	7.3	7.3	7.3	L+ 5.1%	L +5.4%	Floating	5/9/2022	Manhattan, NY	Condominium	Moderate Transitional	$717 Sq ft	43.3%	3
63	Senior loan	10/19/2016	4.4	4.4	4.4	L+ 5.1%	L +5.4%	Floating	5/9/2022	Manhattan, NY	Condominium	Moderate Transitional	$657 Sq ft	40.7%	3
64	Senior loan	10/19/2016	1.8	1.8	1.8	L+ 5.1%	L +5.4%	Floating	5/9/2022	Manhattan, NY	Condominium	Moderate Transitional	$458 Sq ft	46.6%	3
Subtotal / weighted average			$5,205.6	$ 4,722.4	$ 4,714.4	L +3.2% (9)	L +3.5%		2.8 yrs					66.5%	3.1
Mezzanine loans:															
1	Mezzanine loan	6/28/2019	35.0 (10)	35.0	34.9	L+ 10.3%	L +10.8%	Floating	6/28/2025	Napa, CA	Hotel	Construction	$818,195 Unit	41.0%	3
Subtotal / weighted average			$ 35.0	$ 35.0	$ 34.9	L +10.3%	L +10.8%		3.7 yrs					41.0%	3
Total / weighted average			$5,240.6	$ 4,757.4	$ 4,749.3	L +3.3%	L +3.6%		2.8 yrs					66.3%	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 September 30, 2021 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 September 30, 2021, based on unpaid principal balance, 25.7% of our loans were subject to yield maintenance or other prepayment restrictions and 74.3% 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 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.

(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 September 30, 2021 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. Excludes other improvements planned for the remainder of the project site.

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

(12) Calculated as the ratio of unpaid principal balance as of September 30, 2021 to the as-is appraised value at origination, to reflect the sale by us in August 2020 of the contiguous mezzanine loan with an unpaid principal balance of $46.4 million and a commitment amount of $50.0 million.

(13) On June 3, 2021, we originated a loan with a total loan commitment of $51.4 million. This loan is comprised of a first mortgage loan of $46.3 million and a contiguous mezzanine loan of $5.1 million, of which we own both. The interest rate on the first mortgage loan is 3.9% and the interest rate on the contiguous mezzanine loan is 12.0%. The weighted average interest rate is 4.7%.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Investment Portfolio Risks

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. As of September 30, 2021, the weighted average LIBOR floor for our loan portfolio was 1.33%. As of September 30, 2021, all of our loans by unpaid principal balance earned a floating rate of interest, subject to the beneficial impact of embedded LIBOR floors, and were financed with liabilities that require interest payments based on floating rates. As of September 30, 2021, approximately 96.9% of our liabilities do not contain LIBOR floors greater than zero.

The following table illustrates the impact on our interest income and interest expense, for the twelve-month period following September 30, 2021, of an immediate increase or decrease in the underlying benchmark interest rate of 25, 50 and 75 basis points on our existing floating rate loans held for investment portfolio and related liabilities (dollars in thousands):

Assets (liabilities) subject to interest rate sensitivity[1]	Net exposure	Income (expense) subject to interest rate sensitivity	25 Basis Point		50 Basis Point		75 Basis Point	
			Increase	Decrease	Increase	Decrease	Increase	Decrease
Floating rate mortgage loan assets	$ 4,844,033	Interest income	$ 1,454	$ —	$ 4,251	$ —	$ 7,466	$ —
Floating rate mortgage loan liabilities	(3,682,423) (2)	Interest expense	(9,207)	2,670	(18,412)	2,670	(27,618)	2,670
Total floating rate mortgage loan exposure, net	$ 1,161,610	Total change in net interest income	$ (7,753)	$ 2,670	$ (14,161)	$ 2,670	$ (20,152)	$ 2,670

(1) Floating rate mortgage loan assets and liabilities are indexed to LIBOR (with the sole exception of TRTX-2019 FL3 liabilities which are indexed to SOFR).

(2) Floating rate liabilities include secured credit facilities and collateralized loan obligations.

Credit Risk

Our loans 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.

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 set forth in our Form 10-K filed with the SEC on February 24, 2021.

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. For more information regarding the impact that COVID-19 has had on these risks, see risk factors set forth in our Form 10-K filed with the SEC on February 24, 2021.

Operating and Capital Market Risks

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 credit facilities. We are subject to “margin call” risk under our secured credit facilities. 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 credit facilities 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—Consolidated Cash Flows—Financing Activities” 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 credit agreements used to finance our former investments in CRE debt securities. Additionally, if one or more of our secured credit facility 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 credit facilities as they mature from time to time in the future. Prior to making our voluntary deleveraging payment during the second quarter of 2020, we satisfied one margin call aggregating $20.0 million in connection with our secured credit facilities 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 six secured credit facility 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 returns, we may be required to post cash collateral in connection with our secured credit facilities secured by our mortgage loan investments upon or after the expiry of these agreements. We maintain frequent dialogue with the lenders under our secured credit facilities 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 set forth in our Form 10-K filed with the SEC on February 24, 2021.

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.

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 credit facilities, collateralized loan obligations, mortgage loans, 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 2020, the COVID-19 pandemic caused significant disruptions to the U.S. and global economies. These disruptions 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 caused us to reduce our investment activity in 2020. We resumed lending and capital markets new issue activity in the first quarter of 2020. We also anticipate the lingering consequences of COVID-19 may 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 set forth in our Form 10-K filed with the SEC on February 24, 2021.

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.

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 President (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 President (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 September 30, 2021. Based upon that evaluation, our President (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 September 30, 2021.

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 September 30, 2021, we were not involved in any material legal proceedings. See the "Litigation" section of Note 15 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 24, 2021.

We may enter into hedging transactions that could expose us to contingent liabilities in the future and adversely impact our financial condition.

Subject to maintaining our qualification as a REIT, we may enter into hedging transactions that could require us to fund cash payments in certain circumstances (e.g., the early termination of the hedging instrument caused by an event of default or other early termination event, or the decision by a counterparty to request margin securities it is contractually owed under the terms of the hedging instrument). The amount due would be equal to the unrealized loss of the open swap positions with the respective counterparty and could also include other fees and charges. Any such economic losses will be reflected in our results of operations, and our ability to fund these obligations will depend on the liquidity of our assets and access to capital at the time, and the need to fund these obligations could adversely impact our financial condition.

In addition, certain of the hedging instruments that we may enter into could involve risks since they often are not traded on regulated exchanges, guaranteed by an exchange or its clearing house, or regulated by any U.S. or foreign governmental authorities. We cannot assure that a liquid secondary market will exist for hedging instruments that we may purchase or sell in the future, and we may be required to maintain a position until exercise or expiration, which could result in significant losses.

In addition, subject to maintaining our qualification as a REIT, we may pursue various hedging strategies to seek to reduce our exposure to adverse changes in interest rates. We may fail to recalculate, readjust and execute hedges in an efficient manner.

While we may enter into such transactions seeking to reduce interest rate risks, unanticipated changes in interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions or liabilities being hedged may vary materially. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio positions or liabilities being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss.

Furthermore, we intend to record any derivative and hedging transactions we enter into in accordance with GAAP. However, we may choose not to pursue, or fail to qualify for, hedge accounting treatment relating to such derivative instruments. As a result, our operating results may suffer because any losses on these derivative instruments may not be offset by a change in the fair value of the related hedged transaction or item.

Changes to, or the elimination of, LIBOR may adversely affect our interest income, interest expense, or both.

On March 5, 2021, the Financial Conduct Authority of the U.K. (the "FCA"), which regulates LIBOR, announced (the "FCA Announcement") that all LIBOR tenors relevant to us will cease to be published or will no longer be representative after June 30, 2023. The FCA Announcement coincides with the March 5, 2021 announcement of LIBOR's administrator, the ICE Benchmark Administration Limited (the "IBA"), indicating that, as a result of not having access to input data necessary to calculate LIBOR tenors relevant to us on a representative basis after June 30, 2023, the IBA would have to cease publication of such LIBOR tenors immediately after the last publication on June 30, 2023. These announcements mean that any of our assets or liabilities with interest rates tied to LIBOR that extend beyond June 30, 2023 will need to be converted to a replacement rate. In the United States, the Alternative Reference Rates Committee (the "ARRC"), a committee of private sector entities with ex-officio official sector members convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has confirmed that, in its opinion, the March 5, 2021 announcements by the IBA and the FCA on future cessation and loss of representativeness of the LIBOR benchmarks constituted a "Benchmark Transition Event" with respect to all U.S. Dollar LIBOR settings and has recommended the Secured Overnight Financing Rate ("SOFR") plus a recommended spread adjustment as LIBOR's replacement.

There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities. If our LIBOR-based borrowings are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in higher interest costs for us, which could have a material adverse effect on our operating results. Although SOFR is the ARRC's recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in other ways that would result in higher interest costs for us. In addition, the elimination of LIBOR and/or changes to another index could result in mismatches with the interest rate of investments that we are financing, and the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR; however, we cannot reasonably estimate the impact of the transition at this time. The transition from LIBOR to SOFR or other alternative reference rates may also introduce operational risks in our accounting, financial reporting, loan servicing, liability management and other aspects of our business.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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	Second Amended and Restated Bylaws of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (001-38156) filed on February 19, 2020)
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)
3.4	Articles Supplementary of 6.25% Series C Cumulative Redeemable Preferred Stock of TPG RE Finance Trust Inc. (incorporated by reference to Exhibit 3.4 to the Company's Registration Statement on Form 8-A (001-38156) filed on June 10, 2021)
3.5	Articles Supplementary reclassifying and designating 7,000,000 authorized but unissued shares of the Company's 11% Series B Cumulative Redeemable Preferred Stock, $0.001 par value per share, as additional shares of undesignated preferred stock, $0.001 par value per share, of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (001-38156) filed on June 24, 2021)
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	Eleventh Amendment to Master Repurchase and Securities Contract Agreement, dated as of August 3, 2021 made by and between TPG RE Finance 2, LTD. and Goldman Sachs Bank USA (furnished herewith)
10.2	Second Amendment to Credit Agreement, dated as of September 29, 2021 made by and between TPG RE Finance 20, LTD. and Bank of America, N.A (furnished herewith)
31.1	Certificate of Matthew Coleman, Principal 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 Matthew Coleman, Principal 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: November 2, 2021

TPG RE Finance Trust, Inc.

(Registrant)

/s/ Matthew Coleman

Matthew Coleman
President
(Principal Executive Officer)

/s/ Robert Foley

Robert Foley
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

EXECUTION VERSION

ELEVENTH AMENDMENT TO MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT

This Eleventh Amendment to Master Repurchase and Securities Contract Agreement (this "**Amendment**"), dated as of August 3, 2021, 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 Master Repurchase and Securities Contract Agreement, dated as of August 19, 2019, as further amended by that certain Ninth Amendment to the Master Repurchase and Securities Contract Agreement, dated as of June 30, 2020, as further amended by that certain Tenth Amendment to Master Repurchase and Securities Contract Agreement, dated as of November 23, 2020, 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. Amendments to Master Repurchase Agreement. The Master Repurchase Agreement is hereby amended as follows:

i. The following definition of "Availability Period Expiration Date" hereby replaces the same existing definition in Article 2 of the Master Repurchase Agreement:

""**Availability Period Expiration Date**" shall mean August 19, 2022, as such date may be extended in accordance with Article 3(h) of this Agreement."

ii. All instances of the definitions of "First Additional Renewal Option", "Second Additional Renewal Option", "Additional Renewal Options", "Future Advance Draw Fee", and "Renewal Standby Fee", "Upsize Fee" and all terms, provisions and conditions relating to each of the foregoing, in each case, to the extent applicable (including, without limitation, Article 3(n)(iii), Article 3(n)(iv) and Article 3(o)), are hereby deleted and removed in their entirety from the Master Repurchase Agreement.

iii. The following definitions of "Additional Renewal Option", "Annual Renewal Fee" and "Eleventh MRSCA Amendment Extension Fee" are hereby inserted in Article 2 of the Master Repurchase Agreement in correct alphabetical order:

""**Additional Renewal Option**" shall have the meaning specified in Article 3(h) of this Agreement."

""**Annual Renewal Fee**" shall have the meaning set forth in the Fee Letter."

""**Eleventh MRSCA Amendment Extension Fee**" shall have the meaning set forth in the Fee Letter."

iv. Article 3(h)(ii) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

" (ii) Seller shall have two (2) options each to extend the then-current Availability Period Expiration Date for a period of one additional (1) year (each, an "Additional Renewal Option"); provided, that Seller has satisfied all of the conditions listed in clause (iii) below (collectively, the "Availability Period Renewal Conditions").

v. Article 3(h)(iii)(E) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"(E) Seller shall have paid to Buyer the Annual Renewal Fee in accordance with the terms and provisions of the Fee Letter."

vi. Article 3(n) of the Master Repurchase Agreement is hereby amended by (a) adding "and" at the end of clause (ii) thereof and (b) adding the following as new clause (iii) thereof:

" (iii) the Annual Renewal Fee, which shall be due and payable by Seller in connection with any extension of the Availability Period Expiration Date pursuant to **Article 3(h)**."

vii. Article 5(c)(iv) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"*(iv) fourth*, for so long as any Ineligible Asset remains subject to a Transaction pursuant to, and in accordance with, **Article 12(c)**, an amount equal to the product of (x) any "default interest" (however so defined in the applicable Purchased Asset Documents) received by Seller, *multiplied by* (x) the Advance Rate of the subject Purchased Assets, which shall be applied to reduce the outstanding Purchase Prices of all Ineligible Assets until such Purchase Prices are reduced to zero; and

(v) fifth, to Seller, the remainder, if any; provided that, if any monetary or material non-monetary Default has occurred and is continuing on such Remittance Date, all amounts otherwise payable to Seller hereunder shall be retained in the Depository Account until the earlier of (x) the day on which Buyer provides written notice to the Depository that such monetary or material non-monetary Default has been cured to the satisfaction of Buyer in its sole discretion and no other monetary or material non-monetary Default or Event of Default has occurred and is continuing, at which time the Depository shall apply all such amounts pursuant to this priority *fifth*; and (y) the date that the related monetary or material non-monetary Default becomes an Event of Default, at which time the Depository shall apply all such amounts pursuant to **Article 5(f)**."

viii. Article 5(d)(iii) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"*(iii) third*, for so long as any Ineligible Asset remains subject to a Transaction pursuant to, and in accordance with, **Article 12(c)**, the remainder, if any, shall be applied to reduce the outstanding Purchase Prices of all Ineligible Assets until such Purchase Prices are reduced to zero; and

(iv) *fourth*, to Seller, the remainder, if any (any such remainder being referred to herein as "Excess Principal Payments"), provided, however, that during the Amortization Period, any Excess Principal Payments shall be applied pursuant to **Article 5(e)**; provided that, if any monetary or material non-monetary Default has occurred and is continuing on such Remittance Date, all amounts otherwise payable to Seller hereunder shall be retained in the Depository Account until the earlier of (x) the day on which Buyer provides written notice to the Depository that such monetary or material non-monetary Default has been cured to the satisfaction of Buyer in its sole discretion and no other monetary or material non-monetary Default or Event of Default has occurred and is continuing, at which time the Depository shall apply all such amounts pursuant to this priority *fourth*; and (y) the date that the related monetary or material non-monetary Default becomes an Event of Default, at which time the Depository shall apply all such amounts pursuant to **Article 5(f)**."

ix. Article 5(e)(ii) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"*(ii) second*, for so long as any Ineligible Asset remains subject to a Transaction pursuant to, and in accordance with, **Article 12(c)**, the remainder, if any, shall be applied to reduce the outstanding Purchase Prices of all Ineligible Assets until such Purchase Prices are reduced to zero; and

(iii) *third*, to Seller, any remainder provided that, if any monetary or material non-monetary Default has occurred and is continuing on such Remittance Date, all amounts otherwise payable to Seller hereunder shall be retained in the Depository Account until the earlier of (x) the day on which Buyer provides written notice to the Depository that such monetary or material non-monetary Default has been cured to the satisfaction of Buyer in its sole discretion and no other monetary or material non-monetary Default or Event of Default has occurred and is continuing, at which time the Depository shall apply all such amounts pursuant to this priority *third*; and (y) the date that the related monetary or material non-monetary Default becomes an Event of Default, at which time the Depository shall apply all such amounts pursuant to **Article 5(f)**."

x. Article 12(c) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

" (c)If at any time Buyer determines that a Purchased Asset is an Ineligible Asset (as defined below), the related Transaction shall terminate and an Early Repurchase Date shall be deemed to occur with respect to such Purchased Asset, each in accordance with this Section 12(c). Ninety (90) days after the earlier of receiving notice from Buyer that such Purchased Asset has become an Ineligible Asset or Seller's Knowledge that such Purchased Asset has become an Ineligible Asset (the "**Ineligibility Period**"), to the extent such Purchased Asset then continues to be an Ineligible Asset, the related Transaction shall terminate and the Early Repurchase Date shall be deemed to occur and Seller shall repurchase the affected Purchased Asset and Seller shall pay the applicable Repurchase Price for such Purchased Asset to Buyer by depositing such amount in immediately available funds at the direction of Buyer; provided, that (i) within five (5) Business Days of the earlier of Seller's receipt of Buyer's notice that such Purchased Asset has become an Ineligible Asset or Seller's Knowledge that such Purchased Asset has become an Ineligible Asset, to the extent such Purchased Asset then continues to be an Ineligible Asset, Seller shall make a cash payment of no less than ten percent (10%) of the then-outstanding Purchase Price of the related Purchased Asset in reduction of such outstanding Purchase Price, (ii) within thirty (30) days of the earlier of Seller's receipt of Buyer's notice that such Purchased Asset has become an Ineligible Asset or Seller's Knowledge that such Purchased Asset has become an Ineligible Asset, to the extent such Purchased Asset then continues to be an Ineligible Asset, Seller shall make additional cash payment of no less than ten percent (10%) of the then-outstanding Purchase Price of the related Purchased Asset in reduction of such outstanding Purchase Price, and (iii) within sixty (60) days of the earlier of Seller's receipt of Buyer's notice that such Purchased Asset has become an Ineligible Asset or Seller's Knowledge that such Purchased

Asset has become an Ineligible Asset, to the extent such Purchased Asset then continues to be an Ineligible Asset, Seller shall make additional cash payment of no less than ten percent (10%) of the then-outstanding Purchase Price of the related Purchased Asset in reduction of such outstanding Purchase Price, and the outstanding Repurchase Price of such Purchased Asset shall be fully recourse to Seller and Guarantor until such Purchased Asset has been repurchased by Seller or reinstated as an Eligible Asset pursuant to Article 12(c)(ix) hereof. For purposes hereof, the following factors shall render a Purchased Asset an "**Ineligible Asset**":

(i) any Purchased Asset that at any time Buyer determines is not an Eligible Asset as a result of any representation, warranty (other than MTM Representations) or material information made or provided by Seller or Guarantor being false or misleading at the time such representation or warranty was made or such material information was provided;

(ii) any Purchased Asset as to which a monetary event of default has occurred and is continuing under any Purchased Asset Document for such Purchased Asset;

(iii) any Purchased Asset as to which a non-monetary event of default shall have occurred and be continuing under any Purchased Asset Document for such Purchased Asset;

(iv) any Purchased Asset where the related Mortgagor or an Other Indebtedness Participant, or any borrower under any Other Indebtedness is thirty (30) calendar days or more (or, in the case of payments due at maturity, one (1) calendar day) delinquent in the payment of principal, interest, fees or other amounts payable under the terms of the related Purchased Asset Documents or, with respect to a Participation Interest, the Underlying Mortgage Loan is thirty (30) calendar days or more (or, in the case of payments due at maturity, one (1) calendar day) delinquent in the payment of principal, interest, fees or other amounts payable under the terms of the related Purchased Asset Documents, in each case, without regard to any waivers or modifications of, or amendments to, the related Purchased Asset Documents other than those included in the Purchased Asset File, expressly consented to by Buyer or otherwise in accordance with this Agreement and the Transaction Documents; provided, however, that any default of an Other Indebtedness Participant or Other Indebtedness under this **Article 12(c)(iv)** shall not cause a Purchased Asset to become an Ineligible Asset to the extent that Seller has exercised its rights to cure the same pursuant to an intercreditor agreement, co-lender agreement, participation agreement or similar instrument, as applicable, and Seller has consummated such cure within the time period provided thereunder (the "**Other Indebtedness Cure Right**"); provided, further, however, that an Other Indebtedness Cure Right may be only exercised by Seller no more than one (1) time with respect to any Purchased Asset or as otherwise may be agreed to by Buyer in its sole good faith discretion;

(v) any Purchased Asset upon the occurrence of any Act of Insolvency with respect to the underlying obligor;

(vi) any Purchased Asset that Seller has failed to repurchase at the applicable Repurchase Date;

(vii) any Purchased Asset as to which the Seller (or its Affiliates) has failed to satisfy any material obligations beyond any applicable cure periods under any Purchased Asset Document for such Purchased Asset;

(viii) any Purchased Asset for which Seller or a Servicer has received notice of the foreclosure or proposed foreclosure of any Lien on the related Underlying Mortgaged Property;

(ix) any Purchased Asset that at any time Buyer determines is not an Eligible Asset as a result of any MTM Representation being false or misleading at the time such MTM Representation was made; provided that, in the event that any Purchased Asset is an Ineligible Asset solely pursuant to this Article 12(c)(ix), then, notwithstanding anything to the contrary in Article 12(c), so long as Seller cures such breach in a manner satisfactory to Buyer (as determined in the sole good faith discretion of Buyer) prior to the expiration of the Ineligibility Period, Buyer may elect to reinstate such Ineligible Asset as an Eligible Asset and Purchased Asset through the execution of an amended and restated Confirmation, and following any such reinstatement, Seller may increase the Purchase Price of such Purchase Asset in accordance with Article 3(j); or

(x) any Purchased Asset that has gone into special servicing, however so defined in any servicing, or pooling and servicing, agreement related to a securitization or similar transaction; provided that with respect to any Participation Interest, in addition to the foregoing such Participation Interest will also be considered an Ineligible Asset to the extent that the related Senior Mortgage Loan would be considered an Ineligible Asset as described in this **Article 12(c)**."

2. 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 Eleventh MRSCA Amendment Extension Fee 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.

3. 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 this Amendment.

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

5. 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 Agreement) 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.

6. 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. Delivery of an executed counterpart signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

7. 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.

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

9. 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.

10. 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/ Prachi Bansal
Name: Prachi Bansal
Title: Authorized Person

[ADDITIONAL SIGNATURE PAGE FOLLOWS]

SELLER:

TPG RE FINANCE 2, LTD., a Cayman Islands exempted company

By: /s/ Deborah Ginsberg
Name: Deborah Ginsberg
Title: Vice President

[ADDITIONAL SIGNATURE PAGE FOLLOWS]

AGREED AND ACKNOWLEDGED:

GUARANTOR**:**

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

By: /s/ Deborah Ginsberg
Name: Deborah Ginsberg
Title: Vice President

Exhibit 10.2

SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT, dated as of September 29, 2021 (this "Amendment"), is made by and between TPG RE FINANCE 20, LTD., an exempted company incorporated in the Cayman Islands with limited liability ("Borrower"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and BANK OF AMERICA, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Credit Agreement (as defined below).

RECITALS

WHEREAS, Borrower, the Lenders and the Administrative Agent are parties to that certain Credit Agreement, dated as of September 29, 2017 (as amended by that certain First Amendment to Credit Agreement, dated as of May 4, 2018, and as may be further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"); and

WHEREAS, the parties hereto have agreed, subject to the terms and conditions hereof, that the Credit Agreement shall be amended as set forth in this Amendment; and TPG RE Finance Trust Holdco, LLC ("Guarantor") has agreed, subject to the terms and conditions hereof, to make the acknowledgements set forth herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Credit Agreement Amendments. The Credit Agreement is hereby amended as follows:

(a) Section 1.01. Section 1.01 of the Credit Agreement is hereby amended as follows:

(i) Each of the definitions of "Initial Maturity Date", "Extended Maturity Date", "Extension Effective Date" and "Maturity Extension Reduction" is deleted in its entirety.

(ii) The definition of "Maturity Date" is hereby amended and restated in its entirety to read as follows:

""Maturity Date" means September 29, 2022."

(iii) The definition of "Funding Period" is hereby amended and restated in its entirety to read as follows:

""Funding Period" means the period from and including the Closing Date to the earliest of (a) October 15, 2021 (as such date may be extended by

mutual agreement in writing between Borrower and the Administrative Agent), (b) the date of termination of the entire Facility Amount or the permanent reduction of the Facility Amount to zero pursuant to Section 2.04, and (c) the date of termination of the commitment of each Lender to make Loans pursuant to Section 9.02."

(b) Section 2.01(a). The last proviso contained in Section 2.01(a) is hereby amended and restated in its entirety to read as follows:

"; provided further that on or after the first anniversary of the Closing Date, the Loans shall be subject to the following concentration limits (collectively, the "Concentration Limits"): (1) the aggregate outstanding principal amount of all Loans made with respect to Pledged Assets that constitute loans secured by lodging properties shall not at any time exceed 25% of the Facility Amount and (2) the aggregate outstanding principal amount of all Loans made with respect to Pledged Assets that constitute loans secured by any single type of property other than a lodging property shall not at any time exceed 75% of the Facility Amount."

(c) Section 2.04(b). Section 2.04(b) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(b) [Reserved.]"

(d) Section 2.12. Section 2.12 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"**2.12 [Reserved.]**"

SECTION 2. Conditions Precedent. This Amendment shall become effective on the date hereof provided that this Amendment is duly executed and delivered by Borrower, the Administrative Agent and the Required Lenders.

SECTION 3. Representations and Warranties. On and as of the date first above written, Borrower hereby represents and warrants to the Administrative Agent and the Lenders that (a) it is in compliance with all the terms and provisions set forth in the Credit Agreement on its part to be observed or performed, (b) no Default or Event of Default under the Credit Agreement has occurred and is continuing, (c) the representations and warranties contained in Article VI of the Credit Agreement are true and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date) and (d) the resolutions delivered to the Administrative Agent and the Lenders on the Closing Date with respect to each Loan Party (which resolutions include approval for an extension of the Maturity Date for a period that is not less than an additional two years from the Initial Maturity Date) are and remain in full force and effect and have not been modified, rescinded or superseded since the date of adoption.

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges the execution and delivery of this Amendment by the parties hereto and agrees that it continues to be bound by that certain Guaranty Agreement, dated as of September 29, 2017 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Guaranty Agreement"), made by Guarantor in favor of Lender, notwithstanding the execution and delivery of this Amendment and the impact of the changes set forth herein and therein.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Credit Agreement and each of the other Loan Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the date hereof, (a) all references in the Credit Agreement to the "Loan Documents" shall be deemed to include, in any event, this Amendment, and (b) each reference to the "Credit Agreement" in any of the Loan Documents shall be deemed to be a reference to the Credit Agreement as amended hereby.

SECTION 6. Counterparts. This Amendment may be executed by the parties hereto individually or in combination, in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided further that, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, each party hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any other party hereto without further verification and (b) upon the reasonable request of the Administrative Agent, any Electronic Signature of any party to this Amendment shall, as promptly as practicable, be followed by such manually executed counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

SECTION 7. Costs and Expenses. Borrower acknowledges and agrees that its payment obligations set forth in Section 11.04 of the Credit Agreement include the costs and expenses incurred by the Administrative Agent in connection with the preparation, execution and delivery of this Amendment and any other documentation contemplated hereby (whether or not this Amendment becomes effective or the transactions contemplated hereby are consummated and whether or not a Default or Event of Default has occurred or is continuing).

SECTION 8. Miscellaneous. This Amendment is a Loan Document. Neither this Amendment, nor any provision hereof, may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the parties hereto. If any provision of this Amendment shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or enforceability without in any manner affecting the validity or enforceability of such provision in any other jurisdiction or the remaining provisions of this Amendment in any jurisdiction. Section headings in this Amendment are included for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Amendment.

SECTION 9. Successors and Assigns. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 10. GOVERNING LAW, ET. Al. **THIS AMENDMENT AND ANY CLAIMS, 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 SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).** The provisions of clauses (b), (c) and (d) of Section 11.14 and Section 11.15 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to those terms.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

LENDER:

BANK OF AMERICA, N.A., a national banking association, as Administrative Agent and as a Lender

By: /s/ Katherine Petteys
Name: Katherine Petteys
Title: V.P.

BORROWER:

TPG RE FINANCE 20, LTD., an exempted company incorporated in the Cayman Islands with limited liability

By: /s/ Deborah Ginsberg
Name: Deborah Ginsberg
Title: Vice President

Acknowledged:

TPG RE FINANCE TRUST HOLDCO, LLC, a Delaware limited liability company, in its capacity as Guarantor, and solely for purposes of making the acknowledgement set forth in Section 4 of this Amendment:

By: /s/ Deborah Ginsberg
Name: Deborah Ginsberg
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, Matthew Coleman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 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: November 2, 2021

/s/ Matthew Coleman
Matthew Coleman
President
(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 September 30, 2021 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: November 2, 2021

/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 September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Coleman, President and Principal 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: November 2, 2021

/s/ Matthew Coleman
Matthew Coleman
President
(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 September 30, 2021 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: November 2, 2021

/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.