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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

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: 001-38124

GRANITE POINT MORTGAGE TRUST INC.

(Exact name of registrant as specified in its charter)

Maryland	**61-1843143**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3 Bryant Park, Suite 2400A **New York, New York**	**10036**
(Address of principal executive offices)	(Zip Code)

(212) 364-5500
(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 $0.01 per share	GPMT	NYSE
7.00% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value $0.01 per share	GPMTPrA	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

As of July 31, 2024, there were 50,684,117 shares of outstanding common stock, par value $0.01 per share, issued and outstanding.

GRANITE POINT MORTGAGE TRUST INC.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains, or incorporates by reference, not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and that are subject to the safe harbors created by such sections. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as “anticipate,” “estimate,” “will,” “should,” “expect,” “target,” “believe,” “outlook,” “potential,” “continue,” “intend,” “seek,” “plan,” “goals,” “future,” “likely,” “may” and similar expressions or their negative forms, or by references to strategy, plans or intentions. By their nature, forward-looking statements speak only as of the date they are made, are not statements of historical facts 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 estimates 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 estimates will prove to be correct or be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in our Annual Report on Form 10-K for the year ended December 31, 2023, under the caption “*Risk Factors*.” Other risks, uncertainties and factors that could cause actual results to differ materially from those projected are described below and may be described from time to time in reports we file with the Securities and Exchange Commission, or the SEC, including our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

Important factors that may affect our actual results include, among others:

- the general political, economic and competitive conditions in the markets in which we invest and their impact on our investment portfolio, financial condition and business operations;
- inflationary trends which have led to higher interest rates and increased market volatility;
- reduced demand for office, multifamily or retail space, including as a result of increased hybrid work schedules which allow work from remote locations other than the employer's office premises;
- defaults by borrowers in paying debt service on outstanding indebtedness and borrowers' abilities to manage and stabilize properties;
- our ability to obtain or maintain financing arrangements on terms favorable to us or at all;
- the level and volatility of prevailing interest rates and credit spreads;
- reductions in the yield on our investments and increases in the cost of our financing;
- general volatility of the securities markets in which we participate and the potential need to post additional collateral on our financing arrangements;
- the return or impact of current or future investments;
- changes in our business, investment strategies or target investments;
- increased competition from entities investing in our target investments;
- effects of hedging instruments on our target investments;
- changes in governmental regulations, tax law and rates and similar matters;
- our ability to maintain our qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes and our exclusion from registration under the Investment Company Act of 1940, as amended, or the Investment Company Act;
- availability of desirable investment opportunities;
- threats to information security, including by way of cyber-attacks;
- availability of qualified personnel;
- operational failures by third-parties on whom we rely in the conduct of our business;
- estimates relating to our ability to make distributions to our stockholders in the future;
- natural disasters, such as hurricanes, earthquakes, wildfires and floods, including climate change-related risks; acts of war and/or terrorism; pandemics or outbreaks of infectious disease; 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;

- deterioration in the performance of the properties securing our investments that may cause deterioration in the performance of our investments, risks in collection of contractual interest payments and, potentially, principal losses to us, including the risk of credit loss charges and any impact on our ability to satisfy the covenants and conditions in our debt agreements; and
- difficulty or delays in redeploying the proceeds from repayments of our existing investments.

This Quarterly Report on Form 10-Q may contain statistics and other data that, in some cases, have been obtained or compiled from information made available by loan servicers and other third-party service providers.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

GRANITE POINT MORTGAGE TRUST INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 30, 2024	December 31, 2023
ASSETS		
Loans held-for-investment	$ 2,616,884	$ 2,718,486
Allowance for credit losses	(264,140)	(134,661)
Loans held-for-investment, net	2,352,744	2,583,825
Cash and cash equivalents	85,916	188,370
Restricted cash	12,880	10,846
Real estate owned, net	42,820	16,939
Accrued interest receivable	10,725	12,380
Other assets	41,666	34,572
Total Assets [(1)]	$ 2,546,751	$ 2,846,932
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Repurchase facilities	$ 791,556	$ 875,442
Securitized debt obligations	938,075	991,698
Secured credit facility	85,192	84,000
Dividends payable	6,335	14,136
Other liabilities	20,892	22,633
Total Liabilities [(1)]	1,842,050	1,987,909
Commitments and Contingencies (see Note 10)		
Stockholders' Equity		
7.00% Series A cumulative redeemable preferred stock, par value $0.01 per share; 11,500,000 shares authorized, and 8,229,500 and 8,229,500 shares issued and outstanding, respectively; liquidation preference $25.00 per share	82	82
Common stock, par value $0.01 per share; 450,000,000 shares authorized, and 50,684,117 shares and 50,577,841 issued and outstanding, respectively	507	506
Additional paid-in capital	1,198,894	1,198,048
Cumulative earnings	(69,696)	67,495
Cumulative distributions to stockholders	(425,211)	(407,233)
Total Granite Point Mortgage Trust Inc. Stockholders' Equity	704,576	858,898
Non-controlling interests	125	125
Total Equity	704,701	859,023
Total Liabilities and Stockholders' Equity	$ 2,546,751	$ 2,846,932

(1) The condensed consolidated balance sheets include assets of consolidated variable interest entities, or VIEs, that can only be used to settle obligations of these VIEs, and liabilities of the consolidated VIEs for which creditors do not have recourse to Granite Point Mortgage Trust Inc. At June 30, 2024, and December 31, 2023, assets of the VIEs totaled $1,101,207 and $1,233,821, respectively, and liabilities of the VIEs totaled $939,878 and $994,081, respectively. See Note 5 - *Variable Interest Entities and Securitized Debt Obligations,* for further detail.

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

GRANITE POINT MORTGAGE TRUST INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest income:				
Loans held-for-investment	$ 46,882	$ 66,217	$ 98,847	$ 131,508
Cash and cash equivalents	1,597	2,609	3,687	4,037
Total interest income	48,479	68,826	102,534	135,545
Interest expense:				
Repurchase facilities	19,331	22,872	40,059	42,644
Secured credit facility	2,714	3,075	5,403	6,004
Securitized debt obligations	18,303	17,888	36,418	35,939
Convertible senior notes	—	2,332	—	4,643
Asset-specific financings	—	819	—	1,562
Total interest expense	40,348	46,986	81,880	90,792
Net interest income	8,131	21,840	20,654	44,753
Other income (loss):				
Revenue from real estate owned operations	1,111	462	2,253	462
Provision for credit losses	(60,756)	(5,818)	(136,308)	(52,228)
Gain (loss) on extinguishment of debt	(786)	—	(786)	238
Total other loss	(60,431)	(5,356)	(134,841)	(51,528)
Expenses:				
Compensation and benefits	4,721	6,209	10,708	12,121
Servicing expenses	1,398	1,320	2,774	2,698
Expenses from real estate owned operations	1,950	1,664	3,995	1,664
Other operating expenses	2,700	2,180	5,529	5,451
Total expenses	10,769	11,373	23,006	21,934
(Loss) income before income taxes	(63,069)	5,111	(137,193)	(28,709)
(Benefit from) provision for income taxes	(1)	70	(2)	79
Net (loss) income	(63,068)	5,041	(137,191)	(28,788)
Dividends on preferred stock	3,600	3,625	7,200	7,250
Net (loss) income attributable to common stockholders	$ (66,668)	$ 1,416	$ (144,391)	$ (36,038)
Basic (loss) earnings per weighted average common share	$ (1.31)	$ 0.03	$ (2.84)	$ (0.69)
Diluted (loss) earnings per weighted average common share	$ (1.31)	$ 0.03	$ (2.84)	$ (0.69)
Weighted average number of shares of common stock outstanding:				
Basic	50,939,476	51,538,309	50,842,004	51,921,217
Diluted	50,939,476	51,619,072	50,842,004	51,921,217
Net (loss) income attributable to common stockholders	$ (66,668)	$ 1,416	$ (144,391)	$ (36,038)
Comprehensive (loss) income	$ (66,668)	$ 1,416	$ (144,391)	$ (36,038)

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

GRANITE POINT MORTGAGE TRUST INC
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)

	Common Stock		Preferred Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Cumulative Earnings	Cumulative Distributions to Stockholders	Total Stockholders' Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2022	52,350,989	$ 524	8,229,500	$ 82	$ 1,202,315	$ 130,693	$ (350,069)	$ 983,545	$ 125	$ 983,670
Net (loss) income	—	—	—	—	—	(33,829)	—	(33,829)	—	(33,829)
Repurchase of common stock	(1,001,338)	(10)	—	—	(5,108)	—	—	(5,118)	—	(5,118)
Restricted stock forfeiture	(36,916)	(1)	—	—	(236)	—	—	(237)	—	(237)
Restricted Stock Unit (RSU) forfeiture	—	—	—	—	(652)	—	—	(652)	—	(652)
Preferred dividends declared, $25.00 per share	—	—	—	—	—	—	(25)	(25)	—	(25)
Preferred dividends declared, $0.4375 per share	—	—	—	—	—	—	(3,600)	(3,600)	—	(3,600)
Common dividends declared, $0.20 per share	—	—	—	—	—	—	(10,706)	(10,706)	—	(10,706)
Non-cash equity award compensation	213,304	2	—	—	1,953	—	—	1,955	—	1,955
Balance, March 31, 2023	51,526,039	$ 515	8,229,500	$ 82	$ 1,198,272	$ 96,864	$ (364,400)	$ 931,333	$ 125	$ 931,458
Net income	—	—	—	—	—	5,041	—	5,041	—	5,041
Restricted Stock Unit (RSU) forfeiture	—	—	—	—	(77)	—	—	(77)	—	(77)
Preferred dividends declared, $25.00 per share	—	—	—	—	—	—	(25)	(25)	—	(25)
Preferred dividends declared, $0.4375 per share	—	—	—	—	—	—	(3,600)	(3,600)	—	(3,600)
Common dividends declared, $0.20 per share	—	—	—	—	—	—	(10,736)	(10,736)	—	(10,736)
Non-cash equity award compensation	44,664	1	—	—	2,385	—	—	2,386	—	2,386
Balance, June 30, 2023	51,570,703	516	8,229,500	82	1,200,580	101,905	(378,761)	924,322	125	924,447
Balance, December 31, 2023	50,577,841	$ 506	8,229,500	$ 82	$ 1,198,048	$ 67,495	$ (407,233)	$ 858,898	$ 125	$ 859,023
Net (loss) income	—	—	—	—	—	(74,123)	—	(74,123)	—	(74,123)
Restricted Stock Unit (RSU) forfeiture	—	—	—	—	(1,185)	—	—	(1,185)	—	(1,185)
Preferred dividends declared, $0.4375 per share	—	—	—	—	—	—	(3,600)	(3,600)	—	(3,600)
Common dividends declared, $0.15 per share	—	—	—	—	—	—	(8,043)	(8,043)	—	(8,043)
Non-cash equity award compensation	456,959	4	—	—	2,167	—	—	2,171	—	2,171
Balance, March 31, 2024	51,034,800	$ 510	8,229,500	$ 82	$ 1,199,030	$ (6,628)	$ (418,876)	$ 774,118	$ 125	$ 774,243
Net (loss) income	—	—	—	—	—	(63,068)	—	(63,068)	—	(63,068)
Repurchase of common stock	(510,244)	(5)	—	—	(1,594)	—	—	(1,599)	—	(1,599)
Preferred dividends declared, $0.4375 per share	—	—	—	—	—	—	(3,600)	(3,600)	—	(3,600)
Common dividends declared, $0.05 per share	—	—	—	—	—	—	(2,735)	(2,735)	—	(2,735)
Non-cash equity award compensation	159,561	2	—	—	1,458	—	—	1,460	—	1,460
Balance, June 30, 2024	50,684,117	$ 507	8,229,500	$ 82	$ 1,198,894	$ (69,696)	$ (425,211)	$ 704,576	$ 125	$ 704,701

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

GRANITE POINT MORTGAGE TRUST INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash Flows From Operating Activities:		
Net loss	$ (137,191)	$ (28,788)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Accretion of discounts and net deferred fees on loans held-for-investment and deferred interest capitalized to loans held-for-investment	(3,453)	(5,854)
Amortization of deferred debt issuance costs	3,316	4,333
Provision for credit losses	136,308	52,228
(Gain) loss on extinguishment of debt	423	(274)
Amortization of equity-based compensation	3,631	4,341
Depreciation and amortization on real estate owned	2,558	—
Net change in assets and liabilities:		
Decrease (increase) in accrued interest receivable	1,655	216
Decrease (increase) in other assets	(2,088)	999
Increase (decrease) in other liabilities	(2,521)	(810)
Net cash provided by operating activities	2,638	26,391
Cash Flows From Investing Activities:		
Originations, acquisitions and additional fundings of loans held-for-investment, net of deferred fees	(34,053)	(34,318)
Proceeds from repayment of loans held-for-investment	96,883	265,623
Net cash provided by (used in) investing activities	62,830	231,305
Cash Flows From Financing Activities:		
Proceeds from repurchase facilities	78,486	453,242
Principal payments on repurchase facilities	(161,949)	(396,676)
Principal payments on securitized debt obligations	(54,210)	(139,215)
Proceeds from asset-specific financings	—	911
Proceeds from secured credit facility	1,192	—
Payment of debt issuance costs	(843)	(3,514)
Tax withholding on restricted stock and RSUs	(1,185)	(966)
Repurchase of common stock	(1,599)	(5,118)
Redemption of cumulative redeemable preferred stock	—	(1,000)
Dividends paid on preferred stock	(7,201)	(7,251)
Dividends paid on common stock	(18,579)	(21,424)
Net cash (used in) provided by financing activities	(165,888)	(121,011)
Net (decrease) increase in cash, cash equivalents and restricted cash	(100,420)	136,685
Cash, cash equivalents, and restricted cash at beginning of period	199,216	140,165
Cash, cash equivalents, and restricted cash at end of period	$ 98,796	$ 276,850
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 83,764	$ 90,379
Cash paid for taxes	$ —	$ 697
Noncash Activities:		
Dividends declared but not paid at end of period	$ 6,335	$ 14,336
Transfers from loans held-for-investment to real estate owned, other assets and other liabilities	$ 35,659	$ 24,000

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

Note 1. Organization and Operations

Granite Point Mortgage Trust Inc., or the Company, is an internally managed commercial real estate finance company that focuses primarily on directly originating, investing in and managing senior floating-rate commercial mortgage loans and other debt and debt-like commercial real estate investments. These investments are capitalized by accessing a variety of funding sources, including borrowing under the Company's bank credit facilities or other asset financings, issuing commercial real estate collateralized loan obligations, or CRE CLOs, and issuing other forms of secured and unsecured debt and equity securities, depending on market conditions and the Company's view of the most appropriate funding option available for the Company's investments. The Company is not in the business of buying or trading securities, and the only securities it owns are the retained interests from its CRE CLOs. The Company's investment objective is to preserve the Company's stockholders' capital while generating attractive risk-adjusted returns over the long term, primarily through dividends derived from current income produced by the Company's investment portfolio. The Company's common stock is listed on the NYSE under the symbol "GPMT". The Company operates its business in a manner that is intended to permit it to maintain its exclusion from registration under the Investment Company Act of 1940. The Company operates its business as one segment. The Company was incorporated in Maryland on April 7, 2017, and commenced operations as a publicly traded company on June 28, 2017.

The Company has elected to be treated as a REIT, as defined under the Internal Revenue Code of 1986, as amended, or the Code, for U.S. federal income tax purposes. As long as the Company continues to comply with a number of requirements under federal tax law and maintains its qualification as a REIT, the Company generally will not be subject to U.S. federal income taxes to the extent that the Company distributes its taxable income to its stockholders on an annual basis and does not engage in prohibited transactions. However, certain activities that the Company may perform may cause it to earn income which will not be qualifying income for REIT purposes. The Company has designated one of its subsidiaries as a taxable REIT subsidiary, or TRS, as defined in the Code, to engage in such activities.

Note 2. Basis of Presentation and Significant Accounting Policies

Consolidation and Basis of Presentation

The interim unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the rules and regulations of the SEC. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, have been condensed or omitted according to such SEC rules and regulations. However, management believes that the disclosures included in these interim condensed consolidated financial statements are adequate to make the information presented not misleading. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. In the opinion of management, all normal and recurring adjustments necessary to present fairly the financial condition of the Company at June 30, 2024, and results of operations for all periods presented have been made. The results of operations for the three and six months ended June 30, 2024, should not be construed as indicative of the results to be expected for future periods or the full year.

The unaudited condensed consolidated financial statements of the Company include the accounts of all subsidiaries; inter-company accounts and transactions have been eliminated.

All entities in which the Company holds investments that are considered variable interest entities, or VIEs, for financial reporting purposes were reviewed for consolidation under the applicable consolidation guidance. Whenever the Company has both the power to direct the activities of an entity that most significantly impact the entity's performance, and the obligation to absorb losses or the right to receive benefits of the entity that could be significant, the Company consolidates the entity. See Note 5 - *Variable Interest Entities and Securitized Debt Obligations* to the Company's Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional details regarding consolidation of VIEs.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make a number of significant estimates. These include estimates of amount and timing of allowances for credit losses, fair value of certain assets and liabilities, and other estimates that affect the reported amounts of certain assets and liabilities as of the date of the condensed consolidated financial statements and the reported amounts of certain revenues and expenses during the reported period. It is likely that changes in these estimates (e.g., valuation changes to the underlying collateral of loans due to changes in market interest and capitalization rates, leasing, credit-worthiness of major tenants, occupancy rates, availability of financing, exit plan, loan sponsorship, actions of other lenders, overall economic and capital markets conditions, the broader commercial real estate market, local geographic sub-markets or other factors) will occur in the near term.

The Company believes the estimates and assumptions underlying its condensed consolidated financial statements are reasonable and supportable based on the information available as of June 30, 2024. However, the Company's actual results could ultimately differ from its estimates and such differences may be material.

Significant Accounting Policies

Included in Note 2 to the Consolidated Financial Statements of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, is a summary of the Company's significant accounting policies. Provided below is a summary of additional accounting policies that are significant to the Company's condensed consolidated financial condition and results of operations for the three and six months ended June 30, 2024.

Real Estate Owned

As part of its portfolio management strategy to maximize an economic outcome from a defaulted loan, the Company may assume legal title or physical possession of the underlying collateral property through foreclosure or the execution of a deed-in-lieu of foreclosure. Real estate acquired through a foreclosure or by deed-in-lieu of foreclosure is classified as real estate owned, or REO. The Company's basis in REO and related acquired assets is equal to the estimated fair value of the collateral on the acquisition date and allocated within Real estate owned, Other assets and Other liabilities on the Company's condensed consolidated balance sheets. The estimated fair value of REO is determined using generally accepted valuation techniques, including a discounted cash flow model and inputs that include the highest and best use for each asset, estimated future values based on 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 is recorded through the provision for credit losses in the Company's condensed consolidated statements of comprehensive income. Upon acquisition, the Company allocates the fair value of REO to land and land improvements, building and building improvements, tenant improvements, intangible assets and intangible liabilities, as applicable.

As of June 30, 2024, REO and related acquired assets, except for land, are depreciated using the straight-line method over estimated useful lives as follows:

Description	Depreciable Life
Building	39 years
Land improvements	15 Years
Tenant improvements	Over lease terms
Lease intangibles	Over lease terms

Renovations and/or replacements that improve or extend the life of the REO are capitalized and depreciated over their estimated useful lives. The cost of ordinary repairs and maintenance are expensed as incurred in the Company's condensed consolidated statements of comprehensive income.

REO is initially measured at fair value and is thereafter subject to an impairment assessment on a quarterly basis. Subsequent to a REO acquisition, events or circumstances may occur that may result in a material and sustained decrease in the cash flows generated from the property. REO is evaluated for recoverability when impairment indicators are identified. Any impairment losses and gains or losses on sale are included in the Company's condensed consolidated statements of comprehensive income. Revenue and expenses from REO operations are included in the condensed consolidated statements of comprehensive income within Revenue from real estate owned operations and Expenses from real estate owned operations, as applicable.

Recently Issued and/or Adopted Accounting Standards

Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, or ASU 2023-07. The new guidance requires a public entity with a single reportable segment to provide new disclosures surrounding segment expenses and other segment items on an annual and interim basis, with the intention of improving reportable segment disclosure requirements as well as enhancing interim disclosure requirements. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods with fiscal years beginning after December 15, 2024, with the guidance to be adopted retrospectively to all prior periods presented. The Company is currently evaluating the impact of this guidance but does not anticipate it will have a material impact on the Company's condensed consolidated financial statements.

Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, or ASU 2023-09. The new guidance requires entities to disclose the amount of income taxes paid, net of refunds received, disaggregated by federal, state and foreign jurisdiction, with the intention of improving the transparency of income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, and is to be adopted on a prospective basis with the option to apply retrospectively. The Company is currently evaluating the impact of this guidance but does not anticipate it will have a material impact on the Company's condensed consolidated financial statements.

Note 3. Loans Held-for-Investment, Net of Allowance for Credit Losses

The following tables summarize the Company's loans held-for-investment by asset type, property type and geographic location as of June 30, 2024, and December 31, 2023:

	June 30, 2024		
(dollars in thousands)	**Senior Loans[(1)]**	**B-Notes[(2)]**	**Total**
Unpaid principal balance	$ 2,610,510	$ 13,374	$ 2,623,884
Unamortized (discount) premium	(5)	—	(5)
Unamortized net deferred origination fees	(6,995)	—	(6,995)
Allowance for credit losses	(263,868)	(272)	(264,140)
Carrying value	$ 2,339,642	$ 13,102	$ 2,352,744
Unfunded commitments	$ 118,010	$ —	$ 118,010
Number of loans	67	1	68
Weighted average coupon[(3)]	7.0 %	8.0 %	7.0 %
Weighted average years to maturity[(4)]	0.4	2.6	0.4

	December 31, 2023		
(dollars in thousands)	**Senior Loans[(1)]**	**B-Notes[(2)]**	**Total**
Unpaid principal balance	$ 2,713,672	$ 13,507	$ 2,727,179
Unamortized (discount) premium	(19)	—	(19)
Unamortized net deferred origination fees	(8,674)	—	(8,674)
Allowance for credit losses	(134,302)	(359)	(134,661)
Carrying value	$ 2,570,677	$ 13,148	$ 2,583,825
Unfunded commitments	$ 160,698	$ —	$ 160,698
Number of loans	72	1	73
Weighted average coupon[(3)]	8.2 %	8.0 %	8.2 %
Weighted average years to maturity[(4)]	0.7	3.1	0.7

(1) Loans primarily secured by a first priority lien on commercial real property and related personal property and also includes, when applicable, any companion subordinate loans.
(2) A subordinate loan secured by the same mortgage as the senior loan.
(3) Weighted average coupon inclusive of the impact of nonaccrual loans.
(4) Based on contractual maturity date, including maturity defaulted loans with no remaining term. Certain loans are subject to contractual extension options with such conditions stipulated in the applicable loan documents. Actual maturities may differ from contractual maturities stated herein as certain borrowers may have the right to prepay with or without paying a prepayment fee. The Company may also extend contractual maturities in connection with certain loan modifications.

(dollars in thousands)	June 30, 2024		December 31, 2023	
Property Type	Carrying Value	% of Loan Portfolio	Carrying Value	% of Loan Portfolio
Office	$ 1,015,245	43.2 %	$ 1,116,551	43.2 %
Multifamily	742,615	31.6 %	826,125	32.0 %
Hotel	181,437	7.7 %	180,891	7.0 %
Retail	235,271	10.0 %	257,945	10.0 %
Industrial	114,060	4.8 %	113,972	4.4 %
Other	64,116	2.7 %	88,341	3.4 %
Total	$ 2,352,744	100.0 %	$ 2,583,825	100.0 %

(dollars in thousands)	June 30, 2024		December 31, 2023	
Geographic Location	Carrying Value	% of Loan Portfolio	Carrying Value	% of Loan Portfolio
Northeast	$ 558,455	23.7 %	$ 709,838	27.5 %
Southwest	493,592	21.0 %	495,133	19.2 %
West	310,306	13.2 %	328,547	12.7 %
Midwest	392,773	16.7 %	421,881	16.3 %
Southeast	597,618	25.4 %	628,426	24.3 %
Total	$ 2,352,744	100.0 %	$ 2,583,825	100.0 %

Loan Portfolio Activity

The following table summarizes activity related to loans held-for-investment, net of allowance for credit losses, for the three and six months ended June 30, 2024, and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2024	2023	2024	2023
Balance at beginning of period	$ 2,492,539	$ 3,182,379	$ 2,583,825	$ 3,267,815
Originations, additional fundings, upsizing of loans and capitalized deferred interest	17,867	18,975	35,868	37,180
Repayments	(61,405)	(206,173)	(96,883)	(265,623)
Transfers to real estate owned	(35,659)	(24,000)	(35,659)	(24,000)
Net discount accretion (premium amortization)	7	7	15	20
Increase (decrease) from net deferred origination fees	(911)	(413)	(852)	(1,032)
Amortization of net deferred origination fees	867	1,474	2,475	4,005
Provision for credit losses	(60,561)	(6,161)	(136,045)	(52,277)
Balance at end of period	$ 2,352,744	$ 2,966,088	$ 2,352,744	$ 2,966,088

During the six months ended June 30, 2024, the Company funded $34.9 million of prior commitments and upsizings. Additionally, the Company received $67.7 million of full loan repayments, paydowns and amortization of $29.2 million, for total loan repayments, paydowns and amortization of $96.9 million.

Allowance for Credit Losses

The following table presents the changes for the three and six months ended June 30, 2024, and 2023 in the allowance for credit losses on loans held-for-investment:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Balance at beginning of period	$ 210,145	$ 128,451	$ 134,661	$ 82,335
Provision for (benefit from) credit losses	60,561	6,161	136,045	52,277
Write-off	(6,566)	(4,200)	(6,566)	(4,200)
Balance at end of period	$ 264,140	$ 130,412	$ 264,140	$ 130,412

During the three months ended June 30, 2024, the Company recorded a net increase of $54.0 million in its allowance for credit losses on loans held-for-investment. The increase was primarily due to: (i) $39.7 million related to loans that were individually assessed primarily driven by updated estimates of the fair value of the underlying collateral securing certain of these loans, and (ii) $14.3 million due to the ongoing challenges in the commercial real estate market and expectations for further pressure on property values and other loan specific assumptions employed in estimating the general Current Expected Credit Loss, or CECL, reserve.

During the six months ended June 30, 2024, the Company recorded a net increase of $129.5 million in its allowance for credit losses on loans held-for-investment. The increase was primarily due to: (i) $103.6 million related to eleven loans that were assessed individually and based on the estimates of the fair value of each loan's underlying collateral, and (ii) $25.9 million due to the ongoing challenges in the commercial real estate market and expectations for further pressure on property values, and other loan specific assumptions employed in estimating the general CECL reserve.

As of June 30, 2024, the Company recognized $2.7 million in other liabilities related to the allowance for credit losses on unfunded commitments, resulting in a total allowance for credit losses of $266.9 million, and recorded a provision for credit losses of $(0.2) million and $(0.3) million for the three and six months ended June 30, 2024, respectively, partially offset by a decrease in unfunded commitments, resulting in a total provision for credit losses of $(60.8) million and $(136.3) million for the three and six months ended June 30, 2024, respectively.

As of June 30, 2024, the Company had ten collateral-dependent loans with an aggregate principal balance of $545.2 million, for which the Company recorded an allowance for credit losses of $195.0 million. These loans were individually assessed in accordance with the CECL framework and the allowance for credit losses was determined based on the estimates of the collateral properties' fair value. The performance of the collateral properties securing these loans, which include four office buildings, four mixed-use properties with an office component, one hotel and one multifamily asset, has been impacted by an uncertain commercial real estate market and macroeconomic outlook, which includes weakening in credit fundamentals, capital markets volatility and significantly reduced real estate transaction activity, especially for certain property types, such as office assets located in underperforming markets, and a meaningfully higher cost of capital driven by high interest rates. These macroeconomic and market factors have resulted in the slowing of business plan execution and reduced market liquidity, thereby impacting the borrowers' ability to either sell or refinance their properties to repay the Company's loans. See Note 9 - *Fair Value,* for further detail on the fair value measurement of these loans.

Additionally, as of June 30, 2024, the Company had one collateral-dependent loan with an aggregate principal balance of $70.5 million secured by an office property, for which the Company recorded no allowance for credit losses as the collateral's estimated fair value exceeded the loan balance. See Note 9 - *Fair Value,* for further detail on the fair value measurement of this loan.

Nonaccrual Loans

The following table presents the carrying value of loans held-for-investment on nonaccrual status for the three and six months ended June 30, 2024, and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Nonaccrual loan carrying value at beginning of period	$ 517,507	$ 207,234	$ 343,683	$ 207,958
Addition of nonaccrual loan carrying value	16,831	—	195,358	23,270
Reduction of nonaccrual loan carrying value	(81,541)	(23,971)	(86,244)	(47,965)
Nonaccrual loan carrying value at end of period	$ 452,797	$ 183,263	$ 452,797	$ 183,263

As of June 30, 2024, the Company had twelve senior loans with a total unpaid principal balance of $665.3 million and carrying value of $452.8 million that were held on nonaccrual status, compared to four senior loans with a total unpaid principal balance of $245.6 million and carrying value of $183.3 million that were held on nonaccrual status as of June 30, 2023. All other loans were considered current with respect to principal and interest payments due as of June 30, 2024, and June 30, 2023.

Loan Modifications

As part of its asset and portfolio management strategy, the Company may amend or modify a loan depending on the loan's specific facts and circumstances. These loan modifications typically include additional time for the borrower to refinance or sell the collateral property, adjustment or waiver of performance tests that are prerequisite to the extension of a loan's maturity, and/or deferral of scheduled principal payments. In exchange for a modification, the Company may receive a partial repayment of principal, a short-term accrual of capitalized interest for a portion of interest due, a cash infusion to replenish interest or capital improvement reserves, termination of all or a portion of the remaining unfunded loan commitment, additional call protection, and/or an increase in the loan coupon or fees, among other items.

During the twelve months ended June 30, 2024, the Company entered into two loan modifications that met the disclosure requirements pursuant to ASC 326.

During the three months ended June 30, 2024, the Company completed the modification of a first mortgage loan secured by a design building property located in New York, NY, with an outstanding principal balance of $37.5 million as of March 31, 2024. The terms of the modification included, among others, a restructuring of the $37.5 million loan into (i) a $33.3 million senior loan, with $3.0 million in unfunded commitments, and (ii) a $4.2 million mezzanine note; a $2.6 million capital infusion from the sponsor to further support the collateral property; a change to the restructured senior loan's coupon to S+3.00%, which was reduced from S+4.65%; an increase in the exit fee from 0.25% to 5.70% of the loan amount, and an extension of term to a maturity date of June 9, 2027. The mezzanine note is non-interest bearing and is subject to a distribution waterfall and is subordinate to certain amounts of sponsor's equity, as defined in the loan agreement. As of June 30, 2024, the mezzanine note was deemed uncollectible, resulting in a write-off of $(4.2) million.

During the twelve months ended June 30, 2024, the Company completed the modification of a first mortgage loan secured by a multifamily student housing property in Louisville, KY. As of June 30, 2024, and December 31, 2023, the loan had a principal balance of $49.6 million and $48.5 million and an amortized cost of $49.4 million and $48.3 million, respectively. The terms of the modification included, among other things, a 12-month extension of the fully-extended maturity date to November 9, 2024, the full deferral of debt service payments with interest capitalized and compounding, the deferral of the extension fee and the Company's agreement to pay for approved expenses, in its sole discretion. Due to the uncertainty with respect to the collection of future interest accruals, the loan was placed on nonaccrual status as of November 9, 2023.

Loan Risk Ratings

The Company's primary credit quality indicators are its risk ratings. The Company evaluates the credit quality of each loan at least quarterly by assessing the risk factors of each loan and assigning a risk rating based on a variety of factors. Risk factors that are considered in the assessment include, but are not limited to, property type, geographic and local market dynamics, physical condition, leasing and tenant profile, projected cash flow, collateral performance, loan structure and exit plan, origination loan-to-value, or LTV, project sponsorship and other factors deemed necessary. The Company evaluates these factors with respect to each loan investment on a case-by-case basis taking into consideration such loan's facts and circumstances at the time. The risk factors may be given different weightings and consideration depending on each loan's situation. Loans are rated "1" (less risk) through "5" (greater risk), which ratings are defined as follows:

1 – Lower Risk

2 – Average Risk

3 – Acceptable Risk

4 – Higher Risk: A loan that has exhibited material deterioration in cash flows and/or other credit factors, which, if negative trends continue, could be indicative of probability of principal loss.

5 – Loss Likely: A loan that has a significantly increased probability of principal loss.

The following table presents the number of loans, unpaid principal balance and carrying value by risk rating for loans held-for-investment as of June 30, 2024, and December 31, 2023:

(dollars in thousands)	June 30, 2024			December 31, 2023		
Risk Rating	Number of Loans	Unpaid Principal Balance	Carrying Value	Number of Loans	Unpaid Principal Balance	Carrying Value
1	6	$ 124,753	$ 123,839	4	$ 71,597	$ 71,211
2	27	1,002,379	986,494	36	1,277,491	1,262,126
3	20	762,447	735,194	24	862,102	842,175
4	5	189,130	157,621	4	192,104	174,313
5	10	545,175	349,596	5	323,885	234,000
Total	68	$ 2,623,884	$ 2,352,744	73	$ 2,727,179	$ 2,583,825

As of June 30, 2024, the weighted average risk rating of the Company's loan portfolio was 3.0, versus 2.8 as of December 31, 2023, and unchanged versus March 31, 2024, weighted by unpaid principal balance. The change in portfolio risk rating as of June 30, 2024, versus December 31, 2023, is mainly a result of select loan risk rating downgrades, partially offset by certain rating upgrades.

During the three months ended June 30, 2024, as part of its quarterly risk rating process, the Company downgraded one senior loan with an aggregate outstanding principal balance of $20.1 million and secured by an office property to a risk rating of "5". This loan was downgraded due to a missed interest payment and the borrower's unwillingness to make further capital commitments to support the collateral property resulting from the challenging office leasing environment including local market fundamentals, uncertain and volatile capital market conditions resulting in limited liquidity for real estate transactions, further pressure on property values and other factors related to property specific operating performance. The loan is considered collateral dependent and has been placed on nonaccrual status as of June 30, 2024.

During the three months ended June 30, 2024, the Company resolved an $11.6 million senior loan secured by a multifamily property located in Milwaukee, WI. The loan had been considered collateral-dependent, had a risk rating of "5" and had previously been placed on nonaccrual status. In connection with the resolution, which involved a discounted loan payoff, the Company incurred a write-off of $(2.4) million.

During the three months ended June 30, 2024, the Company transferred to real estate owned, or REO, a $35.7 million senior loan secured by an office property located in Maynard, MA. The loan had been considered collateral-dependent, had a risk rating of "4" and had previously been placed on nonaccrual status. The Company recorded the REO at the loan's carrying value based on the estimated fair value of the collateral property at the time of acquisition. See Note 4 - *Real Estate Owned, Net*, for further detail.

The following table presents the carrying value of loans held-for-investment as of June 30, 2024, and December 31, 2023, by risk rating and year of origination:

(dollars in thousands)	June 30, 2024						
	Origination Year						
Risk Rating	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Total**
1	$ —	$ —	$ —	$ 30,590	$ 21,596	$ 71,653	$ 123,839
2	—	—	282,140	266,084	22,217	416,053	986,494
3	—	50,476	93,262	87,797	22,853	480,806	735,194
4	—	—	—	51,822	—	105,799	157,621
5	—	—	11,921	31,860	—	305,815	349,596
Total	$ —	$ 50,476	$ 387,323	$ 468,153	$ 66,666	$ 1,380,126	$ 2,352,744
Gross write-offs	$ —	$ —	$ (4,166)	$ —	$ —	$ (2,400)	$ (6,566)

(dollars in thousands)	December 31, 2023						
	Origination Year						
Risk Rating	**2023**	**2022**	**2021**	**2020**	**2019**	**Prior**	**Total**
1	$ —	$ —	$ —	$ 21,744	$ 49,467	$ —	$ 71,211
2	—	328,576	349,210	21,966	474,669	87,705	1,262,126
3	47,760	105,934	146,538	22,599	189,259	330,085	842,175
4	—	—	—	—	25,807	148,506	174,313
5	—	—	—	—	121,940	112,060	234,000
Total	$ 47,760	$ 434,510	$ 495,748	$ 66,309	$ 861,142	$ 678,356	$ 2,583,825
Gross write-offs	$ —	$ —	$ —	$ —	$ (33,324)	$ (20,950)	$ (54,274)

Note 4. Real Estate Owned, Net

On May 16, 2023, the Company acquired the legal title to an office property located in Phoenix, AZ pursuant to a negotiated deed-in-lieu of foreclosure. The property previously served as collateral for a first mortgage loan held-for-investment, which had been originated in May 2017. As of March 31, 2023, prior to acquisition, the loan had a risk rating of “5”, was on nonaccrual status and was accounted for under cost-recovery. At the time of acquisition, the loan had an amortized cost and carrying value of $28.2 million and $24.0 million, respectively. The Company recognized the property as real estate owned with a carrying value of $24.0 million based on the estimated fair value of the property. This acquisition was accounted for as an asset acquisition under ASC 805.

The Company allocated the fair value of the assumed assets and liabilities on the acquisition date as follows:

(in thousands)	Fair Value Allocation
Land	$ 9,123
Building	5,638
Tenant improvements	3,596
In-place lease intangibles[1]	5,280
Above-market lease intangibles[1]	401
Below-market lease intangibles[2]	(38)
Total	$ 24,000

(1) Included in “Other assets” on the condensed consolidated balance sheets.
(2) Included in “Other liabilities” on the condensed consolidated balance sheets.

On June 27, 2024, the Company acquired the legal title to an office property located in Maynard, MA pursuant to a negotiated deed-in-lieu of foreclosure. The property previously served as collateral for a first mortgage loan held-for-investment, which had been originated in May 2018. As of March 31, 2024, prior to acquisition, the loan had a risk rating of “4”, was on nonaccrual status, and was assessed individually as a collateral-dependent loan due to an anticipated foreclosure. At the time of acquisition, the loan had an amortized cost and carrying value of $35.7 million. The Company recognized the property as real estate owned with a carrying value of $35.7 million based on the estimated fair value of the collateral property at the time of acquisition. This acquisition was accounted for as an asset acquisition under ASC 805.

The Company provisionally allocated the fair value of the assumed assets and liabilities on the acquisition date as follows:

(in thousands)	Fair Value Allocation
Land and land improvements	$ 10,374
Building	12,703
Tenant improvements	3,921
In-place lease intangibles[1]	8,231
Above-market lease intangibles[1]	576
Below-market lease intangibles[2]	(146)
Total	$ 35,659

(1) Included in “Other assets” on the condensed consolidated balance sheets.
(2) Included in “Other liabilities” on the condensed consolidated balance sheets.

The weighted average initial depreciation period for the acquired tenant improvements during the three months ended June 30, 2024 was 4.6 years. The weighted average initial amortization period for the acquired in-place lease intangibles, above-market lease intangibles and below-market lease intangibles acquired during the three months ended June 30, 2024 were 2.5 years, 2.7 years, and 5.5 years, respectively

The Company assumed certain legacy lease arrangements upon the acquisition of REO. These arrangements entitle the Company to receive contractual rent payments during the lease periods and tenant reimbursements for certain property operating expenses, including common area costs, insurance, utilities and real estate taxes.

The following table presents the identified intangible assets and liabilities related to REO as of June 30, 2024, and December 31, 2023:

(in thousands)	June 30, 2024	December 31, 2023
Intangible Assets		
Gross amount	$ 14,488	$ 5,681
Accumulated amortization	(3,527)	(2,082)
Total, net	$ 10,961	$ 3,599
Intangible Liabilities		
Gross amount	$ (184)	$ (38)
Accumulated amortization	12	8
Total, net	$ (172)	$ (30)

The following table presents the REO operations and related income (loss) included in the Company’s condensed consolidated statements of comprehensive income for the years ended June 30, 2024, and 2023:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
Real Estate Owned, Net	2024	2023	2024	2023
Rental income	$ 1,063	$ 444	$ 2,126	$ 444
Other operating income	48	18	127	18
Revenue from real estate owned operations	1,111	462	2,253	462
Expenses from real estate owned operations [1]	(1,950)	(1,664)	(3,995)	(1,664)
Total	$ (839)	$ (1,202)	$ (1,742)	$ (1,202)

(1) Includes $(1.2) million and $(2.5) million of depreciation and amortization for the three and six months ended June 30, 2024, respectively. Includes $(0.6) million of depreciation and amortization for the three and six months ended June 30, 2023.

The following table presents the amortization of lease intangibles included in the Company’s condensed consolidated statements of income for the three and six months ended June 30, 2024, and 2023:

(in thousands)		Three Months Ended June 30,		Six Months Ended June 30,	
	Income Statement Location	2024	2023	2024	2023
Asset					
In-place lease intangibles	Expenses from real estate owned operations	$ 631	$ 364	$ 1,359	$ 364
Above-market lease intangibles	Revenue from real estate owned operations	(38)	(17)	(86)	(17)
Liability					
Below-market lease intangibles	Revenue from real estate owned operations	2	1	4	1

The following table presents the amortization of lease intangibles for each of the succeeding fiscal years:

(in thousands)	In-place Lease Intangible Assets	Above-market Lease intangible Assets	Below-market Lease Intangible Liabilities
2024	$ 4,162	$ 167	$ (16)
2025	3,158	267	(33)
2026	1,555	152	(33)
2027	374	52	(33)
2028	280	39	(31)
Thereafter	665	90	(26)

Future Minimum Lease Payments

The following table presents the future minimum lease payments to be collected under non-cancelable operating leases, excluding tenant reimbursements of expenses as of June 30, 2024:

(in thousands)	Contractual Lease Payments
2024	$ 4,908
2025	6,922
2026	4,874
2027	2,270
2028	1,878
Thereafter	4,205

The weighted average minimum remaining term of the non-cancelable leases was approximately 2.2 years as of June 30, 2024.

Note 5. Variable Interest Entities and Securitized Debt Obligations

The Company finances pools of its commercial real estate loans through CRE CLOs, which are considered VIEs for financial reporting purposes, and, thus, are reviewed for consolidation under the applicable consolidation guidance. The Company has both the power to direct the activities of the CRE CLOs that most significantly impact the entities’ performance and the obligation to absorb losses or the right to receive benefits of the entities that could be significant; therefore, the Company consolidates the CRE CLOs.

The following table presents a summary of the assets and liabilities of all VIEs consolidated on the Company's condensed consolidated balance sheets as of June 30, 2024, and December 31, 2023:

(in thousands)	June 30, 2024	December 31, 2023
Loans held-for-investment	$ 1,189,382	$ 1,246,448
Allowance for credit losses	(95,463)	(21,107)
Loans held-for-investment, net	1,093,919	1,225,341
Other assets	7,288	8,480
Total Assets	$ 1,101,207	$ 1,233,821
Securitized debt obligations	$ 938,075	$ 991,698
Other liabilities	1,803	2,383
Total Liabilities	$ 939,878	$ 994,081

The securitized debt obligations issued by the CRE CLOs are recorded at outstanding principal, net of any unamortized deferred debt issuance costs, on the Company's condensed consolidated balance sheets.

The following table details the Company's CRE CLO securitized debt obligations as of June 30, 2024, and December 31, 2023:

(dollars in thousands)	June 30, 2024			December 31, 2023		
Securitized Debt Obligations	Principal Balance	Carrying Value	Wtd. Avg. Yield/Cost (1)	Principal Balance	Carrying Value	Wtd. Avg. Yield/Cost (1)
GPMT 2021-FL4 CRE CLO						
Collateral assets(2)	$ 577,205	$ 553,225	S+3.8%	$ 621,409	$ 607,338	S+3.8%
Financing provided	459,389	457,815	S+1.8%	502,564	500,403	S+1.8%
GPMT 2021-FL3 CRE CLO						
Collateral assets(3)	614,713	540,694	S+3.8%	629,273	618,003	S+3.8%
Financing provided	480,260	480,260	S+1.9%	491,295	491,295	S+1.9%
Total						
Collateral assets	$ 1,191,918	$ 1,093,919	S+3.8%	$ 1,250,682	$ 1,225,341	S+ 3.8%
Financing provided	$ 939,649	$ 938,075	S+1.9%	$ 993,859	$ 991,698	S+ 1.8%

(1) Calculations of all-in yield on collateral assets at origination are based on a number of assumptions (some or all of which may not occur) and are expressed as monthly equivalent yields that include net origination fees and exit fees and exclude future fundings and any potential or completed loan amendments or modifications. Calculation of cost of funds is the weighted average coupon of the CRE CLO, exclusive of any CRE CLO issuance costs.
(2) No restricted cash is included as of June 30, 2024, and December 31, 2023. Yield on collateral assets is exclusive of restricted cash.
(3) No restricted cash is included as of June 30, 2024, and December 31, 2023. Yield on collateral assets is exclusive of restricted cash.

Note 6. Secured Financing Agreements

To finance its loans held-for-investment, the Company has a variety of secured financing arrangements with several counterparties, including repurchase facilities and a secured credit facility. The Company's repurchase facilities are typically collateralized by loans held-for-investment, loans held-for-sale, REO assets and certain cash balances. Although the transactions under the Company's existing repurchase facilities represent committed borrowings until maturity of each facility, the facility lenders retain the right to mark the underlying collateral to fair value. A reduction in the value of pledged assets due to collateral-specific credit events, or, with respect to a limited number of the Company's repurchase facilities, capital market events, would require the Company to fund margin calls. The Company does not typically retain similar rights for the Company to make margin calls on its underlying borrowers as a result of a determination by the Company and/or its financing counterparty that there has been a decrease in the market value of the underlying pledged collateral.

The Company's secured credit facility is typically collateralized by loans held-for-investment, loans held-for-sale, REO assets and certain cash balances and is not mark-to-market.

The following tables summarize details of the Company's borrowings outstanding on its secured financing agreements as of June 30, 2024, and December 31, 2023:

	June 30, 2024					
(dollars in thousands)	**Maturity Date[(1)]**	**Amount Outstanding**	**Unused Capacity[(2)]**	**Total Capacity**	**Carrying Value of Collateral**	**Weighted Average Borrowing Rate**
Repurchase facilities:						
Morgan Stanley Bank[(3)]	June 28, 2025	$ 145,267	$ 104,733	$ 250,000	$ 264,907	8.0 %
Goldman Sachs Bank USA[(4)]	July 13, 2024	—	250,000	250,000	—	— %
JPMorgan Chase Bank	July 28, 2025	484,654	30,318	514,972	589,293	9.5 %
Citibank	May 25, 2025	161,635	338,365	500,000	241,082	7.2 %
Total		$ 791,556	$ 723,416	$ 1,514,972	$ 1,095,282	
Secured credit facility	December 21, 2025	$ 85,192	$ 14,808	$ 100,000	$ 108,581	11.8 %

	December 31, 2023					
(dollars in thousands)	**Maturity Date[(1)]**	**Amount Outstanding**	**Unused Capacity[(2)]**	**Total Capacity**	**Carrying Value of Collateral**	**Weighted Average Borrowing Rate**
Repurchase facilities:						
Morgan Stanley Bank	June 28, 2024	$ 193,165	$ 281,835	$ 475,000	$ 304,598	8.0 %
Goldman Sachs Bank USA[(4)]	July 13, 2024	53,745	196,255	250,000	131,112	8.7 %
JPMorgan Chase Bank	July 28, 2025	445,713	79,238	524,951	500,985	9.8 %
Citibank	May 25, 2025	176,606	323,394	500,000	254,286	7.2 %
Centennial Bank[(5)]	August 29, 2024	6,213	143,787	150,000	20,508	10.4 %
Total		$ 875,442	$ 1,024,509	$ 1,899,951	$ 1,211,489	
Secured credit facility	December 21, 2025	$ 84,000	$ 16,000	$ 100,000	$ 105,865	11.9 %

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(1) The facilities are set to mature on the stated maturity date, unless extended pursuant to their terms.
(2) Unused capacity is not committed as of June 30, 2024, and December 31, 2023.
(3) During the three months ended June 30, 2024, the Company entered into a modification of the facility to extend the maturity date to June 28, 2025, and adjust the total capacity to $250 million.
(4) As of June 30, 2024, and December 31, 2023, the Company retained an option to increase the maximum facility capacity amount up to $350 million, subject to customary terms and conditions. Subsequent to June 30, 2024, the Company terminated the facility.
(5) As of December 31, 2023, the outstanding balance was collateralized by real estate owned, inclusive of $36 million in other assets and liabilities related to acquired leases, respectively, (see Note 4 - *Real Estate Owned, Net,* for further detail) and one senior loan. During the three months ended June 30, 2024, the Company repaid all outstanding borrowings under the facility and terminated the facility.

The following table summarizes certain characteristics of the Company’s repurchase facilities and counterparty concentration at June 30, 2024, and December 31, 2023:

	June 30, 2024				December 31, 2023			
(dollars in thousands)	Amount Outstanding	Net Counterparty Exposure(1)	Percent of Equity	Weighted Average Years to Maturity	Amount Outstanding	Net Counterparty Exposure(1)	Percent of Equity	Weighted Average Years to Maturity
Morgan Stanley Bank	$ 145,267	$ 127,129	18 %	0.99	$ 193,165	$ 118,253	14 %	0.49
JPMorgan Chase Bank	484,654	114,863	16 %	1.08	445,713	62,216	7 %	1.58
Goldman Sachs Bank USA	—	—	— %	0.04	53,745	78,949	9 %	0.53
Citibank	161,635	94,812	13 %	0.90	176,606	80,441	9 %	1.40
Centennial Bank(2)	—	—	— %	—	6,213	17,757	2 %	0.66
Total	$ 791,556	$ 336,804			$ 875,442	$ 357,616		

(1) Represents the excess of the carrying amount or market value of the loans held-for-investment pledged as collateral for repurchase facilities, including accrued interest plus any cash on deposit to secure the repurchase obligation, less the amount of the repurchase liability, including accrued interest.

(2) During the three months ended June 30, 2024, the Company repaid all outstanding borrowings under the facility and terminated the facility.

The Company does not anticipate any defaults by its financing counterparties, although there can be no assurance that one or more defaults will not occur.

Financial Covenants

The Company is subject to a variety of financial covenants under its secured financing agreements. The following represent the most restrictive financial covenants to which the Company is subject across its secured financing agreements:

- Unrestricted cash cannot be less than the greater of $30.0 million and 5.0% of recourse indebtedness. As of June 30, 2024, the Company’s unrestricted cash was $85.9 million, while 5.0% of the Company’s recourse indebtedness was $13.9 million.
- Tangible net worth must be greater than the sum of (i) $816.9 million and (ii) 75.0% of net cash proceeds of the Company’s equity issuances after August 3, 2023. As the Company has not had any equity issuances after August 3, 2023, tangible net worth must be greater than $816.9 million. As of June 30, 2024, the Company’s tangible net worth was $1.0 billion.
- Target asset leverage ratio cannot exceed 77.5% and total leverage ratio cannot exceed 80.0%. As of June 30, 2024, the Company’s target asset leverage ratio was 69.4% and the Company’s total leverage ratio was 65.4%.
- Minimum interest coverage of no less than 1.3:1.0 through June 30, 2024. As of June 30, 2024, the Company’s minimum interest coverage was 1.3:1.0. Subsequent to June 30, 2024, the Company will be required to maintain minimum interest coverage of no less than 1.4:1.0.

As of June 30, 2024, and December 31, 2023, the Company was in compliance with these covenants.

Note 7. Convertible Senior Notes

In October 2018, the Company closed an underwritten public offering of $131.6 million aggregate principal amount of convertible senior notes due October 1, 2023. The convertible senior notes were unsecured, paid interest semiannually at a rate of 6.375% per annum and were convertible at the option of the holder into shares of the Company’s common stock. The Company redeemed for cash the convertible senior notes at maturity, and none of the notes remained outstanding as of June 30, 2024, and December 31, 2023.

The following table details the interest expense related to the convertible notes for the three and six months ended June 30, 2024, and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2024	2023	2024	2023
Cash coupon	$ —	$ 2,098	$ —	$ 4,195
Amortization of issuance costs	—	234	—	448
Total interest expense	$ —	$ 2,332	$ —	$ 4,643

Note 8. Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash held in bank accounts and cash held in money market funds on an overnight basis.

The Company is required to maintain certain cash balances in restricted accounts as collateral for the Company’s repurchase facilities and with its lending counterparties to support investment activities. As of June 30, 2024, the Company held $12.9 million in restricted cash in connection with its non-CRE CLO financing activities, compared to $10.8 million as of December 31, 2023. From time to time, the Company may also hold restricted cash representing proceeds from principal repayments and paydowns of loans held in the CRE CLOs. As of June 30, 2024, as well as at December 31, 2023, the Company held no restricted cash related to the CRE CLOs.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported on the Company’s condensed consolidated balance sheets as of June 30, 2024, and December 31, 2023, that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows:

(in thousands)	June 30, 2024	December 31, 2023
Cash and cash equivalents	$ 85,916	$ 188,370
Restricted cash	12,880	10,846
Total cash, cash equivalents and restricted cash	$ 98,796	$ 199,216

Note 9. Fair Value

Fair Value Measurements

ASC 820, *Fair Value Measurements*, or ASC 820, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 clarifies that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices available in active markets (*i.e.*, market-based or observable inputs) and the lowest priority to data lacking transparency (*i.e.*, unobservable inputs) resulting in the use of management assumptions. Additionally, ASC 820 requires an entity to consider all aspects of nonperformance risk, including the entity’s own credit standing, when measuring fair value of a liability.

ASC 820 establishes a three-level hierarchy to be used when measuring and disclosing fair value. An instrument’s categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. Following is a description of the three levels:

Inputs are quoted prices in active markets for identical assets or liabilities as of the measurement date under current market conditions. Additionally, the entity must have the ability to access the active market and the quoted prices cannot be adjusted by the entity.

Inputs include quoted prices in active markets for similar assets or liabilities; quoted prices in inactive markets for identical or similar assets or liabilities; or inputs that are observable or can be corroborated by observable market data by correlation or other means for substantially the full-term of the assets or liabilities.

Unobservable inputs are supported by little or no market activity. The unobservable inputs represent the assumptions that market participants would use to price the assets and liabilities, including risk. Generally, Level 3 assets and liabilities are valued using pricing models, discounted cash flow methodologies or similar techniques that require significant judgment or estimation.

The following are descriptions of the valuation methodologies used to measure material assets and liabilities at fair value and details of the valuation models, key inputs to those models and significant assumptions utilized.

Recurring Fair Value

As of June 30, 2024, and December 31, 2023, the Company held no assets or liabilities measured at fair value on a recurring basis.

Nonrecurring Fair Value

The Company may be required to measure certain assets or liabilities at fair value from time to time. These periodic fair value measures typically result from establishing the allowance for credit losses for collateral-dependent assets under GAAP. These items would constitute nonrecurring fair value measures under ASC 820. For collateral-dependent loans that are identified as impaired, the Company measures allowance for credit losses by comparing its estimation of the fair value of the underlying collateral, less costs to sell, to the carrying value of the respective loan. To estimate the fair value of the underlying collateral, the Company may (i) use certain valuation techniques which, among others, may include a discounted cash flow method of valuation, or (ii) obtain a third-party independent assessment of value such as an appraisal or other opinion of value. These valuations require significant judgments, which include assumptions regarding capitalization rates, discount rates, leasing, creditworthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors deemed relevant.

As of June 30, 2024, the Company deemed eleven of its loans held-for-investment with an aggregate outstanding principal balance of $615.7 million to be collateral-dependent in accordance with its policy. Therefore, the allowance for credit losses associated with these loans was based on the estimates of the fair value of the loans' underlying property collateral, less costs to sell, if applicable, and the loans are measured at fair value on a nonrecurring basis using significant unobservable inputs and are classified as Level 3 assets in the fair value hierarchy. As of June 30, 2024, nine loans with an aggregate outstanding principal balance of $545.1 million were valued using the discounted cash flow method. The significant unobservable inputs used to estimate the fair value on these loans include the exit capitalization rate and discount rate, which ranged from 5.50% to 13.00%, and from 7.00% to 13.50%, respectively. As of June 30, 2024, two loans with an aggregate outstanding principal balance of $70.6 million were valued using the estimated proceeds from the sale of the collateral property, less the estimated costs to sell the property. Refer to Note 2 - *Basis of Presentation and Significant Accounting Policies* and Note 3 - *Loans Held-for-Investment, Net of Allowance for Credit Losses* for further detail.

Fair Value of Financial Instruments

In accordance with ASC 820, the Company is required to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized in the condensed consolidated balance sheets, for which fair value can be estimated.

The following describes the Company's methods for estimating the fair value for financial instruments:

- Loans held-for-investment are carried at cost, net of any unamortized acquisition premiums or discounts, loan fees, origination costs and allowance for credit losses, as applicable. The Company estimates the fair value of its loans held-for-investment by assessing any changes in market interest rates, credit spreads for loans of comparable risk as corroborated by inquiry of other market participants, shifts in credit profiles and actual operating results, taking into consideration such factors as underlying property type, property competitive position within its market, market and submarket fundamentals, tenant mix, nature of business plan, sponsorship, extent of leverage and other loan terms. The Company categorizes the fair value measurement of these assets as Level 3.
- Cash and cash equivalents and restricted cash have a carrying value which approximates fair value because of the short maturities of these instruments. The Company categorizes the fair value measurement of these assets as Level 1.
- The carrying value of underlying loans in repurchase and secured credit facilities that mature in less than one year generally approximates fair value due to the short maturities. The Company's long-term repurchase and secured credit facilities have, and the Company's asset-specific facility had, floating rates based on an index plus a credit spread and the credit spread is typically consistent with those demanded in the market. Accordingly, the interest rates on these borrowings are at market and, thus, carrying value approximates fair value. The Company categorizes the fair value measurement of these liabilities as Level 2.
- Securitized debt obligations are recorded at outstanding principal, net of any unamortized deferred debt issuance costs. In determining the fair value of its securitized debt obligations, management's judgment may be used to arrive at fair value that considers prices obtained from third-party pricing providers, broker quotes received and other applicable market data. If observable market prices are not available or insufficient to determine fair value due principally to illiquidity in the marketplace, then fair value is based upon internally developed models that are primarily based on observable market-based inputs but also include unobservable market data inputs (including prepayment speeds, delinquency levels and credit losses). The Company categorizes the fair value measurement of these liabilities as Level 2.

The following table presents the carrying values and estimated fair values of assets and liabilities that are required to be recorded or disclosed at fair value at June 30, 2024, and December 31, 2023:

	June 30, 2024		December 31, 2023	
(in thousands)	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Assets				
Loans held-for-investment, net of allowance for credit losses	$ 2,352,744	$ 2,398,950	$ 2,583,825	$ 2,596,577
Cash and cash equivalents	$ 85,916	$ 85,916	$ 188,370	$ 188,370
Restricted cash	$ 12,880	$ 12,880	$ 10,846	$ 10,846
Liabilities				
Repurchase facilities	$ 791,556	$ 791,556	$ 875,442	$ 875,442
Securitized debt obligations	$ 938,075	$ 889,190	$ 991,698	$ 930,523
Secured credit facility	$ 85,192	$ 85,192	$ 84,000	$ 84,000

Note 10. Commitments and Contingencies

The following represent the material commitments and contingencies of the Company as of June 30, 2024:

Legal and Regulatory

From time to time, the Company may be subject to liability under laws and government regulations and various claims and legal actions arising in the ordinary course of business. Liabilities are established for legal claims when payments associated with the claims become probable and the costs can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher or lower than the amounts established for those claims. Based on information currently available, management is not aware of any legal or regulatory claims that would have a material effect on the Company's condensed consolidated financial statements and, therefore, no accrual is required as of June 30, 2024.

Unfunded Commitments on Loans Held-for-Investment

Certain of the Company's commercial real estate loan agreements contain provisions and obligations to its borrowers through its unfunded loan commitments over the contractual period of its loans. As of June 30, 2024, and December 31, 2023, the Company had unfunded loan commitments of $118.0 million and $160.7 million, respectively, on loans held-for-investment, which it expects to fund, subject to the satisfaction of any conditions precedent to such commitments, over the tenure of these loans. These commitments generally provide funding for lease-related or capital improvement expenditures, as well as interest and carry costs, all of which will vary depending on the progress of capital improvement projects, leasing and cash flows at the properties that serve as collateral for the Company's loans. Therefore, the exact timing and amounts of such loan balance future fundings are generally uncertain and will depend on the current and future performance of the collateral properties. The Company typically finances the funding of its loan commitments on terms generally consistent with its overall financing facilities; however, most of its financing agreement counterparties are not obligated to fund their ratable portion of these loan commitments over time and have varying degrees of discretion over future loan funding obligations, including the advance rates on their fundings. The Company may be obligated to fund loan commitments with respect to a financed asset even if the applicable financing counterparty will not fund their ratable portion of the loan commitment and/or has made margin calls with respect to such financed asset.

As of June 30, 2024, the Company recognized $2.7 million in other liabilities related to the allowance for credit losses on unfunded loan commitments. See Note 3 - *Loans Held-for-Investment, Net of Allowance for Credit Losses,* for further detail.

Note 11. Preferred Stock

Issuance of Series A Preferred Stock

On November 30, 2021, and December 10, 2021, the Company received total net proceeds of $110.5 million from the issuance of 4,596,500 shares of Series A Preferred Stock after deducting the underwriting discount of $3.6 million and issuance costs of $0.8 million.

On January 18, 2022, and February 8, 2022, the Company received total net proceeds of $87.5 million from the issuance of 3,633,000 additional shares of Series A Preferred Stock after deducting the underwriting discount of $2.9 million and issuance costs of $0.4 million. The Series A Preferred Stock is currently listed on the NYSE under the symbol "GPMT PrA".

On and after November 30, 2026, the Company, at its option, upon not fewer than 30 days' nor more than 60 days' written notice, may redeem the Series A 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 thereon to, but excluding, the date fixed for redemption.

Upon the occurrence of a Change of Control event (as defined in the Articles Supplementary designating the Series A Preferred Stock, or the Articles Supplementary), the Company may, at its option, upon not less than 30 nor more than 60 days' written notice, redeem the Series A Preferred Stock, in whole or in part, within 120 days on or after the first date on which such Change of Control occurred, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends thereon to, but excluding, the redemption date, without interest.

Holders of Series A Preferred Stock do not have any voting rights except in limited circumstances as set forth in the Articles Supplementary.

During each of the three and six months ended June 30, 2024, and 2023, the Company declared dividends on the Series A Preferred Stock of $3.6 million and $7.2 million, respectively.

Issuance of Sub-REIT Preferred Stock

In January 2021, a subsidiary of the Company issued 625 shares of preferred stock of which 500 shares were retained by the Company and 125 shares were sold to third-party investors for proceeds of $0.1 million. The 500 preferred shares of preferred stock retained by the Company are eliminated in the Company's condensed consolidated statements of changes in equity and the 125 shares sold to third-party investors are shown in the Company's condensed consolidated statements of changes in equity as non-controlling interests.

Note 12. Stockholders' Equity

Common Stock

Distributions to Stockholders

The following table presents cash dividends declared by the Company's board of directors on its common stock during the three and six months ended June 30, 2024, and 2023:

Declaration Date	Record Date	Payment Date	Cash Dividend Per Share
2024			
June 18, 2024	July 1, 2024	July 15, 2024	$ 0.05
March 14, 2024	April 1, 2024	April 15, 2024	$ 0.15
			$ 0.20
2023			
June 22, 2023	July 3, 2023	July 17, 2023	$ 0.20
March 16, 2023	April 3, 2023	April 17, 2023	$ 0.20
			$ 0.40

Share Repurchases

On May 9, 2023, the Company announced that its board of directors had amended its share repurchase program to authorize the repurchase of an additional 5,000,000 shares of the Company's common stock, for a total share repurchase authorization of 9,000,000 shares of common stock, inclusive of amounts previously authorized. The Company's share repurchase program has no expiration date. The shares are expected to be repurchased from time to time through privately negotiated transactions or open market transactions, including pursuant to a trading plan in accordance with Rules 10b5-1 and 10b-18 under the Exchange Act, or by any combination of such methods. The manner, price, number and timing of share repurchases will be subject to a variety of factors, including market conditions and applicable SEC rules. During the three and six months ended June 30, 2023, the Company repurchased 1,001,338 shares of its common stock under its share repurchase program for an aggregate cost, inclusive of commissions paid, of $5.1 million. During the three and six months ended June 30, 2024, the Company repurchased 510,244 shares of its common stock for an aggregate cost, inclusive of commissions paid, of $1.6 million. As of June 30, 2024, there remained 3,647,672 shares authorized for repurchase under the Company's share repurchase program.

The Company's board of directors has also authorized the repurchase of shares of restricted stock granted to employees for tax withholding purposes. During the six months ended June 30, 2023, the Company repurchased from employees 36,916 shares of its restricted stock for an aggregate cost of $0.2 million. No shares of restricted stock were repurchased from employees during the six months ended June 30, 2024, or during the three months ended June 30, 2024, and 2023.

At-the-Market Offering

The Company is party to an equity distribution agreement under which the Company may sell up to an aggregate of 8,000,000 shares of its common stock from time to time in any method permitted by law deemed to be an "at-the-market" offering as defined in Rule 415 under the Securities Act. As of June 30, 2024, 3,242,364 shares of common stock had been sold under the equity distribution agreement for total accumulated net proceeds of approximately $61.2 million. No shares were sold during the three and six months ended June 30, 2024, and 2023.

Preferred Stock

Distributions to Stockholders

The following table presents cash dividends declared by the Company's board of directors on its Series A Preferred Stock during the three and six months ended June 30, 2024, and 2023:

Declaration Date	Record Date	Payment Date	Cash Dividend Per Share
2024			
June 18, 2024	July 1, 2024	July 15, 2024	$ 0.4375
March 14, 2024	April 1, 2024	April 15, 2024	$ 0.4375
			$ 0.8750
2023			
June 22, 2023	July 3, 2023	July 17, 2023	$ 0.4375
March 16, 2023	April 3, 2023	April 17, 2023	$ 0.4375
			$ 0.8750

Note 13. Equity Incentive Plans

On June 2, 2022, the Company's stockholders approved the adoption of the Granite Point Mortgage Trust Inc. 2022 Omnibus Incentive Plan, or the 2022 Plan. With the adoption of the 2022 Plan, no new equity awards may be granted under the Granite Point Mortgage Trust Inc. 2017 Equity Incentive Plan, or the 2017 Plan, but previously granted restricted stock units, or RSUs, and performance share units, or PSUs, remain outstanding under the 2017 Plan. The 2022 Plan permits the granting of stock options, stock appreciation rights, restricted stock, RSUs, PSUs, dividend equivalent rights, other stock-based awards and other cash-based awards to employees, certain consultants of the Company and members of the board of directors. As of June 30, 2024, the Company had 6,660,615 shares of common stock available for future issuance under the 2022 Plan.

The following table summarizes the grants, vesting and forfeitures of RSUs and PSUs for the three and six months ended June 30, 2024:

	RSUs	PSUs	Weighted Average Grant Date Fair Market Value
Outstanding at December 31, 2023	2,098,875	1,394,657	$ 7.90
Granted	1,180,010	742,152	4.78
Vested	(456,959)	—	7.70
Forfeited or Expired/Cancelled[1]	(233,454)	(347,896)	11.61
Outstanding at March 31, 2024	2,588,472	1,788,913	$ 6.06
Granted	1,571,310	—	$ 3.06
Vested	(159,561)	—	$ 4.81
Outstanding at June 30, 2024	4,000,221	1,788,913	$ 5.28

(1) The Company deemed that the threshold levels of the performance criteria for the 347,896 PSUs granted in 2021 were not met, which resulted in no issuance of shares of common stock related to these PSUs.

Below is a summary of RSU and PSU vesting dates as of June 30, 2024:

Vesting Year	RSUs	PSUs	Total Awards
2024	—	312,538	312,538
2025	1,525,419	734,223	2,259,642
2026	756,135	742,152	1,498,287
2027	1,718,667	—	1,718,667
Total	4,000,221	1,788,913	5,789,134

For the six months ended June 30, 2023, the Company recognized the remaining $47.5 thousand of compensation expense associated with awards of restricted stock within compensation and benefits expense on the condensed consolidated statements of income. As of June 30, 2024, all awards of restricted stock had vested.

The Company's RSUs are subject to time-based vesting schedules. For the three and six months ended June 30, 2024, the Company recognized $1.8 million and $3.4 million of compensation expense associated with these awards, respectively, compared to $1.7 million and $3.2 million for the three and six months ended June 30, 2023, within compensation and benefits expense on the condensed consolidated statements of income. As of June 30, 2024, $12.3 million of total unrecognized compensation cost for awards of RSUs will be recognized over the grants' remaining weighted average vesting period of 1.0 year.

The number of PSUs that vest depends on the Company's performance over a three-year period with respect to metrics set in the applicable award agreements. Between 0% and 200% of the target number of units granted in 2022 may vest at the end of the performance period based (i) 50% against the predetermined internal Company performance goal for "core" return on average equity, or "core" ROAE and (ii) 50% against the Company's performance ranking for "core" ROAE among a peer group of commercial mortgage REIT companies. Between 0% and 200% of the target number of units granted in early 2023 and 2024 may vest at the end of their respective performance periods based (i) 25% against the predetermined internal Company performance goal "run-rate" ROAE, (ii) 25% against the Company's performance ranking for "run-rate" ROAE among a peer group of commercial mortgage REIT companies, (iii) 25% against the predetermined internal Company performance goal for change in book value per share, and (iv) 25% against the Company's performance ranking for change in book value per share among a peer group of commercial mortgage REIT companies. The commercial mortgage REIT peer group used to measure relative "core" ROAE, "run-rate" ROAE and change in book value per share includes publicly traded commercial mortgage REITs, which the Company believes derive the majority of their revenues from commercial real estate balance sheet lending activities and meet certain market capitalization criteria.

For the three and six months ended June 30, 2024, the Company recognized $(0.3) million and $0.2 million of compensation expense associated with these awards, respectively, compared to $0.7 million and $1.1 million for the three and six months ended June 30, 2023, within compensation and benefits expenses on the condensed consolidated statements of income. As of June 30, 2024, $4.4 million of total unrecognized compensation cost for awards of PSUs will be recognized over the grants' remaining weighted average vesting period of 1.1 years.

Note 14. Income Taxes

The Company has elected to be taxed as a REIT under the Code for U.S. federal income tax purposes. As long as the Company qualifies as a REIT, the Company generally will not be subject to U.S. federal income taxes on that portion of its income that it distributes to its stockholders if it annually distributes at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and does not engage in prohibited transactions. The Company intends to distribute 100% of its REIT taxable income and to continue to comply with all requirements to qualify as a REIT. The majority of states also recognize the Company's REIT status. The Company's TRS files a separate federal tax return and is fully taxed as a standalone U.S. C-corporation. It is assumed that the Company will retain its REIT status and will incur no REIT-level taxation as it intends to comply with the REIT regulations and annual distribution requirements.

Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's condensed consolidated financial statements of a contingent tax liability for uncertain tax positions. Additionally, there were no amounts accrued for penalties or interest as of, or during, the periods presented in these condensed consolidated financial statements.

Note 15. Earnings (Loss) Per Share

The following table presents a reconciliation of the earnings and shares used in calculating basic and diluted earnings per share for the three and six months ended June 30, 2024, and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except share data)	**2024**	**2023**	**2024**	**2023**
Numerator:				
Net (loss) income attributable to common stockholders	$ (66,668)	$ 1,416	$ (144,391)	$ (36,038)
Dividends allocated to participating restricted stock units	$ (200)	$ (420)	(588)	(821)
Net (loss) income attributable to common stockholders - basic	$ (66,868)	$ 996	$ (144,979)	$ (36,859)
Net (loss) income attributable to common stockholders - diluted	$ (66,868)	$ 996	$ (144,979)	$ (36,859)
Denominator:				
Weighted average common shares outstanding	50,939,476	51,538,309	50,842,004	51,905,872
Weighted average restricted stock shares	—	—	—	15,345
Basic weighted average shares outstanding	50,939,476	51,538,309	50,842,004	51,921,217
Effect of dilutive shares issued in an assumed conversion of RSUs as additional shares	—	80,763	—	—
Diluted weighted average shares outstanding	50,939,476	51,619,072	50,842,004	51,921,217
(Loss) earnings per share				
Basic	$ (1.31)	$ 0.03	$ (2.84)	$ (0.69)
Diluted	$ (1.31)	$ 0.03	$ (2.84)	$ (0.69)

For the three and six months ended June 30, 2023, excluded from the calculation of diluted earnings per share is the effect of adding back $2.3 million and $4.6 million, respectively, of interest expense related to the Company’s convertible senior notes. For the three and six months ended June 30, 2023, 6,591,765 of weighted average common share equivalents related to the assumed conversion of the Company’s convertible senior notes were also excluded from the calculation of diluted earnings per share, as their inclusion would be antidilutive. As of June 30, 2024, the convertible notes have been redeemed and no notes remain outstanding.

The computation of diluted earnings per share is also based on the incremental shares that would be outstanding assuming the settlement of RSUs. The number of incremental shares is calculated by applying the treasury stock method. For the three months ended June 30, 2023, 80,763 of weighted-average unvested RSUs were included in the dilutive earnings per share denominator. No shares were included in the dilutive earnings per share denominator for the six months ended June 30, 2023, as their inclusion would be antidilutive. For the three and six months ended June 30, 2024, 104,501 and 649,314 of weighted-average unvested RSUs were excluded from the dilutive earnings per share denominator, as their inclusion would be antidilutive.

The computation of diluted earnings per share is also based on the incremental shares that would be outstanding assuming the settlement of PSUs. The number of incremental shares is calculated by applying the treasury stock method. For the three and six months ended June 30, 2024, no additional weighted-average unvested PSUs were included in the dilutive earnings per share denominator, as their inclusion would be antidilutive. As of June 30, 2024, there were no incremental shares of unvested PSUs.

Note 16. Subsequent Events

Events subsequent to June 30, 2024, were evaluated through the date these condensed consolidated financial statements were issued and no other additional events were identified requiring further disclosure in these condensed consolidated financial statements other than the events described below.

Subsequent to June 30, 2024, the Company completed a modification of a first mortgage loan collateralized by a mixed-use multifamily, event space and office property located in Pittsburgh, PA, with an outstanding principal balance of $51.0 million as of June 30, 2024. The terms of the modification included, among others, (i) a new $2 million capital infusion from the sponsor to further support the collateral property, (ii) a restructuring of the $51.0 million whole loan into a $32.0 million senior loan, with a $7.0 million unfunded commitment, and a $19.3 million mezzanine note. The restructured senior loan earns a fixed rate coupon rate of 5.75%, adjusted from a floating rate coupon of S+3.40%; has an increase in the exit fee from 1.25% to 5.75% of the loan amount; and was extended to July 9, 2027. The mezzanine note is non-interest bearing, is subject to a future resolution cash flow waterfall and subordinate to certain amounts of sponsor's equity, as defined in the loan agreement. As of June 30, 2024, the $51.0 million whole loan carried a risk rating of "5" and was on nonaccrual status.

Subsequent to June 30, 2024, the Company resolved a senior loan with an outstanding principal balance of $37.1 million that had been on nonaccrual status and carried a risk rating of "5" as of June 30, 2024. The resolution involved a coordinated sale of the collateral property, a mixed-use office and retail asset located in Los Angeles, CA. As a result of this transaction, the Company expects to realize a write-off of approximately $(22.2) million, which had been reserved for through a previously recorded allowance for credit losses.

Subsequent to June 30, 2024, the Company terminated its repurchase facility with Goldman Sachs Bank USA, which had no outstanding borrowings at the time of termination.

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 interim unaudited condensed consolidated financial statements and accompanying notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the year ended December 31, 2023.

Our Company

Granite Point Mortgage Trust Inc. is an internally-managed real estate finance company that focuses primarily on directly originating, investing in and managing senior floating-rate commercial mortgage loans and other debt and debt-like commercial real estate investments. Our investment objective is to preserve our stockholders' capital while generating attractive risk-adjusted returns over the long term, primarily through dividends derived from current income produced by our investment portfolio. We operate as a REIT, as defined under the Code. We also operate our business in a manner intended to maintain our exclusion from registration under the Investment Company Act. We operate our business as one segment.

Recent Developments

Macroeconomic Environment

The period over the last several quarters has been characterized by continued volatility in the global securities markets, driven by investor concerns over inflation, high interest rates, escalating trade tensions, slowing economic growth, political and regulatory uncertainty and geopolitical conditions. Events affecting financial institutions during the first half of 2024 have also contributed to volatility in global markets and diminished liquidity and credit availability.

Interest rates remain at an elevated level and the timing, direction and extent of any future interest rate changes remain uncertain. Although our business model is such that higher interest rates should, all else being equal, generally correlate to higher net income, interest rates having remained elevated for an extended period of time have adversely affected, and may continue to adversely affect, our existing borrowers and the cost of financing their properties and lead to nonperformance. Additionally, higher interest rates and increasing costs may dampen consumer spending and slow corporate profit growth, which may negatively impact the collateral underlying certain of our loans. Higher interest rates have adversely impacted, and may continue to adversely impact, commercial real estate property values. It remains difficult to predict the full impact on macroeconomic conditions and our business of recent events and any future changes in interest rates or inflation.

Office Property Market

The office property market has been experiencing higher vacancies, slower leasing activity and various tenants re-evaluating their need for space due in large part to the continued trend towards remote work. These factors coupled with inflation, high interest rates and limited market liquidity have created a high level of uncertainty with respect to property values. These dynamics have stressed certain borrowers' ability and willingness to support their properties and perform in accordance with the terms of their loans. Given this uncertainty, it remains difficult to predict the effect these challenging conditions may have on the office property market, our borrowers, their performance under the terms of our loans secured by office properties and our financial results.

Second Quarter 2024 Activity

Operating Results:

- Recognized GAAP net (loss) attributable to common stockholders of $(66.7) million, or $(1.31) per basic share.
- Generated Distributable (Loss) to common stockholders of $(9.1) million, or $(0.18) per basic share, which includes $(6.6) million in write-offs and excludes the $(60.8) million in non-cash provision for credit losses, $(1.5) million of non-cash equity compensation expense, $(1.2) million of non-cash depreciation and amortization on REO and $(0.8) million loss on the extinguishment of debt.
- Generated Distributable (Loss), excluding realized losses, to common stockholders of $(2.5) million, or $(0.05) per basic share.
- Recorded an increase to the allowance for credit losses of $54.2 million, for a total allowance of credit losses of $266.9 million, or approximately 9.7% of total loan commitments of $2.7 billion at June 30, 2024.
- Book value per share of common stock at June 30, 2024, was $9.84, inclusive of $(5.27) per share of total CECL reserve.
- Declared common stock dividends of $2.7 million, or $0.05 per share of common stock, and preferred dividends of $3.6 million, or $0.43750 per share of Series A Preferred Stock.

Investment Portfolio Activity:

- Funded $17.5 million of prior loan commitments and loan upsizings.
- Realized $68.0 million of total unpaid principal balance in loan repayments, principal paydowns, principal amortization and write-offs.
- Acquired through a negotiated deed-in-lieu of foreclosure the title to an office property with a carrying value at closing of $35.7 million.
- Maintained a portfolio of 68 loan investments with an aggregate unpaid principal balance of $2.6 billion and total commitments of $2.7 billion, a weighted average stabilized LTV at origination of 63.7%, and a weighted average all-in yield at origination of Standard Overnight Financing Rate, or SOFR, of S+4.04%.

Portfolio Financing Activity:

- Extended the Morgan Stanley financing facility to June 28, 2025, and adjusted the facility’s maximum borrowing capacity to $250 million.

Corporate Financing Activity:

- Repurchased 510,244 shares of common stock at a weighted average purchase price of $3.10 for an aggregate purchase amount of $1.6 million.

Available Liquidity:

- At June 30, 2024, carried unrestricted cash of $85.9 million, a portion of which is subject to certain liquidity covenants.

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 presented on a GAAP basis, dividends declared on common stock, Distributable Earnings and book value per share of common stock. For the three months ended June 30, 2024, we recorded a GAAP net (loss) per basic share of $(1.31), declared a cash dividend of $0.05 per share of common stock and reported Distributable (Loss) of $(0.18) per basic share. Our book value as of June 30, 2024 was $9.84 per share of common stock, inclusive of $(5.27) per share of total CECL reserves.

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 portfolio and operations. In addition, Distributable Earnings is a performance metric we consider, along with other measures, when declaring our common stock dividends.

(Loss) Earnings Per Share and Dividends Declared Per Common Share

The following table sets forth the calculation of basic and diluted earnings (loss) per share and dividends declared per share for the three and six months ended June 30, 2024, and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except share data)	**2024**	**2023**	**2024**	**2023**
Net (loss) attributable to common stockholders	$ (66,668)	$ 1,416	$ (144,391)	$ (36,038)
Weighted average number of common shares outstanding	50,939,476	51,538,309	50,842,004	51,921,217
Weighted average number of diluted shares outstanding	50,939,476	51,619,072	50,842,004	51,921,217
Basic (loss) per basic common share	$ (1.31)	$ 0.03	$ (2.84)	$ (0.69)
Diluted (loss) per basic common share	$ (1.31)	$ 0.03	$ (2.84)	$ (0.69)
Dividend declared per common share	$ 0.05	$ 0.20	$ 0.20	$ 0.40

Distributable Earnings

In order to maintain our status as a REIT, we are required to distribute at least 90% of our taxable income as dividends. Distributable Earnings is intended to over time serve as a general, though imperfect, proxy for our taxable income. As such, Distributable Earnings is considered a key indicator of our ability to generate sufficient income to pay dividends on our common stock, which is the primary focus of income-oriented investors who comprise a meaningful segment of our stockholder base. We believe providing Distributable Earnings on a supplemental basis to our net income (loss) and cash flow from operating activities, as determined in accordance with GAAP, is helpful to stockholders in assessing the overall operating performance of our business.

For reporting purposes, we define Distributable Earnings as net income (loss) attributable to our stockholders, computed in accordance with GAAP, excluding: (i) non-cash equity compensation expenses; (ii) depreciation and amortization; (iii) any unrealized gains (losses) or other similar non-cash items that are included in net income (loss) for the applicable reporting period (regardless of whether such items are included in other comprehensive income or in net income (loss) for such period); and (iv) certain non-cash items and one-time expenses. Distributable Earnings may also be adjusted from time to time for reporting purposes to exclude one-time events pursuant to changes in GAAP and certain other material non-cash income or expense items approved by a majority of our independent directors. The exclusion of depreciation and amortization 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.

While Distributable Earnings excludes the impact of the unrealized non-cash current provision for credit losses, we expect to only recognize such potential credit losses in Distributable Earnings if and when such amounts are deemed non-recoverable. This is generally at the time a loan is repaid, or in the case of foreclosure, when the underlying asset is sold, but non-recoverability may also be concluded if, in our determination, it is nearly certain that all amounts due will not be collected. The realized loss amount reflected in Distributable Earnings will equal the difference between the cash received, or expected to be received, and the carrying value of the asset, and is reflective of our economic experience as it relates to the ultimate realization of the loan. During the three and six months ended June 30, 2024, we recorded provision for credit losses of $(60.8) million and $(136.3) million, respectively, which has been excluded from Distributable Earnings, consistent with other unrealized gains (losses) and other non-cash items pursuant to our existing policy for reporting Distributable Earnings referenced above. During the three and six months ended June 30, 2024, we recorded $(1.2) million and $(2.5) million, respectively, in depreciation and amortization on REO and related intangibles, which has been excluded from Distributable Earnings consistent with other unrealized gains (losses) and other non-cash items pursuant to our existing policy for reporting Distributable Earnings referenced above.

Distributable Earnings does not represent net income (loss) or cash flow from operating activities and should not be considered as an alternative to GAAP net income (loss), or an indication of our GAAP cash flows from operations, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating 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.

We believe it is useful to our stockholders to present Distributable Earnings before realized losses to reflect our run-rate operating results as (i) our operating results are mainly comprised of net interest income earned on our loan investments net of our operating expenses, which comprise our ongoing operations, (ii) it helps our stockholders in assessing the overall run-rate operating performance of our business, and (iii) it has been a useful reference related to our common dividend as it is one of the factors we and our Board of Directors consider when declaring the dividend. We believe that our stockholders use Distributable Earnings and Distributable Earnings before realized losses, or a comparable supplemental performance measure, to evaluate and compare the performance of our company and our peers.

The following table provides a reconciliation of GAAP net (loss) attributable to common stockholders to Distributable Earnings for the three and six months ended June 30, 2024, and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except share data)	**2024**	**2023**	**2024**	**2023**
Reconciliation of GAAP net (loss) income to Distributable (Loss) Earnings:				
GAAP net (loss) income attributable to common stockholders	$ (66,668)	$ 1,416	$ (144,391)	$ (36,038)
Adjustments:				
Provision for credit losses	60,756	5,818	136,308	52,228
Depreciation and amortization on real estate owned	1,174	562	2,476	562
Loss (gain) on extinguishment of debt	786	—	786	(238)
Non-cash equity compensation	1,459	2,386	3,630	4,341
Distributable (Loss) Earnings before realized losses	$ (2,493)	$ 10,182	$ (1,191)	$ 20,855
Realized losses on write-offs, loan sales and REO conversions	(6,566)	(4,200)	(6,566)	(4,200)
Distributable (Loss) Earnings	$ (9,059)	$ 5,982	$ (7,757)	$ 16,655
Distributable (Loss) Earnings per basic share of common stock	$ (0.18)	$ 0.12	$ (0.15)	$ 0.32
Distributable (Loss) Earnings per diluted share of common stock	$ (0.18)	$ 0.12	$ (0.15)	$ 0.32
Distributable (Loss) Earnings before realized losses per basic share of common stock	$ (0.05)	$ 0.20	$ (0.02)	$ 0.40
Distributable (Loss) Earnings before realized losses per diluted share of common stock	$ (0.05)	$ 0.20	$ (0.02)	$ 0.40
Basic weighted average common shares	50,939,476	51,538,309	50,842,004	51,921,217
Diluted weighted average common shares	50,939,476	51,619,072	50,842,004	51,921,217

Book Value Per Common Share

The following table provides the calculation of our book value per share of common stock as of June 30, 2024, and December 31, 2023:

(in thousands, except share data)	**June 30, 2024**	**December 31, 2023**
Stockholders' equity	$ 704,576	$ 858,898
7.00% Series A cumulative redeemable preferred stock liquidation preference	(205,738)	(205,738)
Common stockholders' equity	$ 498,838	$ 653,160
Shares:		
Common stock	50,684,117	50,577,841
Book value per share of common stock	$ 9.84	$ 12.91

Book value per share as of June 30, 2024, includes the impact of an estimated allowance for credit losses of $266.9 million, or $(5.27) per common share. See Note 3 – *Loans Held-for-Investment, Net of Allowance for Credit Losses* to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a detailed discussion of allowance for credit losses.

Loan Portfolio Overview

Our business model is mainly focused on directly originating, investing in and managing senior floating-rate commercial mortgage loans and other debt and debt-like commercial real estate investments. As a result of this strategy, our operating performance is subject to overall market demand for commercial real estate loan products and other debt and debt-like commercial real estate investments. We place emphasis on diversifying our investment portfolio across geographical regions and local markets, property types, borrowers and loan structures. We do not limit our loan originations by geographical area or property type so that we may develop a well-diversified investment portfolio.

Interest-earning assets include our 100% loan investment portfolio. At June 30, 2024, our loan portfolio was comprised of 68 investments, of which 67 were senior first mortgage loans totaling $2.7 billion of commitments with an unpaid principal balance of $2.6 billion, and one subordinated loan totaling $13.4 million in commitments and unpaid principal balance. At

June 30, 2024, and March 31, 2024, the weighted average risk rating of our loan portfolio was 3.0 as compared to 2.8 at December 31, 2023, weighted by total unpaid principal balance.

We may hold REO as a result of taking title to a loan's collateral. As of June 30, 2024, we owned two office properties with an aggregate carrying value of $53.6 million, inclusive of $10.8 million of intangible assets included in other assets and other liabilities in our Condensed Consolidated Balance Sheets.

During the three months ended June 30, 2024, we funded $17.5 million under existing loan commitments and loan upsizings. We realized $68.0 million in aggregate reductions in portfolio unpaid principal balance from loan repayments, principal paydowns, principal amortization and loan write-offs. We acquired through a negotiated deed-in-lieu of foreclosure the title to an office property previously held as a loan held-for-investment with a carrying value at closing of $35.7 million. See Note 3 - *Loans Held-for-Investment, Net of Allowance for Credit Losses* to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further detail.

The following table details our loan activity by unpaid principal balance for the three and six months ended June 30, 2024, and 2023:

	Three Months Ended June 30, 2024	
(in thousands)	**2024**	**2023**
Other loan fundings[1]	$ 17,454	$ 18,025
Deferred interest capitalized	413	949
Transfers to real estate owned	(35,714)	(24,000)
Loan repayments	(61,405)	(206,173)
Loan write-offs and realized loan losses	(6,566)	(4,200)
Total loan activity, net	$ (85,818)	$ (215,399)

(1) Additional fundings made under existing loan commitments and upsizing of loans.

The following table details overall statistics for our loan portfolio as of June 30, 2024:

(dollars in thousands)

Loan Portfolio Summary	
Number of loans	68
Total loan commitments	$ 2,741,894
Unpaid principal balance	$ 2,623,884
Unfunded loan commitments	$ 118,010
Carrying value	$ 2,352,744
Weighted-average cash coupon[1]	S+3.75%
Weighted-average all-in yield[2]	S+4.04%
Stabilized LTV at origination[3]	63.7 %

(1) Cash coupon does not include origination or exit fees. Weighted average cash coupon excludes fixed rate loans and impact of loans placed on nonaccrual status.
(2) Yield includes net origination fees and exit fees, but does not include future fundings, and is expressed as a monthly equivalent. Weighted average yield excludes fixed rate loans and impact of loans on nonaccrual status.
(3) Stabilized loan-to-value ratio, or stabilized LTV, is calculated as the fully funded loan amount (plus any financing that is *pari passu* with or senior to such loan), including all contractually provided for future fundings, divided by the as stabilized value (as determined in conformance with USPAP) set forth in the original appraisal. As stabilized value may be based on certain assumptions, such as future construction completion, projected re-tenanting, payment of tenant improvement or leasing commissions allowances or free or abated rent periods, or increased tenant occupancies.

The following table provides detail of our loan portfolio as of June 30, 2024:

(dollars in millions)

Type[1]	Origination/ Acquisition Date	Maximum Loan Commitment	Principal Balance	Carrying Value	Cash Coupon[2]	All-in Yield at Origination[3]	Original Term (Years)[4]	State	Property Type	Initial LTV[5]	Stabilized LTV[6]
Loans Held-For-Investment											
Senior	12/19	$111.1	$109.2	$109.0	S+2.80%	S+3.23%	3.0	IL	Multifamily	76.5%	73.0%
Senior[7]	12/18	93.7	93.7	93.4	S+3.75%	S+5.21%	3.0	NY	Mixed-Use	26.2%	47.6%
Senior[7]	08/19	93.1	93.1	93.2	S+2.80%	S+3.26%	3.0	MN	Office	73.1%	71.2%
Senior	10/19	87.4	87.4	87.0	S+2.60%	S+3.05%	3.0	TN	Office	70.2%	74.2%
Senior[7]	07/19	86.1	80.0	79.8	S+3.74%	S+4.32%	3.0	IL	Office	70.0%	64.4%
Senior[7]	12/15	83.9	81.7	81.6	S+4.15%	S+4.43%	4.0	LA	Mixed-Use	65.5%	60.0%
Senior	06/19	80.7	80.4	80.1	S+3.29%	S+3.05%	3.0	TX	Mixed-Use	71.7%	72.2%
Senior	12/18	78.1	61.9	62.0	S+3.40%	S+3.44%	3.0	TX	Office	68.5%	66.7%
Senior	10/19	77.3	77.3	77.2	S+3.41%	S+3.73%	3.0	FL	Mixed-Use	67.7%	62.9%

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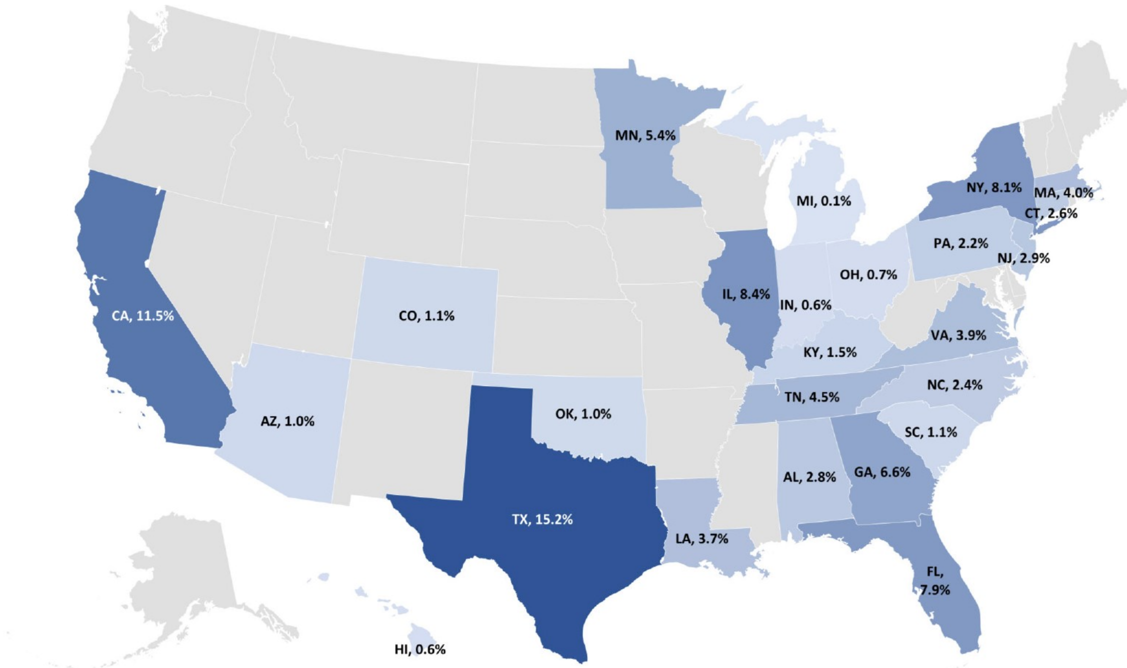
Senior	10/22	77.3	77.3	77.3	S+4.50%	S+4.61%	2.0	CA	Retail	47.7%	36.6%
Senior[7]	12/16	70.5	70.5	70.5	S+5.15%	S+4.87%	4.0	FL	Office	73.3%	63.2%
Senior	12/19	69.2	63.9	63.9	S+3.50%	S+3.28%	3.0	NY	Office	68.8%	59.3%
Senior	12/23	61.8	51.7	51.7	S+5.50%	S+5.65%	2.0	CA	Office	80.0%	79.2%
Senior	05/22	55.4	48.5	48.4	S+3.29%	S+3.70%	3.0	TX	Multifamily	59.3%	62.9%
Senior	06/19	54.1	54.1	54.1	S+3.35%	S+3.70%	3.0	VA	Office	49.3%	49.9%
Senior	09/21	53.6	53.2	53.2	S+5.00%	S+5.12%	3.0	MN	Hotel	68.4%	57.8%
Senior	06/21	52.7	47.5	47.5	S+4.38%	S+4.75%	3.0	GA	Office	68.0%	69.4%
Senior[7]	11/21	51.6	51.0	50.9	S+3.40%	S+3.82%	3.0	PA	Mixed-Use	62.0%	63.5%
Senior[7]	08/17	49.6	49.6	49.4	S+4.35%	S+4.40%	3.0	KY	Multifamily	79.8%	73.1%
Senior	07/22	47.7	47.3	46.9	S+3.89%	S+4.25%	3.0	GA	Multifamily	74.5%	68.2%
Senior	03/22	46.9	46.9	46.7	S+3.25%	S+3.64%	3.0	MA	Industrial	67.3%	60.8%
Senior	07/21	46.4	45.4	45.3	S+3.72%	S+4.19%	3.0	CT	Office	68.3%	63.5%
Senior	04/22	46.2	44.4	44.2	S+3.41%	S+3.78%	3.0	TX	Multifamily	74.4%	64.0%
Senior	08/21	45.8	45.4	45.4	S+3.21%	S+3.53%	3.0	TX	Multifamily	77.8%	75.2%
Senior	09/21	44.3	41.3	41.0	S+3.36%	S+3.72%	3.0	CA	Office	62.4%	66.1%
Senior	02/22	42.4	42.4	42.2	S+3.05%	S+3.40%	3.0	NJ	Industrial	75.0%	59.5%
Senior	12/17	39.2	38.9	38.7	S+5.25%	S+5.26%	3.0	MA	Mixed-Use	72.9%	62.0%
Senior	05/21	38.9	38.2	38.1	S+3.33%	S+3.83%	3.0	AL	Multifamily	72.2%	64.8%
Senior	07/16	38.5	38.5	38.4	S+5.55%	S+4.99%	4.0	VA	Office	62.8%	61.5%
Senior[7]	11/18	37.1	37.1	37.1	S+3.60%	S+5.50%	3.0	CA	Mixed-Use	69.9%	67.9%
Senior	04/22	36.3	33.3	31.6	S+3.00%	S+4.87%	3.0	NY	Other	66.7%	61.8%
Senior	03/20	34.9	24.2	24.2	S+5.04%	S+4.66%	3.0	GA	Office	63.2%	64.6%
Senior[7]	12/18	33.7	33.5	33.5	S+4.11%	S+3.27%	4.0	IL	Multifamily	70.8%	62.1%
Senior	08/19	33.5	31.6	31.6	S+2.96%	S+3.38%	3.0	TX	Multifamily	79.3%	72.5%
Senior	11/21	33.4	32.7	32.6	S+3.13%	S+3.52%	3.0	AL	Multifamily	77.9%	68.1%
Senior	11/19	32.9	32.7	32.6	S+3.73%	S+3.14%	3.0	NC	Multifamily	80.0%	72.8%
Senior	03/16	32.2	32.2	32.2	5.11%	5.26%	10.0	NJ	Office	74.9%	74.9%
Senior	03/19	30.2	29.0	28.9	S+2.97%	S+3.42%	3.0	NY	Office	53.8%	48.5%
Senior[7]	12/18	28.8	28.8	28.9	S+3.90%	S+4.42%	3.0	MN	Hotel	64.7%	57.7%
Senior	04/22	28.6	26.8	26.7	S+3.22%	S+3.55%	3.0	TX	Multifamily	73.3%	63.9%
Senior	03/22	27.2	24.5	24.3	S+4.14%	S+4.89%	3.0	NC	Office	47.4%	53.5%
Senior	01/19	26.9	26.9	26.9	S+4.45%	S+3.38%	3.0	TX	Multifamily	64.9%	64.9%
Senior	08/19	26.8	26.6	26.5	S+3.20%	S+3.67%	3.0	SC	Multifamily	67.0%	58.7%
Senior[7]	01/19	26.1	26.1	26.1	S+3.40%	S+3.44%	3.0	MA	Office	71.2%	70.1%
Senior	10/21	25.7	25.7	25.5	S+3.20%	S+3.43%	4.0	GA	Industrial	67.5%	64.5%
Senior	01/18	25.2	25.2	25.1	S+5.18%	S+5.58%	3.0	AZ	Hotel	65.8%	61.3%
Senior	08/19	25.0	23.9	23.8	S+2.71%	S+3.07%	2.0	OK	Multifamily	79.9%	74.2%
Senior	12/21	24.7	16.7	16.6	S+3.36%	S+3.59%	3.0	CA	Office	72.9%	68.3%
Senior	03/20	24.7	22.4	22.3	S+4.25%	S+3.27%	3.0	CA	Office	63.6%	66.7%
Senior	09/21	24.4	23.6	23.5	S+3.23%	S+3.61%	3.0	CA	Multifamily	71.9%	57.8%
Senior	05/21	23.3	20.4	20.4	S+3.55%	S+4.09%	3.0	LA	Multifamily	68.0%	69.6%
Senior[7]	02/22	22.9	20.1	20.0	S+3.90%	S+4.29%	3.0	CO	Office	64.4%	60.2%
Senior	02/20	21.9	21.9	21.8	S+4.00%	S+3.75%	3.0	TN	Hotel	69.1%	54.2%
Senior	06/19	21.5	21.5	21.4	S+4.55%	S+5.05%	3.0	NY	Other	39.6%	39.6%
Senior	05/21	20.6	20.6	20.6	S+4.05%	S+4.41%	3.0	FL	Multifamily	69.8%	62.8%
Senior	06/18	20.5	19.5	19.4	S+5.31%	S+4.73%	3.0	FL	Retail	74.0%	69.4%
Senior	06/19	20.4	20.4	20.4	S+3.25%	S+4.24%	3.0	GA	Mixed-Use	60.6%	67.4%
Senior	11/18	18.0	16.5	16.4	S+5.00%	S+3.83%	3.0	CA	Office	73.1%	64.5%
Senior	06/21	16.7	14.2	14.1	S+3.41%	S+3.82%	4.0	IN	Multifamily	67.0%	66.4%
Senior	10/18	16.0	16.0	16.2	S+4.71%	S+5.16%	3.0	CT	Hotel	75.4%	66.9%
Senior	07/19	15.5	13.5	13.5	S+3.07%	S+3.60%	3.0	OH	Office	63.1%	66.1%
Senior	08/17	15.5	13.3	13.2	S+5.25%	S+5.49%	3.0	PA	Office	66.7%	67.3%
Senior	08/21	14.5	14.0	14.0	S+3.70%	S+3.88%	3.0	CO	Office	72.0%	63.7%
Mezzanine	01/17	13.4	13.4	13.4	8.00%	8.11%	10.0	HI	Hotel	41.4%	36.2%
Senior	07/18	12.4	10.0	10.0	S+4.86%	S+4.35%	3.0	CA	Office	77.1%	63.5%
Senior	06/19	11.4	10.5	10.5	S+4.01%	S+4.69%	3.0	NY	Office	40.7%	60.0%
Senior	01/18	8.3	6.6	6.6	S+5.25%	S+5.50%	3.0	PA	Office	66.8%	67.3%
Senior	12/21	7.3	7.3	7.3	S+3.91%	S+4.16%	3.0	Various	Other	55.1%	64.3%
Allowance for credit losses				(264.1)							

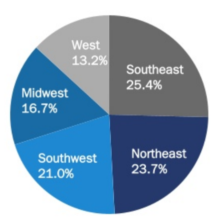
Total/Weighted Average Loans	**$2,741.9**	**$2,623.9**	**$2,352.7**	**S+3.75%**	**S+4.04 %**	**3.2**		**66.9%**	**63.7%**

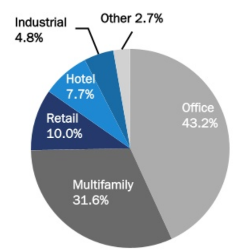
(1) "Senior" means a loan primarily secured by a first priority lien on commercial real property and related personal property and also includes, when applicable, any companion subordinate loans.
(2) Cash coupon does not include origination or exit fees. Weighted average cash coupon excludes fixed rate loans and impact of loans placed on nonaccrual status.
(3) Yield includes net origination fees and exit fees, but does not include future fundings, and is expressed as a monthly equivalent. Weighted average yield excludes fixed rate loans and impact of loans placed on nonaccrual status.
(4) Original term (years) is the initial maturity date at origination and does not include any extension options and has not been updated to reflect any subsequent extensions or modifications, if applicable.
(5) Initial loan-to-value ratio, or initial LTV, is calculated as the initial loan amount (plus any financing that is *pari passu* with or senior to such loan) divided by the as is appraised value (as determined in conformance with the Uniform Standards of Professional Appraisal Practice, or USPAP) as of the date of the loan was originated set forth in the original appraisal.
(6) Stabilized LTV is calculated as the fully funded loan amount (plus any financing that is *pari passu* with or senior to such loan), including all contractually provided for future fundings, divided by the as stabilized value (as determined in conformance with USPAP) set forth in the original appraisal. As stabilized value may be based on certain assumptions, such as future construction completion, projected re-tenanting, payment of tenant improvement or leasing commissions allowances or free or abated rent periods, or increased tenant occupancies.
(7) Loan was held on nonaccrual status as of June 30, 2024.

Most of our loans are structured with an initial maturity term, typically three years, and one or more (typically two) one-year extension options, which can be exercised by the borrower subject to meeting various extension conditions in accordance with the terms of the loan agreement. As part of our overall asset management strategy, we have in the past entered into, and may in the future enter into, loan modifications with some of our borrowers. These amendments may include, among other things, modifying or waiving certain performance or extension conditions as part of the overall agreement.

The map and charts below, weighted by carrying value, illustrate the geographic distribution and types of properties securing our loan portfolio as of June 30, 2024:







Portfolio Management and Credit Quality

We actively manage each loan investment from closing and initial funding through final repayment and assess the risk of credit deterioration by quarterly evaluating the performance of the underlying collateral properties. We also evaluate the macroeconomic environment, prevailing real estate fundamentals and local property market dynamics. Typically, our loan documents allow us, among other things, to receive regular property, borrower and guarantor financial statements; approve annual budgets and major tenant leases; and enforce loan covenants and remedies. In addition, we work with a leading commercial real estate loan servicer, which provides us with a fully-dedicated and experienced team to increase efficiency and leverage our internal resources in servicing and asset managing our loan investments. Our internal team retains authority on all asset management decisions.

We maintain strong relationships and an active asset management dialogue with our borrowers. We have leveraged those relationships along with our team's experience to maximize the performance of our portfolio, including during periods of real estate market and economic uncertainty and volatility. While we generally believe that the principal amount of our loans is sufficiently protected by the underlying collateral value, there is a risk that we will not realize the entire principal amount of certain of our loan investments.

In addition to ongoing asset management, we review our entire portfolio quarterly, assess the performance of each loan and assign it a risk rating on a scale between "1" and "5," from least risk to greatest risk, respectively. The risk ratings are based on many factors, which include, but are not limited to, property type, geographic and local market dynamics, physical condition, leasing and tenant profile, projected cash flow, collateral performance, loan structure and exit plan, origination LTV, project sponsorship and other factors deemed appropriate. We evaluate these factors with respect to each loan investment on a case-by-case basis taking into consideration such loan's facts and circumstances at the time. The risk factors may be given different weightings depending on the specifics of each loan. See Note 3 - *Loans Held-for-Investment, Net of Allowance for Credit Losses* to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a discussion regarding the risk rating methodology we use for our portfolio.

The following table allocates the unpaid principal balance and the carrying value balances based on our internal risk ratings as of June 30, 2024, and December 31, 2023:

(dollars in thousands)	**June 30, 2024**			**December 31, 2023**		
Risk Rating	**Number of Loans**	**Unpaid Principal Balance**	**Carrying Value**	**Number of Loans**	**Unpaid Principal Balance**	**Carrying Value**
1	6	$ 124,753	$ 123,839	4	$ 71,597	$ 71,211
2	27	1,002,379	986,494	36	1,277,491	1,262,126
3	20	762,447	735,194	24	862,102	842,175
4	5	189,130	157,621	4	192,104	174,313
5	10	545,175	349,596	5	323,885	234,000
Total	68	$ 2,623,884	$ 2,352,744	73	$ 2,727,179	$ 2,583,825

As of June 30, 2024, and March 31, 2024, the weighted average risk rating of our loan portfolio was 3.0, versus 2.8 as of December 31, 2023, weighted by unpaid principal balance. The change in the weighted average portfolio risk rating versus December, 31, 2023, is mainly a result of select loan risk rating downgrades, including six loans downgraded to a risk rating of "5" partially offset by certain loan risk rating upgrades and loan resolutions.

Risk-Rated "5" Loan Summaries

As of June 30, 2024, we had ten loans that had a risk rating of "5" with an aggregate principal balance of $545.2 million, for which we recorded an allowance for credit losses of $195.0 million. These ten loans were on nonaccrual status as of June 30, 2024. The performance of these assets, which include four office buildings, four mixed-use properties with an office component, one hotel and one multifamily asset, has been adversely affected to varying degrees by many different factors, such as slower leasing velocity, including leasing challenges of office properties in certain markets related to work from home trends and other submarket dynamics, combined with a significant rise in interest rates contributing to a meaningful reduction in real estate transaction activity, capital markets volatility and limited market liquidity affecting property values and these borrowers' ability to either sell or refinance their loans, and other property specific factors.

During the three months ended June 30, 2024, a first mortgage loan with a principal balance of $20.1 million collateralized by an office property located in Denver, CO was downgraded from a risk rating of "4" to a risk rating of "5" and placed on nonaccrual status with all past due interest written off, as the loan missed an interest payment and the collateral property's operating performance has been adversely affected by the ongoing softness in the local office leasing environment and other local submarket dynamics. The borrower has begun a process to sell the collateral property, which remains ongoing. However, given the volatile and uncertain market conditions, there may be no assurances that the borrower's process to sell the collateral property will be completed, and the timing and ultimate outcome remain uncertain.

During the three months ended June 30, 2024, a first mortgage loan with an outstanding principal balance of $11.6 million collateralized by a multifamily property located in Milwaukee, WI was resolved through a sale of the collateral property resulting in a discounted payoff of the loan. The loan had previously been placed on nonaccrual status and had a risk rating of "5". We recorded a write-off of $(2.4) million in the allowance for credit losses on loans held-for-investment related to the resolution.

Other Portfolio Developments

On June 27, 2024, we acquired the legal title to an office property located in Maynard, MA pursuant to a negotiated deed-in-lieu of foreclosure. The property previously served as collateral for a first mortgage loan held-for-investment, which had been originated in May 2018. As of March 31, 2024, prior to acquisition, the loan had a risk rating of "4", was on nonaccrual status, and was assessed individually as a collateral-dependent loan due to an anticipated foreclosure. At the time of acquisition, the loan had an amortized cost and carrying value of $35.7 million. We recognized the property as real estate owned with a carrying value of $35.7 million based on the estimated fair value of the property. This acquisition was accounted for as an asset acquisition under ASC 805.

Loan Modification Activity

Loan modifications and amendments are commonplace in the transitional lending business. We may amend or modify a loan depending on the loan's specific facts and circumstances. These loan modifications may include additional time for the borrower to refinance or sell the collateral property, adjustment or waiver of performance tests that are prerequisite to the extension of a loan maturity, and/or deferral of scheduled payments. In exchange for a modification, we often receive a partial repayment of principal, an accrual of deferral interest for a portion of interest due, a cash infusion to replenish interest or capital improvement reserves, termination of all or a portion of the remaining unfunded loan commitment, additional call protection, and/or an increase in the loan coupon or additional loan fees.

During the three months ended June 30, 2024, we completed the modification of a first mortgage loan secured by a design building property located in New York, NY, with an outstanding principal balance of $37.5 million as of March 31, 2024. The terms of the modification included, among others, a restructuring of the $37.5 million loan into (i) a $33.3 million senior loan, with $3.0 million in unfunded commitments, and (ii) a $4.2 million mezzanine note; a $2.6 million capital infusion from the sponsor to further support the collateral property; a change to the restructured senior loan's coupon to S+3.00%, which was reduced from S+4.65%; an increase in the exit fee from 0.25% to 5.70% of the loan amount, and an extension of term to a maturity date of June 9, 2027. The mezzanine note is non-interest bearing and is subject to a distribution waterfall and is subordinate to certain amounts of sponsor's equity, as defined in the loan agreement. As of June 30, 2024, the mezzanine note was deemed uncollectible, resulting in a write-off of $(4.2) million. The restructured senior loan with an outstanding principal balance of $33.3 million was risk-rated "3" as of June 30, 2024.

During the twelve months ended June 30, 2024, we completed the modification of a first mortgage loan secured by a multifamily student housing property in Louisville, KY. As of June 30, 2024, and December 31, 2023, the loan had a principal balance of $49.6 million and $48.5 million and an amortized cost of $49.4 million and $48.3 million, respectively. The terms of the modification included, among other things, a 12-month extension of the fully-extended maturity date to November 9, 2024, the full deferral of debt service payments with interest capitalized and compounding, the deferral of the extension fee and the our agreement to pay for approved expenses, in its sole discretion. Due to the uncertainty with respect to the collection of future interest accruals, the loan was placed on nonaccrual status as of November 9, 2023.

Portfolio Financing

As of June 30, 2024, our portfolio financing consisted of repurchase and secured credit facilities collateralized by loans held-for-investment and our one REO asset, and securitized debt obligations collateralized by pools of loans held-for-investment issued in CRE CLOs. Our non-mark-to-market financing sources accounted for approximately 56.4% of portfolio loan-level financing as of June 30, 2024.

The following table details our portfolio loan-level financing as of June 30, 2024, and December 31, 2023:

(in thousands)	June 30, 2024	December 31, 2023
CRE CLOs	$ 938,075	$ 991,698
Secured credit facility	85,192	84,000
Secured repurchase agreement (non-mark-to-market)[1]	—	6,213
Total non-mark-to-market financing	1,023,267	1,081,911
Secured repurchase agreements (mark-to-market)	791,556	869,229
Total portfolio financing	$ 1,814,823	$ 1,951,140

(1) During the three months ended June 30, 2024, we repaid all outstanding borrowings under the facility and terminated the facility.

The following table summarizes assets at carrying values that served as collateral for the future payment obligations of the repurchase facilities, the asset-specific financing facility, the term financing facility, the secured credit facility and the CRE CLOs as of June 30, 2024, and December 31, 2023:

(in thousands)	June 30, 2024	December 31, 2023
Loans held-for-investment	$ 2,297,782	$ 2,522,187
Real Estate Owned, net[1]	—	20,508
Restricted cash	—	—
Total	$ 2,297,782	$ 2,542,695

(1) As of December 31, 2023, real estate owned, net included $3.6 million in other assets and liabilities related to acquired leases.

Secured Repurchase Agreements

As of June 30, 2024, we had repurchase facilities in place with four counterparties with aggregate outstanding borrowings of $0.8 billion, which financed a portion of our loans held-for-investment and real estate owned. As of June 30, 2024, the weighted average borrowing rate on our repurchase facilities was 8.7%, the weighted average advance rate was 66.9%, and the term to maturity ranged from 13 days to approximately 1.1 years, with a weighted average remaining maturity of 1.0 year.

The table below details our secured repurchase facilities as of June 30, 2024:

	June 30, 2024				
(in thousands)	**Maturity Date[(1)]**	**Committed**	**Amount Outstanding**	**Unused Capacity[(2)]**	**Total Capacity**
Repurchase facilities:					
Morgan Stanley Bank	June 28, 2025	No	$ 145,267	$ 104,733	$ 250,000
Goldman Sachs Bank USA[(3)]	July 13, 2024	No	—	250,000	250,000
JPMorgan Chase Bank	July 28, 2025	No	484,654	30,318	514,972
Citibank	May 25, 2025	No	161,635	338,365	500,000
Total			$ 791,556	$ 723,416	$ 1,514,972

(1) The facilities are set to mature on the stated maturity date, unless extended pursuant to their terms.
(2) Unused capacity is not committed as of June 30, 2024.
(3) As of June 30, 2024, and December 31, 2023, we retained an option to increase the maximum facility capacity amount up to $350 million, subject to customary terms and conditions. Subsequent to June 30, 2024, we elected to not renew the facility on its scheduled maturity of July 13, 2024, as the facility had no outstanding borrowings.

Under our existing repurchase facilities, our counterparties may make margin calls as a result of a perceived decline in the value of our assets collateralizing the given secured financing arrangement due to a credit event or, under a limited number of our repurchase facilities, due to market events. To cover a margin call, we may transfer cash or other loan collateral to such a counterparty. Should the value of our assets suddenly decrease, significant margin calls on our mark-to-market repurchase facilities could result, causing an adverse change in our liquidity position.

Commercial Real Estate Collateralized Loan Obligations

We have financed certain pools of our loans through the issuance of CRE CLOs. At June 30, 2024, we had two CRE CLOs outstanding: GPMT 2021-FL4 and GPMT 2021-FL3, totaling $0.9 billion of outstanding borrowings, financing 37 of our existing first mortgage loan investments with an aggregate principal balance, inclusive of restricted cash, of $1.2 billion. As of June 30, 2024, our CRE CLOs financed 45.4% of our total loan portfolio principal balance on a term-matched, non-recourse and non-mark-to-market basis with attractive cost of funds.

The following table details our CRE CLO securitized debt obligations as of June 30, 2024:

(dollars in thousands)	June 30, 2024		
Securitized Debt Obligations	Principal Balance	Carrying Value	Wtd. Avg. Yield/Cost (1)
GPMT 2021-FL4 CRE CLO			
Collateral assets(2)	$ 577,205	$ 553,225	S+ 3.8%
Financing provided	459,389	457,815	S+ 1.8%
GPMT 2021-FL3 CRE CLO			
Collateral assets(3)	614,713	540,694	S+3.8%
Financing provided	480,260	480,260	S+1.9%
Total			
Collateral assets	$ 1,191,918	$ 1,093,919	S+3.8%
Financing provided	$ 939,649	$ 938,075	S+1.9%

(1) Calculations of all in yield on collateral assets at origination are based on a number of assumptions (some or all of which may not occur) and are expressed as monthly equivalent yields that include net origination fees and exit fees and exclude future fundings and any potential or completed loan amendments or modifications. Calculations of cost of funds is the weighted average coupon of the CRE CLO, exclusive of any CRE CLO issuance costs.
(2) No restricted cash is included as of June 30, 2024. Yield on collateral assets is exclusive of restricted cash.
(3) No restricted cash is included as of June 30, 2024. Yield on collateral assets is exclusive of restricted cash.

Secured Credit Facility

In December 2022, we entered into a secured credit facility with a maximum borrowing capacity of $100.0 million. The facility had aggregate outstanding borrowings of $85.2 million as of June 30, 2024, which financed a portion of our loans held for investment on a non-mark-to-market basis. The facility matures on December 21, 2025.

The following table details the outstanding borrowings under our secured credit facility as of June 30, 2024:

(dollars in thousands)	June 30, 2024		
Secured Credit Facility	Principal Balance	Carrying Value	Wtd. Avg. Yield/Cost (1)
Collateral assets	$ 144,760	$ 108,581	S+4.1%
Borrowings outstanding	85,192	85,192	S+6.5%

(1) Calculations of all in yield on collateral assets at origination are based on a number of assumptions (some or all of which may not occur) and are expressed as monthly equivalent yields that include net origination fees and exit fees and exclude future fundings and any potential or completed loan amendments or modifications. Calculations of all in weighted average yield at origination exclude fixed rate loans. Calculations of cost of funds is the initial weighted average coupon of the secured credit facility, exclusive of any secured credit facility issuance costs.

Financial Covenants

We are subject to a variety of financial covenants under our secured financing agreements. The following represent the most restrictive financial covenants to which we are subject across our secured finance agreements:

Financial Covenant	Description	Value as of June 30, 2024
Cash Liquidity	Unrestricted cash liquidity of no less than the greater of $30.0 million and 5.0% of recourse indebtedness, which was $13.9 million.	Unrestricted cash of $85.9 million
Tangible Net Worth	Tangible net worth greater than the sum of (i) $816.9 million and (ii) 75.0% of net cash proceeds of equity issuances after August 3, 2023. As the Company has not had any equity issuances after August 3, 2023, tangible net worth must be greater than $816.9 million.	Tangible net worth of $1.0 billion
Leverage Ratios	Target asset leverage ratio cannot exceed 77.5% and total leverage ratio cannot exceed 80.0%.	Target asset leverage ratio of 69.4%; Total leverage ratio of 65.4%
Interest Coverage	Interest coverage ratio of no less than 1.3:1.0 through June 30, 2024, thereafter no less than 1.4:1.0.	Interest coverage of 1.3:1.0

We were in compliance with these financial covenants as of June 30, 2024.

Leverage Ratios

As of June 30, 2024, the total debt-to-equity ratio with respect to our loans held-for-investment was 2.5:1.0, and our recourse leverage ratio was 1.1:1.0. The period-over-period increase in our leverage ratios was mainly related to a decrease in total equity balance due to higher CECL reserves recorded during the period.

The following table represents our recourse leverage ratio and total leverage ratio as of June 30, 2024, and December 31, 2023:

	June 30, 2024	December 31, 2023
Recourse leverage ratio[(1)]	1.1	0.9
Total leverage ratio[(2)]	2.5	2.1

(1) The debt-to-equity ratio with respect to our loans held-for-investment, defined as recourse debt, net of cash, divided by total equity.
(2) The total debt-to-equity ratio with respect to our loans held-for-investment, defined as total debt, net of cash, divided by total equity.

Floating Rate Portfolio

Our business strategy seeks to minimize our exposure to changes in interest rates by matching benchmark indices on our assets with those on our asset level borrowings. Accordingly, our business model is such that, in general, rising interest rates will increase our net interest income, while declining interest rates will decrease our net interest income, subject to the impact of interest rate floors on our floating rate assets and certain liabilities. As of June 30, 2024, 98.3% of our loan investments by principal balance earned a floating rate of interest and were financed with liabilities that pay interest on a floating rate basis, which resulted in an amount of net floating rate exposure, subject to the impact of interest rate floors on certain of our floating rate loan investments, of $0.8 billion. As of June 30, 2024, 1.7% of our loan investments by principal balance earned a fixed rate of interest and were financed with liabilities that pay interest on a floating rate basis, which resulted in a negative correlation to rising interest rates on that amount of our financing.

The following table details our loan portfolio's net floating rate exposure as of June 30, 2024:

(in thousands)	Net Exposure
Floating rate assets[(1)(2)]	$ 2,578,302
Floating rate liabilities[(1)(3)]	1,816,397
Net floating rate exposure	$ 761,905

(1) As of June 30, 2024, all of our floating rate assets and liabilities were indexed to SOFR.
(2) Includes loans on nonaccrual status as of June 30, 2024.
(3) Floating rate liabilities include our outstanding repurchase facilities, secured credit facility and CRE CLOs.

Interest-Earning Assets and Interest-Bearing Liabilities

The following tables present the components of interest income and average annualized net asset yield earned by asset type, the components of interest expense and average annualized cost of funds on borrowings incurred by collateral type and net interest income and average annualized net interest rate spread for the six months ended June 30, 2024, and 2023. The net asset yield reflects the impact of loans held on nonaccrual status.

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
(dollars in thousands)	**Average Balance**	**Interest Income/Expense[(1)]**	**Net Yield/Cost of Funds**	**Average Balance**	**Interest Income/Expense[(1)]**	**Net Yield/Cost of Funds**
Interest-earning assets[(2)]						
Loans held-for-investment						
Senior loans[(3)]	$ 2,670,067	$ 46,611	7.0 %	$ 2,685,714	$ 98,304	7.3 %
Subordinated loans	13,396	271	8.1 %	13,432	543	8.1 %
Total loan interest income/net asset yield	$ 2,683,463	$ 46,882	7.0 %	$ 2,699,146	$ 98,847	7.3 %
Other - Interest on cash and cash equivalents		1,597			3,687	
Total interest income		$ 48,479			$ 102,534	
Interest-bearing liabilities						
Borrowings collateralized by:						
Loans held-for-investment						
Senior loans[(3)(4)]	$ 1,868,405	$ 40,051	8.6 %	$ 1,898,107	$ 81,285	8.6 %
Subordinated loans	11,415	297	10.4 %	11,444	595	10.4 %
Total interest expense/cost of funds	$ 1,879,820	40,348	8.6 %	$ 1,909,551	$ 81,880	8.6 %
Net interest income/spread		$ 8,131	(1.60) %		$ 20,654	(1.3 %)

	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
(dollars in thousands)	**Average Balance**	**Interest Income/Expense[(1)]**	**Net Yield/Cost of Funds**	**Average Balance**	**Interest Income/Expense[(1)]**	**Net Yield/Cost of Funds**
Interest-earning assets[(2)]						
Loans held-for-investment						
Senior loans[(3)]	$ 3,209,141	$ 65,941	8.2 %	$ 3,274,094	$ 130,958	8.0 %
Subordinated loans	13,657	276	8.1 %	13,690	550	8.0 %
Total loan interest income/net asset yield	$ 3,222,798 3222798000	$ 66,217	8.2 %	$ 3,287,784	$ 131,508	8.0 %
Other - Interest on cash and cash equivalents		2,609			4,037	
Total interest income		$ 68,826			$ 135,545	
Interest-bearing liabilities						
Borrowings collateralized by:						
Loans held-for-investment						
Senior loans[(3)(4)]	$ 2,284,745	$ 44,487	7.8 %	$ 2,287,989	$ 85,824	7.5 %
Subordinated loans	8,202	167	8.1 %	8,222	325	7.9 %
Other:						
Convertible senior notes	131,288	2,332	7.1 %	131,174	4,643	7.1 %
Total interest expense/cost of funds	$ 2,424,235	46,986	7.8 %	$ 2,427,385	$ 90,792	7.5 %
Net interest income/spread		$ 21,840	0.4 %		$ 44,753	0.5 %

(1) Includes amortization of deferred debt issuance costs.
(2) Average balance represents average amortized cost on loans held-for-investment.
(3) Loans primarily secured by a first priority lien on commercial real property and related personal property and also includes, when applicable, any companion subordinate loans.
(4) Included in collateralized borrowings is the Centennial repurchase facility with an outstanding balance of $6.8 million as of June 30, 2023. The facility was terminated during the three months ended June 30, 2024 as shown in Note 5, *Secured Financing Agreements*, which became collateralized by real estate owned on May 16, 2023. During the three and six months ended June 30, 2024, the facility had an average balance collateralized by real estate owned of $1.2 million and $3.5 million, respectively. During the three and six months ended June 30, 2024, the facility accrued interest expense of $32.0 thousand and $187.0 thousand, respectively, related to the balance collateralized by real estate owned. During the three and six months ended June 30, 2023, the facility had an average balance collateralized by real estate owned of $3.4 million and $1.7 million, respectively. During the three and six months ended June 30, 2023, the facility accrued interest expense of $87.7 thousand while collateralized by real estate owned.

Factors Affecting Our Operating Results

The results of our operations are affected by a number of factors and primarily depend on, among other things, the level of our net interest income, the availability and cost of financing for us, the market value of our assets, the credit performance of our assets and the supply of, and demand for, commercial real estate loans, other commercial real estate debt instruments and other financial assets available for investment in the market and available as a source of refinancing of our assets. Our interest income, which reflects the amortization of origination fees and direct costs, is recognized based on the contractual rate and the outstanding principal balance of the loans we originate. The objective of the interest method is to arrive at a periodic interest income that yields a level rate of return over the loan term. Interest rates vary according to the type of loan or security, conditions in the financial markets, credit-worthiness of our borrowers, competition and other factors, none of which can be predicted with any certainty. Our operating results may also be impacted by credit losses in excess of initial anticipations or unanticipated credit events experienced by our borrowers. We continue to monitor the effects on each of these factors in light of the continued volatility in global markets, driven by investor concerns over inflation, rising interest rates, slowing economic growth and geopolitical uncertainty, and how they will affect our operating results.

Loan Originations

Our business model is mainly focused on directly originating, investing in and managing senior floating-rate commercial mortgage loans and other debt and debt-like commercial real estate investments. As a result of this strategy, our operating performance is subject to overall market demand for commercial real estate loan products and other debt and debt-like commercial real estate investments. We manage originations and acquisitions of our target investments by diversifying our investment portfolio across geographical regions, local markets, property types, borrower types and loan structures. We do not limit our investments to any number of geographical areas or property types for our originations so that we develop a well-diversified investment portfolio. Additionally, our team has extensive experience originating and acquiring commercial real estate loans and other debt and debt-like commercial real estate investments, through a network of long-standing relationships with borrowers, sponsors and industry brokers. Investor concerns over inflation, elevated interest rates, slowing economic growth, and geopolitical uncertainty have resulted in significant disruptions and volatility in financial markets, uncertainty about the overall macroeconomic outlook and a dislocation in the commercial real estate sector, including reduced borrower demand, wider credit spreads, higher lending rates, increased capitalization rates on properties and significantly lower transaction volume. This dislocation in capital markets and decline in real estate sale transaction and refinancing activities have negatively impacted, and will likely continue to negatively impact, the volume of loan repayments and prepayments on select property types (which are a significant source of our overall liquidity) and the volume of our originations of new loan investments.

Financing Availability

We are subject to the availability and cost of financing to successfully execute on our business strategy and generate attractive risk-adjusted returns to our stockholders. Much of our financing is in the form of repurchase agreements or other types of credit facilities provided to us by our lender counterparties. We mitigate this counterparty risk by seeking to diversify our lending partners, focusing on establishing borrowing relationships with strong counterparties and continuously monitoring them through a thoughtful approach to counterparty risk oversight. Additionally, as part of our broader risk management strategy, and to the extent available in the market, we finance our business through other means, which may include, but are not to be limited to, securitizations, note sales and issuance of secured and unsecured debt and equity instruments. We continue to actively explore additional types of funding facilities in order to further diversify our financing sources. Investor concerns over inflation trends, high interest rates, slowing economic growth, and geopolitical uncertainty have resulted in significant disruptions and volatility in financial markets and uncertainty about the overall macroeconomic and capital markets outlook. These conditions have negatively impacted, and may continue to negatively impact, real estate and real estate capital markets, which could make it more difficult for us to obtain or maintain financing.

We finance pools of our commercial real estate loans through CRE CLOs, retaining subordinate securities in our investment portfolio. Our CRE CLOs are accounted for as financings with the non-retained securitized debt obligations recognized on our condensed consolidated balance sheets.

Credit Risk

We are subject to varying degrees of credit risk in connection with our target investments. The performance and value of our investments depend upon 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. 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 such as the level of market interest rates. We try to mitigate these risks by seeking to originate or acquire assets of higher quality at appropriate rates of return given anticipated and unanticipated losses, by employing a comprehensive review and selection process and by proactively monitoring our investment portfolio. Nevertheless, unanticipated credit losses, including as a result of inflation, high interest rates, capital markets volatility, slowing economic growth and geopolitical uncertainty, could occur that could adversely impact our operating results. Volatility in market interest rates may result in fluctuations in cash flows and values of properties securing our loans. As a result, there may exist the risk of non-performance on our floating-rate loans, and in the case of a significant increase in interest rates, the cash flows of the collateral properties may not sufficiently cover debt service due under our loans, which may contribute to loan non-performance or, in certain cases, loan default.

The environmental, social and governance, or ESG, factors associated with our potential collateral and borrowers could also pose credit risks to us. We try to mitigate these risks by incorporating diligence practices into our investment process to identify significant ESG concerns related to a given investment. The nature and scope of our ESG diligence will vary based on the investment but may include a review of, among other things, energy management, pollution and contamination, accounting standards, bribery and corruption.

We employ a long-term, fundamental value-oriented investment strategy and we aim to, on a loan-by-loan basis, construct an investment portfolio that is well-diversified across property types, geographies and sponsors.

Operating Expenses

Our operating expenses, such as compensation costs and expenses related to managing our investment portfolio, may vary over time and are subject to a variety of factors, including overall economic and market environment, competitive market forces driving employee-related costs and other related factors.

Allowance for Credit Losses

Our operating results are also impacted by the allowance for credit losses we record for loans held-for-investment using the CECL methodology pursuant to ASU 2016-13.

Changes in the Fair Value of Our Investments

We intend to hold our target investments for the long-term and, as such, they are carried at an amortized cost on our condensed consolidated balance sheets.

Although we intend to hold our target investments for the long-term, we may occasionally invest in debt securities and classify them as available-for-sale, or AFS. Investments classified as AFS are carried at their fair value, with changes in fair value recorded through accumulated other comprehensive income, a component of stockholders' equity, rather than through earnings. We do not intend to hold any of our investments for trading purposes.

Changes in Market Interest Rates

Our primary interest rate exposures relate to the yield on our loans and other investments and the financing cost of our borrowings. Changes in interest rates have affected, and may continue to affect, our net interest income from loans and other investments. Interest rate fluctuations resulting in our interest and related expense exceeding interest and related income would result in operating losses for us. For further discussion of the potential impacts of changes in interest rates, see "*Quantitative and Qualitative Disclosures about Market Risk — Interest Rate Risk*" in Part I, Item 3 of this Quarterly Report on Form 10-Q.

Summary of Results of Operations and Financial Condition

Comparison of the Three Months Ended June 30, 2024, and March 31, 2024

Net Interest Income

The following table presents the components of interest income and interest expense for the three months ended June 30, 2024, and March 31, 2024:

(in thousands)	**Three Months Ended**		
Income Statement Data:	**June 30, 2024**	**March 31, 2024**	**Q2'24 vs Q1'24**
Interest income:	(unaudited)		
Loans held-for-investment	$ 46,882	$ 51,965	$ (5,083)
Cash and cash equivalents	1,597	2,090	(493)
Total interest income	$ 48,479	$ 54,055	$ (5,576)
Interest expense:			
Repurchase facilities	$ 19,331	$ 20,728	$ (1,397)
Securitized debt obligations	18,303	18,115	188
Secured credit facility	2,714	2,689	25
Total interest expense	40,348	41,532	(1,184)
Net interest income	$ 8,131	$ 12,523	$ (4,392)

The majority of our interest-earning assets and liabilities have floating rates based on an index (e.g., one-month SOFR) plus a credit spread. As a result, our asset yields and cost of funds are impacted by changes in benchmark market short-term interest rates and credit spreads on investments and borrowings, as well as changes in the mix of our investment portfolio credit spreads due to new originations, loan amendments, additional fundings, upsizings, repayments and when certain loans are placed on nonaccrual status.

Interest Income

Interest income for the three months ended June 30, 2024, decreased to $48.5 million from $54.1 million for the three months ended March 31, 2024, mainly due to a higher average balance of nonaccrual loans and a lower average balance of our interest-earning assets due to loan repayments.

Interest Expense

Interest expense for the three months ended June 30, 2024, decreased to $40.3 million from $41.5 million for the three months ended March 31, 2024, mainly due to a lower average balance of our interest-bearing liabilities.

Provision for Credit Losses

The following table presents the components of (provision for) benefit from credit losses for the three months ended June 30, 2024, and March 31, 2024:

(in thousands)	**Three Months Ended**	
(Provision for) benefit from credit losses on:	**June 30, 2024**	**March 31, 2024**
Loans held-for-investment	$ (60,561)	$ (75,484)
Other liabilities	(195)	(68)
Total (provision for) benefit from credit losses	$ (60,756)	$ (75,552)

During the three months ended June 30, 2024, we recorded a provision for credit losses of $(60.8) million as compared to $(75.6) million for the three months ended March 31, 2024. The decrease in the provision for credit losses was primarily driven by recording a larger increase in the allowance for credit losses for certain collateral-dependent loans during the three months ended March 31, 2024 as compared to the three months ended June 30, 2024, that were individually assessed in accordance with ASU 2016-13, partially offset by a larger provision for credit losses in the general reserve during the three months ended June 30, 2024 due to the ongoing challenges in the commercial real estate market and pressure on property values, and other loan specific assumptions employed in estimating the general CECL reserve.

Revenue from REO Operations

During the three months ended June 30, 2024, we recorded revenue from REO operations of $1.1 million as compared to $1.1 million for the three months ended March 31, 2024. The revenue from REO operations remained relatively unchanged.

Expenses

The following table presents the components of expenses for the three months ended June 30, 2024, and March 31, 2024:

	Three Months Ended	
(dollars in thousands)	**June 30, 2024**	**March 31, 2024**
Compensation and benefits	$ 4,721	$ 5,987
Servicing expenses	1,398	1,376
Expenses from real estate owned operations	1,950	2,045
Other operating expenses	2,700	2,829
Total operating expenses	$ 10,769	$ 12,237
Annualized total operating expense ratio, excluding expenses from real estate owned operations	4.6 %	4.8 %
Annualized core operating expense ratio (excluding non-cash equity compensation and expenses from real estate owned operations)	3.9 %	3.8 %

We incur compensation and benefits expenses, servicing expenses related to the servicing of commercial real estate loans, expenses from REO operations, and other operating expenses. Compensation and benefits for the three months ended June 30, 2024, decreased primarily due to lower non-cash equity compensation expense amortization as compared to the three months ended March 31, 2024. Servicing expenses for the three months ended June 30, 2024, increased modestly primarily due to CLO servicing fees and special servicing fees related to select loans, as compared to the three months ended March 31, 2024. Expenses from real estate owned operations remained relatively unchanged for the three months ended June 30, 2024 compared to the prior quarter. Other operating expenses decreased as compared to the prior quarter mainly due to lower legal fees. Our operating expense ratio, excluding REO, modestly decreased during the three months ended June 30, 2024, as compared to the three months ended March 31, 2024 mainly due to lower average equity driven by the increase in the allowance for credit losses partially offset by lower non-cash equity compensation expense amortization.

Comparison of the Six Months Ended June 30, 2024, and June 30, 2023

Net Interest Income

The following table presents the components of interest income and interest expense for the six months ended June 30, 2024, and June 30, 2023:

(in thousands)	Six Months Ended		
Income Statement Data:	**June 30, 2024**	**June 30, 2023**	**Q2'24 vs Q2'23**
Interest income:			
Loans held-for-investment	$ 98,847	$ 131,508	$ (32,661)
Cash and cash equivalents	3,687	4,037	(350)
Total interest income	$ 102,534	$ 135,545	$ (33,011)
Interest expense:			
Repurchase facilities	$ 40,059	$ 42,644	$ (2,585)
Securitized debt obligations	36,418	35,939	479
Convertible senior notes	—	4,643	(4,643)
Asset-specific financings	—	1,562	(1,562)
Secured credit facility	5,403	6,004	(601)
Total interest expense	$ 81,880	$ 90,792	$ (8,912)
Net interest income	$ 20,654	$ 44,753	$ (24,099)

The majority of our interest-earning assets and liabilities have floating rates based on an index (e.g., one-month SOFR) plus a credit spread. As a result, our asset yields and cost of funds are impacted by changes in benchmark market interest rates and credit spreads on investments and borrowings, as well as changes in the mix of our investment portfolio credit spreads due to new originations, loan amendments, additional fundings, upsizings and repayments.

Interest Income

Interest income for the six months ended June 30, 2024, decreased to $102.5 million from $135.5 million for the six months ended June 30, 2023, mainly due to a higher average balance of nonaccrual loans and a lower average balance of our interest-earning assets due to loan prepayments, partially offset by an increase in short-term interest rates.

Interest Expense

Interest expense for the six months ended June 30, 2024, decreased to $81.9 million from $90.8 million for the six months ended June 30, 2023, mainly due to lower average balances on portfolio level financing and corporate borrowings, partially offset by an increase in short-term interest rates.

Provision for Credit Losses

The following table presents the components of (provision for) benefit from credit losses for the six months ended June 30, 2024, and June 30, 2023:

	Six Months Ended June 30,	
(in thousands)	**2024**	**2023**
(Provision for) benefit from credit losses on:		
Loans held-for-investment	(136,045)	(52,277)
Other liabilities	(263)	49
Total (provision for) benefit from credit losses	$ (136,308)	$ (52,228)

During the six months ended June 30, 2024, we recorded a provision for credit losses of $(136.3) million as compared to $(52.2) million during the six months ended June 30, 2023. The increase in the provision for credit losses was primarily driven by recording an increase in the allowance for certain collateral-dependent loans during the six months ended June 30, 2024, that were individually assessed in accordance with ASU 2016-13.

Revenue from REO Operations

During the six months ended June 30, 2024, we recorded revenue from REO operations of $2.3 million as compared to $0.5 million during the six months ended June 30, 2023. The increase in revenue from REO is due to the initial acquisition of REO occurring on May 16, 2023.

Expenses

The following table presents the components of expenses for the six months ended June 30, 2024, and June 30, 2023:

(dollars in thousands)	Six Months Ended June 30, 2024	2023
Compensation and benefits	$ 10,708	$ 12,121
Servicing expenses	2,774	2,698
Expenses from real estate owned operations	3,995	1,664
Other operating expenses	5,529	5,451
Total operating expenses	$ 23,006	$ 21,934
Annualized total operating expense ratio, excluding expenses from real estate owned operations	4.7 %	4.3 %
Annualized core operating expense ratio (excluding non-cash equity compensation and expenses from real estate owned operations)	3.8 %	3.3 %

We incur compensation and benefits expenses, servicing expenses related to the servicing of commercial real estate loans, expenses from REO operations and other operating expenses. Compensation and benefits and servicing expenses for the six months ended June 30, 2024, saw a decrease as compared to the six months ended June 30, 2023. Expenses from real estate owned operations for the three months ended June 30, 2024, as compared to the three months ended June 30, 2023, increased due to the acquisition of REO in May 2023. Other operating expenses remained relatively stable as compared to the six months ended June 30, 2023. Our operating expense ratio, excluding REO, increased during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, mainly due to lower average equity mainly driven by higher CECL reserves.

Liquidity and Capital Resources

Capitalization

To date, we have capitalized our business primarily through the issuance and sale of shares of our common and preferred stock, borrowings under our senior secured term loan facilities, secured financing facilities, issuance of CRE CLOs and the issuance and sale of convertible notes. As of June 30, 2024, our capitalization included $1.8 billion of loan-level financing. Our loan-level financing as of June 30, 2024, is generally term-matched or matures in 2024 or later, and includes $0.8 billion of secured repurchase agreements, $0.9 billion of CRE CLO securitizations, which are term-matched to the underlying assets, non-recourse and non-mark-to-market, and a $85.2 million term-matched and non mark-to-market secured credit facility.

See Note 5 – *Variable Interest Entities and Securitized Debt Obligations*, Note 6 – *Secured Financing Agreements* and Note 7 – *Convertible Senior Notes* to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional details regarding our securitized debt obligations, our secured financing facilities, and our convertible senior notes, respectively.

Leverage

From March 31, 2024, to June 30, 2024, our debt-to-equity ratio, defined as total debt, net of cash, divided by total equity, increased from 2.3:1.0 to 2.5:1.0, mainly driven by a reduction in total equity, partially offset by a reduction in total outstanding debt. As part of our investment strategy, we plan to finance our target assets with a moderate amount of leverage, the level of which may vary based upon the particular characteristics of our portfolio and market conditions. To that end, subject to maintaining our qualification as a REIT and our exclusion from registration under the Investment Company Act, we intend to use borrowings to fund the origination or acquisition of our target investments. Given our focus on senior floating-rate mortgage loans, we currently expect that such leverage will be, on a total debt-to-equity ratio basis, within a range of 3.0:1.0 and 3.5:1.0; however, our leverage may vary and differ from our expectations depending on market conditions and any steps we may take to strengthen our balance sheet and enhance our liquidity position. The amount of leverage we deploy for our target investments depends upon our assessment of a variety of factors, which may include the anticipated liquidity and any changes in value of the investments in our portfolio, the potential for losses in our portfolio, the gap between the maturities of our assets and liabilities, the availability and cost of financing our investments, our opinion of the creditworthiness of our financing counterparties, the health of the U.S. economy and commercial real estate financing markets, our outlook for the level and volatility of interest rates, the slope of the yield curve, the credit quality of our investments, the collateral underlying our investments and our outlook for investment credit spreads relative to SOFR.

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents on our condensed consolidated balance sheets, any approved but unused borrowing capacity under our financing facilities, the net proceeds of future public and private equity and debt offerings, payments of principal, including loan repayments and prepayments, loan sales, interest we receive on our portfolio of assets and cash generated from our operating results.

The following table sets forth our immediately available sources of liquidity as of June 30, 2024:

(in thousands)		**June 30, 2024**
Cash and cash equivalents	$	85,916
Approved but unused borrowing capacity on financing facilities		—
Total	$	85,916

We have access to liquidity through public offerings of debt and equity securities, subject to market conditions. To facilitate such offerings, in August 2021, we filed a shelf registration statement with the SEC that is effective for a term of three years and expires in August 2024. The amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit on the amount of securities we may issue. The securities covered by this registration statement include: (i) common stock, (ii) preferred stock, (iii) depositary shares representing preferred stock and (iv) debt securities. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

We may also access liquidity through our at-the-market stock offering program, pursuant to which we may sell, from time to time, up to 4,757,636 additional shares of our common stock as of June 30, 2024. See Note 12 – *Stockholders' Equity,* to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further detail.

Although we generally intend to hold our target investments as long-term investments, we have opportunistically sold, and may again in the future sell, certain of our assets in order to manage our liquidity needs, to meet other operating objectives and to adapt to market conditions. We cannot predict the timing and impact of future sales of our assets, if any. Since many of our assets are financed with secured financing facilities and/or CRE CLOs, a significant portion of the proceeds from sales of our assets, prepayments and scheduled amortization would be used to repay balances under these financing arrangements.

We remain focused on actively managing our balance sheet and enhancing our liquidity position to best position us for the market environment, satisfy our loan future funding and financing obligations and to make new investments, which we expect will cause us to take, and in some instances has already caused us to take, some or all of the following actions: raise capital from offerings of equity and/or debt securities, on a public or private basis; borrow additional capital; post additional collateral; sell assets; and/or change our dividend policy, which we will continue to evaluate in respect of future quarters based upon customary considerations, including market conditions and distribution requirements to maintain our REIT status. At any given time and from time to time we may be evaluating or pursuing one or more transactions, including, but not limited to, loan sales, capital markets activities and other sources of funding, to improve our liquidity or to refinance our debt or may otherwise seek transactions to reduce our interest expense or leverage and extend our debt maturities, which transactions, depending on market conditions and other factors, could result in actual losses and/or otherwise negatively impact our results of operations in one or more periods.

Liquidity Needs

In addition to our loan origination activities and general operating expenses, our primary liquidity needs include interest and principal payments under our $1.8 billion of outstanding borrowings under our repurchase facilities, CRE CLOs, and secured credit facility; $118.0 million of unfunded loan commitments; and dividend distributions to our preferred and common stockholders.

Financing Availability

We are subject to the availability and cost of financing to successfully execute on our business strategy and generate attractive risk-adjusted returns to our stockholders. Much of our financing is in the form of repurchase facilities or other types of credit facilities provided to us by our lender counterparties. We mitigate this counterparty risk by seeking to diversify our lending partners, focusing on establishing borrowing relationships with strong counterparties and continuously monitoring them through a thoughtful approach to counterparty risk oversight. Additionally, as part of our broader risk management strategy, and to the extent available in the market, we finance our business through other means which may include, but not be limited to, CRE CLOs, note sales and the issuance of unsecured debt and equity instruments. We continue to actively explore additional types of funding facilities in order to further diversify our financing sources. Investor concerns over inflation trends, high interest rates, slowing economic growth and geopolitical uncertainty have resulted in significant disruptions in financial markets and uncertainty about the overall macroeconomic and capital markets outlook. These conditions have negatively impacted, and may continue to negatively impact, real estate fundamentals and real estate capital markets, which could make it more difficult for us to obtain or maintain financing.

The following table provides the maturities of the collateral underlying our repurchase facilities, secured credit facility, and securitized debt obligations, as of June 30, 2024, and December 31, 2023:

(in thousands)	June 30, 2024	December 31, 2023
Within one year	$ 1,190,940	$ 988,716
One to three years	623,883	962,424
Three to five years	—	—
Five years and over	—	—
Total	$ 1,814,823	$ 1,951,140

Cash Flows

For the six months ended June 30, 2024, our restricted and unrestricted cash and cash equivalents balance decreased approximately $100.4 million, to $98.8 million. The cash movements can be summarized by the following:

- *Cash flows from operating activities.* For the six months ended June 30, 2024, operating activities increased our cash balances by approximately $2.6 million, primarily driven by equity compensation and amortization of deferred debt issuance costs.
- *Cash flows from investing activities.* For the six months ended June 30, 2024, investing activities increased our cash balances by approximately $62.8 million, primarily driven by repayments of loans held-for-investment.
- *Cash flows from financing activities.* For the six months ended June 30, 2024, financing activities decreased our cash balances by approximately $165.9 million, primarily driven by principal payments on repurchase facilities and securitized debt obligations, partially offset by proceeds from repurchase agreements.

Dividends

We generally intend to distribute substantially all of our taxable income each year (which does not necessarily equal net income as calculated in accordance with GAAP) to our stockholders to comply with the REIT provisions of the Code. In addition, our dividend policy remains subject to revision at the discretion of our board of directors. All distributions will be made at the discretion of our board of directors and will depend upon, among other things, our actual results of operations and liquidity. These results, and our ability to pay distributions, will be affected by various factors, including our taxable income, our financial condition, our maintenance of REIT status, restrictions related to our financing facilities, applicable law and other factors as our board of directors deems relevant.

Inflation

Nearly all of our assets and liabilities are interest rate sensitive in nature. As a result, interest rates and other factors typically influence our performance more than inflation does. However, changes in interest rates may correlate with inflation rates or changes in inflation rates. In response to the inflationary pressures, over the last couple of years the Federal Reserve has significantly increased its federal funds rate target range. Our condensed consolidated financial statements are prepared in accordance with GAAP and our distributions will be determined by our board of directors consistent with our obligation to distribute to our stockholders at least 90% of our REIT taxable income on an annual basis in order to maintain our REIT qualification; in each case, our activities and balance sheet are measured with reference to historical cost and/or fair market value without considering inflation.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We seek to manage our risks related to the credit quality of our investments, interest rates, liquidity and market value while, at the same time, seeking to generate attractive risk-adjusted returns to our stockholders. While we are exposed to certain types of market risk in our business, we seek to actively manage them using our risk management infrastructure and philosophy centered around quantifying and measuring various market risks on a continuous basis. We seek to be fairly compensated through the returns we earn on our investments for taking those risks and focus on maintaining liquidity and capital levels consistent with the risks to which we are exposed. However, many of those risks have been magnified by the continuing economic disruption and capital markets volatility resulting from inflation, rising interest rates, slowing economic growth and geopolitical uncertainty.

Recent Market Conditions

Due to the macroeconomic challenges driven by inflation trends, high interest rates, slowing economic growth and geopolitical uncertainty, most of our borrowers, sponsors, their tenants, the properties serving as collateral for our loan investments and the economy as a whole have been, and will likely continue to be, adversely affected. See *"Macroeconomic Environment"* in Part I, Item 2 of this Quarterly Report on Form 10-Q for further discussion of current market conditions.

Credit Risk

We are subject to varying degrees of credit risk in connection with holding a portfolio of our target investments. The performance and value of our 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. We seek to manage credit risk by performing deep fundamental credit analysis of our potential investments, as well as seeking to originate or acquire assets of higher quality at appropriate rates of return given anticipated and unanticipated losses, by employing a comprehensive review and selection process and by proactively monitoring our investments. Credit risk is also addressed through our ongoing review, and our investment portfolio is monitored for variance from underwritten and expected results on a monthly basis, with more intense analysis and oversight done on a quarterly basis. Nevertheless, unanticipated credit losses, including as a result of inflation, rising interest rates, slowing economic growth and geopolitical uncertainty, could occur and could adversely impact our operating results.

We employ a long-term, fundamental value-oriented investment strategy and we aim to, on a loan-by-loan basis, construct an investment portfolio that is well-diversified across property types, geographies and sponsors.

We maintain an active dialogue and strong relationships with our borrowers as part of our overall asset management strategy to maximize the performance of our portfolio, including during periods of volatility. While we generally believe that the principal amount of our loans is typically sufficiently protected by the underlying collateral value, there is a risk that we will not realize the entire principal amount of certain of our loan investments.

Interest Rate Risk

Our primary strategy is to originate, invest in and manage a portfolio of senior floating-rate commercial mortgage loans. As a result, the composition of our investments in general is such that rising interest rates increase our net income, while declining interest rates will decrease our net income, subject to the impact of contractual interest rate floors. From time to time, we may originate or acquire fixed-rate investments, which may expose our operating results to the risks posed by fluctuations in interest rates, which we may choose to hedge, if we deem it prudent.

In response to inflationary pressures, the Federal Reserve raised benchmark overnight interest rates on multiple occasions in 2022 and 2023. These increases in interest rates have increased, and may continue to increase, our interest expense, which may not be fully offset by any increases in interest income. In addition, these higher benchmark interest rates have increased our borrowers' interest payments, adversely affected commercial real estate property values and, for certain of our borrowers have contributed, and may continue to contribute, to loan non-performance, modifications, defaults, foreclosures and/or property sales, which could result in us realizing losses on our investments. Although the Federal Reserve has indicated that no further interest rate increases are expected in 2024, how long interest rates will remain at their current levels and the direction and extent of any future interest rate changes remain uncertain.

As of June 30, 2024, approximately 98.3% of our portfolio by principal balance earned a floating rate of interest. The remaining approximately 1.7% of our portfolio earned a fixed rate of interest. If interest rates were to decline, the value of these fixed-rate investments may increase, and if interest rates were to increase, the value of these fixed-rate investments may fall; however, the interest income generated by these investments would not be affected by fluctuations in market interest rates. The interest rates we pay under our current secured financing facilities and CRE CLOs are primarily floating rate, which generally, and with limited exceptions, are not subject to contractual interest rate floors. Accordingly, our interest expense generally increases as interest rates increase and decreases as interest rates decrease.

Our analysis of risks is based on our experience, estimates and assumptions. Actual economic conditions or our implementation of decisions may produce results that differ significantly from the estimates and assumptions used in our analyses.

The information presented in the following interest rate sensitivity table projects the potential impact of sudden parallel changes in interest rates on our financial results and financial condition over the next 12 months, based on our interest sensitive financial instruments at June 30, 2024. All changes in value are measured as the change from our June 30, 2024, financial position. All projected changes in annualized net interest income are measured as the change from our projected annualized net interest income based off current performance returns. Actual results of changes in annualized net interest income may differ from the information presented in the sensitivity table below due to differences between the dates of actual interest rate resets in our loan investments and our floating rate interest-bearing liabilities, and the dates as of which the analysis was performed.

	Changes in Interest Rates			
(in thousands)	**-100 bps**	**-50 bps**	**+50 bps**	**+100 bps**
Change in value of financial position:				
Loans held-for-investment	$ 775	$ 388	$ (388)	$ (775)
Repurchase facilities	(330)	(196)	196	392
Securitized debt obligations	(392)	(165)	165	330
Secured financing facility	(35)	(18)	18	35
Total net assets	$ 18	$ 9	$ (9)	$ (18)

	-100 bps	**-50 bps**	**+50 bps**	**+100 bps**
Change in annualized net interest income:	$ (926)	$ (463)	$ 463	$ 926

The interest rate sensitivity table quantifies the potential changes in annualized net interest income and portfolio value, should interest rates immediately change. The interest rate sensitivity table presents the estimated impact of interest rates instantaneously rising 50 and 100 basis points, and falling 50 and 100 basis points. The cash flows associated with the portfolio for each rate change are calculated based on assumptions with respect to interest rates and size of the portfolio. Assumptions made on the interest rate sensitive liabilities include anticipated interest rates, collateral requirements as a percentage of borrowings and amount and term of borrowing.

Certain assumptions have been made in connection with the calculation of the information set forth in the foregoing interest rate sensitivity table and, as such, there can be no assurance that assumed events will occur or that other events will not occur that would affect the outcomes. The base interest rate scenario assumes interest rates at June 30, 2024. The analysis utilizes assumptions and estimates based on management's judgment and experience. Furthermore, while we generally expect to retain such assets and the associated interest rate risk to maturity, future originations, acquisitions and sales of assets could materially change our interest rate risk profile.

The information set forth in the interest rate sensitivity table above and all related disclosures constitutes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Actual results could differ significantly from those estimated in the foregoing interest rate sensitivity table.

Market Value Risk

We intend to hold our target investments for the long-term and, as such, they are carried at an amortized cost on our condensed consolidated balance sheets. However, we may occasionally classify some of our investments as available-for-sale, or AFS. Investments classified as AFS are carried at their fair value, with changes in fair value recorded through accumulated other comprehensive income, a component of stockholders' equity, rather than through earnings. The estimated fair value of such investments may fluctuate primarily due to changes in interest rates, overall market environment and liquidity and other factors. As market volatility increases or liquidity decreases, the market value of the investments may be adversely impacted. We do not intend to hold any of our investments for trading purposes.

Borrower Performance

In addition to the risks related to fluctuations in cash flows and investment values associated with movements in interest rates, there is also the risk of borrower non-performance on our floating-rate investments. If interest rates were to significantly rise, it is possible that the increased debt service costs may negatively impact operating cash flows on properties securing our commercial real estate loan investments, resulting in potential non-performance of our borrowers or, in severe cases, default. This risk is partially mitigated by various factors we consider during our rigorous underwriting and loan structuring process, which in certain cases include a requirement for our borrower to purchase an interest rate cap contract.

Capital Markets Risk

As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate significant operating cash flow and therefore requires us to utilize capital markets, both debt and equity, to finance our business. As a result, we are exposed to risks related to the equity capital markets and our related ability to raise capital through the issuance of our common 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 credit facilities or other debt instruments, such as securitizations or unsecured debt. 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.

Various factors, such as rising interest rates, high inflation, supply chain disruptions, growing geopolitical tensions and increased volatility in public equity and fixed income markets have led to increased cost and decreased availability of capital, which may adversely impact the ability of commercial property owners to service their debt obligations and refinance their loans as they mature and/or our ability to access capital markets.

Real Estate Risk

Our business strategy focuses on commercial real estate related debt investments. As a result, we will be exposed to the risks generally associated with the commercial real estate market, including occupancy rates, capitalization rates, absorption rates and other macroeconomic factors beyond our control.

Additionally, commercial real estate debt investments may be affected by a number of factors, including international, national, regional and local economic and real estate conditions, changes in business trends of specific industry segments, property construction characteristics, demographic factors and changes to laws and regulations, including additional restrictions or requirements on the development of commercial real estate intended to reduce greenhouse gas emissions and climate change. Any combination of these factors may affect the value of real estate collateral for investments within our investment portfolio and the potential proceeds available to a borrower to repay the underlying loans, which could cause us to suffer losses. We seek to manage these risks through our rigorous and fundamentally driven underwriting and investment management processes.

Liquidity Risk

Our liquidity risk is principally associated with our financing of longer-maturity investments with shorter-term borrowings, such as repurchase facilities. Should the value of our investments serving as collateral for our repurchase facilities significantly decrease, our lenders may exercise their margin call rights, causing an adverse change in our liquidity position. If we fail to resolve such margin calls when due, the lenders may exercise their rights under such repurchase facilities, including requiring payment by us of our aggregate outstanding financing obligations and/or taking ownership of the loans securing such obligations, potentially on an unfinanced basis, thereby reducing our available liquidity. Additionally, if one or more of our financing counterparties should choose not to provide ongoing funding, including with respect to future funding obligations on existing loans financed with such counterparties, our ability to finance our investments and related future funding obligations would possibly decline or exist at less advantageous terms.

Extension Risk

We manage our assets based on a variety of assumptions and estimates, including among others, assumptions regarding the rate at which the borrowers will prepay our loans 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 financing agreements. The current macroeconomic, commercial real estate and capital markets disruptions have resulted in, and will likely continue to result in, a decrease in prepayment rates and an increase in the number of our borrowers who exercise loan extension options. In addition, higher interest rates imposed by the Federal Reserve to address inflationary pressures have led to, and may continue to lead to, a decrease in the pace of loan repayment and an increase in the number of our borrowers who exercise loan 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.

As part of our overall asset management strategy, we have in the past entered into, and may in the future enter into, loan modifications with some of our borrowers. These amendments may include, among other things, modifying or waiving certain performance or extension conditions as part of the overall agreement, which are often coupled with additional equity or other forms of credit support from the sponsor. We work closely with our lending counterparties when negotiating and entering into loan modifications with our borrowers to ensure we maintain financing on modified assets. There can be no assurance that going forward we will be able to maintain financing on modified loans.

Risk Management

To the extent consistent with maintaining our REIT qualification, we seek to manage risk exposure by closely monitoring our portfolio and actively managing the financing, interest rate, credit and other risks associated with holding a portfolio of our target investments. Generally, we:

- manage our portfolio with focus on diligent, investment-specific market review, enforcement of loan and security rights and timely execution of disposition strategies;
- actively employ portfolio-wide and investment-specific risk measurement and management processes in our daily operations, including utilizing risk management tools; and
- seek to manage credit risk through our rigorous underwriting due diligence process prior to origination or acquisition of our target investments, and through the use of nonrecourse financing when and where available and appropriate.

Item 4. Controls and Procedures

A review and evaluation was performed by our management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, of the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that review and evaluation, the CEO and CFO have concluded that our current disclosure controls and procedures, as designed and implemented, were effective as of the end of the period covered by this Quarterly Report on Form 10-Q. Although our CEO and CFO have determined our disclosure controls and procedures were effective at the end of the period covered by this Quarterly Report on Form 10-Q, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the reports we submit under the Exchange Act.

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2024, that has materially affected, or is 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 legal claims and/or administrative proceedings that arise in the ordinary course of our business. As of the date of this filing, we are not party to any litigation or other legal proceedings or, to the best of our knowledge, any threatened litigation or legal proceedings, which, in our opinion, individually or in the aggregate would have a material adverse effect on our results of operations or financial condition.

Item 1A. Risk Factors

For information regarding factors that could affect our results of operations, financial condition and liquidity, see the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

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

The following table summarizes the repurchase of common stock for the three months ended June 30, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans of Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs(1)
April 1, 2024 through April 30, 2024	—	$ —	—	4,157,916
May 1, 2024 through May 31, 2024	87,298	3.00	87,298	4,070,618
June 1, 2024 through June 30, 2024	422,946	3.12	422,946	3,647,672
Total	510,244	$ 3.10	510,244	3,647,672

(1) On May 9, 2023, we announced that our board of directors had amended our share repurchase program to authorize the repurchase of an additional 5,000,000 shares of our common stock, for a total share repurchase authorization of 9,000,000 shares of our common stock, inclusive of amounts previously authorized. Our share repurchase program has no expiration date.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

During the three months ended June 30, 2024, no director or officer of the Companyadopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

(a) Exhibits

A list of exhibits to this Quarterly Report on Form 10-Q is set forth below.

Exhibit Number	Exhibit Index
3.1	Articles of Amendment and Restatement of Granite Point Mortgage Trust Inc.'s Charter (incorporated by reference to Exhibit 3.1 of Amendment No. 3 to the registrant's Registration Statement on Form S-11 (File No. 333-218197) filed with the SEC on June 20, 2017).
3.2	Amended and Restated Bylaws of Granite Point Mortgage Trust Inc. (incorporated by reference to Exhibit 3.2 of Amendment No. 1 to the registrant's Registration Statement on Form S-11 (File No. 333-218197) filed with the SEC on June 15, 2017).
3.3	Articles Supplementary for Cumulative Redeemable Preferred Stock of Granite Point Mortgage Trust Inc. (incorporated by reference to Exhibit 3.3 of Amendment No. 3 to the registrant's Registration Statement on Form S-11 (File No. 333-218197) filed with the SEC on June 20, 2017).
3.4	Articles Supplementary to Articles of Amendment and Restatement of Granite Point Mortgage Trust Inc. designating the shares of 7.00% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.4 to the registrant's Registration Statement on Form 8-A filed with the SEC on November 30, 2021).
3.5	Articles Supplementary designating 7.00% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.2 to the registrant's Current Report on Form 8-K filed with the SEC on January 25, 2022).
4.1	Specimen Common Stock Certificate of Granite Point Mortgage Trust Inc. (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to the registrant's Registration Statement on Form S-11 (File No. 333-218197) filed with the SEC on June 15, 2017).
4.2	Indenture, dated as of October 12, 2018, between Granite Point Mortgage Trust Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on October 12, 2018).
4.3	Supplemental Indenture, dated as of October 12, 2018, between Granite Point Mortgage Trust Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed with the SEC on October 12, 2018).
4.4	Specimen 7.00% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate (incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on January 25, 2022).
10.1*	Form of Restricted Stock Unit Agreement for June 2024 grants made to executive officers (filed herewith).
10.2**	Thirteenth Amendment to Master Repurchase and Securities Contract Agreement, dated as of June 26, 2024, by and between Morgan Stanley Bank, N.A., and GP Commercial MS LLC (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on June 27, 2024).
31.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (filed herewith)
31.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (filed herewith)
32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)
32.2	Certification of the 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	Financial statements from the Quarterly Report on Form 10-Q of Granite Point Mortgage Trust Inc. for the three months ended June 30, 2024, filed with the SEC on August 5, 2024, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Statements of Stockholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) the Notes to the Condensed Consolidated Financial Statements. (filed herewith)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). (filed herewith)

* Management contract or compensatory plan, contract or agreement

** Certain schedules and similar attachments have been omitted in reliance on Item 601(a)(5) of Regulation S-K

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.

			GRANITE POINT MORTGAGE TRUST INC.
Dated:	August 5, 2024	By:	/s/ John A. Taylor
			John A. Taylor President, Chief Executive Officer and Director (Principal Executive Officer)
Dated:	August 5, 2024	By:	/s/ Marcin Urbaszek
			Marcin Urbaszek Chief Financial Officer (Principal Accounting and Financial Officer)

EXHIBIT 10.1

GRANITE POINT MORTGAGE TRUST INC.

2022 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

I. GENERAL

This RESTRICTED STOCK UNIT AGREEMENT by and between Granite Point Mortgage Trust Inc., a Maryland corporation (the "Company") and [Participant Name] (the "Grantee"), (the "Agreement") sets forth the terms and conditions of the grant of restricted stock units ("Restricted Stock Units" or "RSUs") granted hereunder to the Grantee in accordance with and subject to the terms and conditions of the Company's 2022 Omnibus Incentive Plan, as it may be amended or restated from time to time (the "Plan"). Unless otherwise defined herein, capitalized terms used in the Agreement shall have the meanings set forth in the Plan.

II. NOTICE OF GRANT

The Grantee has been granted an award of Restricted Stock Units, subject to the terms and conditions of the Plan and the Agreement, as follows (each of the following capitalized terms are defined terms having the meaning indicated below):

Date of Grant	[Grant Date]
Number of Restricted Stock Units	[Number of Awards Granted]
Vesting Criteria	RSUs will be subject to the Time-Based Vesting Schedule
Time-Based Vesting Schedule	RSUs will vest 100% on the third anniversary of the Date of Grant (the "Vesting Date"), subject to continued service with the Company through the applicable Vesting Date (except as otherwise provided in the Agreement)

III. AGREEMENT

1. Grant of RSUs. The Company hereby grants to the Grantee an award of Restricted Stock Units subject to the terms and conditions of the Agreement and the Plan, which are incorporated herein by reference.
2. Vesting.
    a. Time-Based Vesting Schedule. Time-Based Vesting Schedule. Except as otherwise set forth in the Agreement, the RSUs granted under the Agreement will not vest unless the Grantee continues to be a Service Provider until the Vesting Date.
    b. Fractional RSU Vesting. In the event the Grantee is vested in a fractional portion of an RSU (a "Fractional Portion"), such Fractional Portion will be rounded down and converted into a whole Share and issued to the Grantee or, in the Administrator's discretion, paid in an amount of cash equal to the Fair Market Value of the fractional portion of an RSU.
3. Form and Timing of Payment; Conditions to Issuance of Shares.
    a. Form and Timing of Payment. The award of RSUs represents the right to receive a number of Shares equal to the number of RSUs that vest pursuant to the Time-Based Vesting Schedule or, in the discretion of the Administrator, an amount of cash equal to the Fair Market Value of such Shares. Unless and until the RSUs have vested in the manner set forth in Sections 2 or 4, the Grantee shall have no right to settlement or payment of any such RSUs. Prior to actual issuance of any Shares (or payment of cash in respect of Shares) underlying the RSUs, such RSUs will represent an unsecured obligation of the Company, which may be settled or paid (if at all) only from the general assets of the Company. Subject to the other terms of the Plan and the Agreement, any RSUs that vest in accordance with Section 2 will be settled or paid to the Grantee in whole Shares (or an amount of cash equal to the Fair Market Value of such Shares) on or within three (3) days following each Vesting Date (the "Settlement Schedule"). Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) Applicable Laws, including

(without limitation) the Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Administrator may require the Grantee to take any reasonable action in order to comply with any such rules or regulations.

b. Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Act covers the Shares issued upon vesting of an RSU, the Administrator may require that the Grantee agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the RSUs are registered under the Act. The Administrator may also require the Grantee to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all Applicable Laws, and may apply such other restrictions as it deems appropriate. The Grantee acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

4. Termination of Service; Effect of a Change of Control.

a. General. If the Grantee ceases to be a Service Provider (a "Termination of Service") for any reason then, except as set forth in Sections 4(b), (c) and (d), all unvested RSUs held by the Grantee shall automatically terminate as of the date of such Termination of Service.

b. Termination by the Company without Cause or Resignation for Good Reason and not in Connection with a Change of Control. Except as occurring during a CIC Protective Period (as defined below), if the Grantee has a Termination of Service by the Company without Cause (as defined below) or the Grantee resigns for Good Reason (as defined below), then any then-outstanding RSUs will continue to vest and will settle (or be paid) in accordance with the Settlement Schedule.

c. Termination by the Company without Cause or Resignation for Good Reason in Connection with a Change of Control. If, within the three (3)-month period immediately prior to (or otherwise in connection with or in anticipation of a Change of Control), on or during the twenty-four (24)-month period immediately following, a Change of Control (such period, the "CIC Protective Period"), the Grantee has a Termination of Service by the Company without Cause or the Grantee resigns for Good Reason, then, so long as such Termination of Service occurs following a Change of Control which constitutes a 409A CIC (as defined below), any then-outstanding RSUs will vest and will settle (or be paid) on or within three (3) days following the date of Termination of Service and, otherwise, to the extent necessary to avoid the imposition of taxes under Section 409A, such RSUs will continue to vest and will settle (or be paid) in accordance with the Settlement Schedule. For purposes of the Agreement, a "409A CIC" shall mean a Change of Control that constitutes a "change in control event" within the meaning of Section 409A.

d. Death; Disability; Retirement. If the Grantee has a Termination of Service on account of death, Disability or Retirement (in each case, as defined below) (except a Retirement occurring during a CIC Protective Period), then, any then-outstanding RSUs will continue to vest and will settle (or be paid) in accordance with the Settlement Schedule. If the Grantee has a Termination of Service on account of Retirement during the CIC Protective Period, then, so long as the termination occurs following a Change of Control which constitutes a 409A CIC, any then-outstanding RSUs will immediately vest and will settle (or be paid) on or within three (3) days following the date of Termination of Service and, otherwise, to the extent necessary to avoid the imposition of taxes under Section 409A, such RSUs will continue to vest and will settle (or be paid) in accordance with the Settlement Schedule.

e. For purposes of the Agreement, (i) "Cause" and "Disability" have the meanings set forth in the Grantee's employment or services agreement with the Company, if any, and if not defined therein shall have the meanings set forth in the Plan, (ii) "Retirement" shall have the meaning set forth in the Grantee's employment or services agreement with the Company, if any, and if not defined therein, "Retirement" means the Grantee's resignation of employment from the Company (other than for Good Reason) on or after the Grantee's attainment of age 65 with five consecutive years of service with the Company (inclusive of any prior service with Pine River Capital Management L.P. or the Company prior to the internalization) and (iii) "Good Reason" shall have the meaning set forth in the Grantee's employment or services agreement with the Company, if any, and if not defined therein, "Good Reason" means the Grantee's Termination of Service following the occurrence of one or more of the following acts or omissions, without the Grantee's consent: (1) a material reduction of the Grantee's duties, authority or responsibilities, (2) a reduction (or series of reductions) in the Grantee's base salary by 10% or more or (3) a material change in the geographic location of the Grantee's primary work facility or location from the primary work facility or location as of the Date of Grant; provided, that the Grantee must provide the Company with written notice of the act or omission constituting the grounds for Good Reason within sixty (60) days of the initial existence of such act or omission, the Company will have thirty (30) days following receipt of such notice in order to cure such act or omission and the Grantee must resign within thirty (30) days following the expiration of the cure period.

f. For purposes of this Agreement, "Change of Control" shall mean either (or both) of (1) a "Change in Control" as defined in the Plan and/or (2) the occurrence of any one of the following events:

i. any "person," including a "group," (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding the Company, any entity controlling, controlled by or under common control with the Company, any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any such entity, and, with respect to the Grantee, the Grantee and any "group," (as such term is used in Section 13(d)(3) of the Exchange Act) of which the Grantee is a member), is or becomes the "beneficial owner," (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of either (A) the combined voting power of the Company's then outstanding securities or (B) the then outstanding Shares; or

ii. members of the Board at the beginning of any consecutive 24-calendar-month period (the "Incumbent Directors") cease for any reason other than due to death to constitute at least a majority of the members of the Board; provided that any Director whose election, or nomination for election by the Company's stockholders, was approved or ratified by a vote of at least a majority of the members of the Board then still in office who were members of the Board at the beginning of such 24-calendar-month period, shall be deemed to be an Incumbent Director; provided, however, that any individual who was initially elected as a director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 (as proposed) of Regulation 14A promulgated under the Act, or any other actual or threatened solicitation of proxies or consents by or on behalf of any person or entity other than the Board, shall not be deemed to be an Incumbent Director; or

iii. there shall occur (A) the consummation of any consolidation or merger of the Company or any Subsidiary where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate 50% or more of the voting securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any) in substantially the same proportion as such stockholders' ownership immediately prior to the consolidation or merger, (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (C) consummation of a stockholder approved plan for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, no event or condition described in clauses (i) through (iii) above shall constitute a Change of Control if it results from a transaction between the Company and its Affiliate.

5. Non-Transferability of RSUs. Unless the Administrator determines otherwise in advance in writing, RSUs may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution. The terms of the Plan and the Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Grantee.

6. Amendment of RSUs or Plan.

a. The Plan and the Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof. The Grantee expressly warrants that he or she is not accepting the Agreement in reliance on any promises, representations, or inducements other than those contained herein. Notwithstanding anything to the contrary in the Plan or the Agreement, the Company reserves the right to revise the Agreement and the Grantee's rights under outstanding RSUs as it deems necessary or advisable, in its sole discretion and without the consent of the Grantee, (1) upon a Change of Control, or (2) to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award.

b. The Grantee acknowledges and agrees that if the Grantee changes classification from a full-time employee to a part-time employee the Administrator may in its sole discretion reduce or eliminate the Grantee's unvested RSUs.

7. Responsibility for Taxes.

a. Withholding Taxes. Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all withholding obligations for all federal, state and local income, social security and payroll taxes ("Tax Related Items") related to the RSUs and underlying Shares. In this regard, the Grantee authorizes the Company, or its agents, to satisfy the obligations with regard to all Tax Related Items legally payable by the Grantee (with respect to the RSUs granted hereunder) by one or a combination of the following, in the discretion of the Grantee: (i) by the Grantee in cash with a cashier's check or certified check or by wire transfer of immediately available funds; (ii) withholding cash from the Grantee's wages or other compensation payable to the Grantee by the Company, including cash paid in respect of Shares underlying the RSUs; (iii) arranging for the sale of Shares otherwise issuable to the Grantee upon payment of the RSUs (on the Grantee's behalf and at the Grantee's direction pursuant to this authorization), including the sale of Shares prior to such scheduled payment date; (iv) withholding from the proceeds of the sale of Shares acquired upon payment on the RSUs; (v) in respect of RSU vesting or other taxable events when Shares are not delivered to the Grantee and subject to the Company's discretion on any other taxable event, withholding in Shares otherwise issuable to the Grantee, provided that the Company withholds only the amount of Shares necessary to satisfy the statutory withholding amount (or such other amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another applicable governmental entity) using the Fair Market Value of the Shares on the date of the relevant taxable event; or (vi) any method determined by the Administrator to be in compliance with Applicable Laws.

Depending on the withholding method, the Company may withhold or account for Tax Related Items by considering applicablestatutory withholding rates or other applicable withholding rates, including maximum rates applicable in the Grantee's jurisdiction, in which case the Grantee may receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax Related Items is satisfied by withholding in Shares or cash paid in respect of Shares, for tax purposes, the Grantee is deemed to have been issued the full number of Shares subject to the vested RSUs (or cash in respect thereof), notwithstanding that a number of Shares or an amount of cash is held back solely for purposes of paying the Tax Related Items.

b. Code Section 409A. The intent of the parties is that payments (including settlements) and benefits under the Agreement are exempt from or comply with Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Agreement shall be interpreted and be administered to be in exempt from or compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, the Grantee shall not be considered to have separated from service with the Company for purposes of the Agreement and no payment shall be due to the Grantee under the Agreement on account of a separation from service until the Grantee would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A. Any payments described in the Agreement that are due within the "short-term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless Applicable Law requires otherwise. Notwithstanding anything to the contrary in the Agreement, to the extent that any amounts are payable upon a separation from service and such payment would result in accelerated taxation and/or tax penalties under Section 409A, such payment, under the Agreement or any other agreement of the Company, shall be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). Each amount to be paid or benefit to be provided under this Agreement shall be construed as a separate identified payment for purposes of Section 409A. The Company makes no representation that any or all of the payments described in the Agreement will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment. The Grantee shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

For purposes of making a payment under the Agreement, if any amount is payable as a result of a Change of Control, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, such event must also constitute a 409A CIC.

8. Nature of Grant. In accepting the RSUs, the Grantee acknowledges and agrees that:

i. the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

ii. the award of RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs or benefits in lieu of RSUs or other equity awards, even if RSUs have been awarded in the past;

iii. the future value of the underlying Shares is unknown and cannot be predicted with certainty;

iv. the value of the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;

v. in consideration of the award of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the award or from any diminution in value of the RSUs or Shares upon vesting of the RSUs resulting from the Grantee's Termination of Service by the Company (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where the Grantee provides services or the terms of the Grantee's employment or services agreement, if any), other than as set forth in Section 4 hereof;

vi. the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares; and

vii. the Grantee should consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

9. Rights as Stockholder; Dividends Equivalent Rights Until all requirements for vesting of the RSUs pursuant to the terms of the Agreement and the Plan have been satisfied, the Grantee shall not be deemed to be a stockholder of the Company in respect of the RSUs, and shall have no dividend rights or voting rights with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to the Grantee. Each RSU granted under the Agreement is granted with tandem dividend equivalent rights (i.e., "DERs" as set forth in Section 11 of the Plan). In respect of such DERs, upon the payment of any dividend (other than non-cash extraordinary dividends, which shall be addressed in accordance with Section 15 of the Plan) by the Company to its common stockholders, the Grantee shall receive an amount in cash equal to the product of the amount of such dividends paid by the Company in respect of a Share multiplied by the number of Shares underlying the then-outstanding RSUs. Upon the termination of an RSU for any reason, the tandem DER shall automatically terminate.

10. No Employment Contract. Nothing in the Plan or the Agreement constitutes an employment contract between the Company and the Grantee and the Agreement shall not confer upon the Grantee any right to continuation of employment or service with the Company or any of its Subsidiaries, nor shall the Agreement interfere in any way with the Company's or any of its Subsidiaries' right to terminate the Grantee's employment or service at any time, with or without cause (subject to any employment agreement a Grantee may otherwise have with the Company and/or Applicable Laws).

11. Administrator Authority. The Administrator shall have the power to interpret the Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any RSUs have vested under the Agreement). All interpretations and determinations made by the Administrator in good faith under the Agreement shall be final and binding upon the Grantee, the Company and all other interested persons and such determinations of the Administrator do not have to be uniform nor do they have to consider whether Plan Participants are similarly situated. No member of the Administrator shall be personally liable for any action, determination or interpretation made in good faith with respect to the Agreement.

12. Headings. The captions used in the Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the RSUs for construction and interpretation.

13. Electronic Delivery.

a. If the Grantee executes the Agreement electronically, for the avoidance of doubt, the Grantee acknowledges and agrees that his or her execution of the Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of the Agreement in paper form. The Grantee acknowledges that upon request of the Company he or she shall also provide an executed paper form of the Agreement.

b. If the Grantee executes the Agreement in paper form, for the avoidance of doubt, the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

c. If the Grantee executes the Agreement multiple times (for example, if the Grantee first executes the Agreement in electronic form and subsequently executes the Agreement in paper form), the Grantee acknowledges and agrees that (i) no matter how many versions of the Agreement are executed and in whatever medium, the Agreement only evidences a single award relating to the number of RSUs set forth in the Notice of Grant and (ii) the Agreement shall be effective as of the earliest execution of the Agreement by the parties, whether in paper form or electronically, and the subsequent execution of the Agreement in the same or a different medium shall in no way impair the binding legal effect of the Agreement as of the time of original execution.

d. The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the RSUs, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Grantee pursuant to the Plan or under Applicable Laws, including but not limited to, the Plan, the Agreement, the Plan prospectus and any reports of the Company generally provided to stockholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail or such other means of electronic delivery specified by the Company. By executing the Agreement, the Grantee hereby consents to receive such documents by electronic delivery. At the Grantee's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Grantee.

14. Waiver of Right to Jury Trial. Each party, to the fullest extent permitted by law, waives any right or expectation against the other to trial or adjudication by a jury of any claim, cause or action arising with respect to the RSUs or hereunder, or the rights, duties or liabilities created hereby.

15. Agreement Severable. In the event that any provision of the Agreement shall be held invalid, illegal or otherwise unenforceable, such provision shall be severable from, and such invalidity, illegality or unenforceability shall not be construed to have any effect on, the remaining provisions of the Agreement, which shall remain binding and enforceable.

16. Governing Law and Choice of Venue. **THE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICT OF LAWS WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND.** The exclusive venue for any disputes arising hereunder shall be as set forth in the Grantee's employment or services agreement with the Company, if any, and if not set forth therein, shall be the state or federal courts located in the State of New York or, at the Company's election, in any other state in which the Grantee maintains the Grantee's principal residence or principal place of business, and each of the parties hereto irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

17. Waiver. Grantee acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Grantee or any other Grantee.

18. Imposition of Other Requirements. The Company reserves the right to require the Grantee to sign any additional agreements or undertakings with respect to the RSUs and any Shares underlying the RSUs that may be necessary to comply with Applicable Laws.

19. Recoupment. The RSUs granted pursuant to the Agreement are subject to the terms of any compensation recoupment policy that may be adopted by the Company and in effect from time to time (the "Policy") if and to the extent such Policy by its terms applies to the RSUs, and to the terms required by Applicable Laws; and the terms of the Policy and such Applicable Laws are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Grantee expressly and explicitly authorizes the Company to issue instructions, on the Grantee's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Grantee's Shares and other amounts acquired pursuant to the Grantee's RSUs, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that the Agreement and the Policy conflict, the terms of the Policy shall prevail.

20. Notices. The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to the Grantee regarding certain events relating to awards that the Grantee may have received or may in the future receive under the Plan, such as notices reminding the Grantee of the vesting or expiration date of certain awards. The Grantee acknowledges and agrees that (1) the Company has no obligation (whether pursuant to the Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to the Grantee the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and the Grantee has no right whatsoever (whether pursuant to the Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan administrator based on any allegations of, damages or harm suffered by the

Grantee as a result of the Company's failure to provide any such notices or the Grantee's failure to receive any such notices.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Agreement as of the day and year first above written.

GRANITE POINT MORTGAGE TRUST INC.
By:
Name:
Title:

GRANTEE
By:
Name:

EXHIBIT 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John A. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Granite Point Mortgage 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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

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

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2024

/s/ John A. Taylor
John A. Taylor
Chief Executive Officer and President

EXHIBIT 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marcin Urbaszek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Granite Point Mortgage 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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: August 5, 2024

/s/ Marcin Urbaszek

Marcin Urbaszek

Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATION

Pursuant to 18 U.S.C. §1350, the undersigned officer of Granite Point Mortgage Trust Inc. (the “Registrant”) hereby certifies that the Registrant’s Quarterly Report on Form 10-Q for the three months ended June 30, 2024 (the “Quarterly Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date:	August 5, 2024	/s/ John A. Taylor
		John A. Taylor
		Chief Executive Officer and President

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Quarterly Report or as a separate disclosure document.

EXHIBIT 32.2

CERTIFICATION

Pursuant to 18 U.S.C. §1350, the undersigned officer of Granite Point Mortgage Trust Inc. (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the three months ended June 30, 2024 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 5, 2024

/s/ Marcin Urbaszek
Marcin Urbaszek
Chief Financial Officer and Treasurer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Quarterly Report or as a separate disclosure document.