

Edgar Filing: Ladder Capital Corp - Form 10-Q

Ladder Capital Corp  
Form 10-Q  
November 03, 2017

false--12-31Q320170001577670Accelerated Filer3900000P1YP1YP60DP45D373871P15DP11M9D  
P0DP0DP3Y017751775177517751775177523P3YP3Y230.03270.02450.02410.02740.06750.01000.00430.04250.03160.0259  
0.500.250.50.500.500.50P6YP6Y10950482040591800000 0001577670 2017-01-01 2017-09-30 0001577670  
us-gaap:CommonClassBMember 2017-10-31 0001577670 us-gaap:CommonClassAMember 2017-10-31 0001577670  
2016-12-31 0001577670 2017-09-30 0001577670 us-gaap:CommonClassAMember 2017-09-30 0001577670  
us-gaap:CommonClassBMember 2016-12-31 0001577670 us-gaap:CommonClassBMember 2017-09-30 0001577670  
us-gaap:CommonClassAMember 2016-12-31 0001577670 2016-07-01 2016-09-30 0001577670 2016-01-01  
2016-09-30 0001577670 2017-07-01 2017-09-30 0001577670 us-gaap:CommonClassAMember 2017-07-01  
2017-09-30 0001577670 us-gaap:CommonClassAMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CommonClassAMember 2016-07-01 2016-09-30 0001577670 us-gaap:CommonClassAMember 2016-01-01  
2016-09-30 0001577670 us-gaap:CommonClassAMember us-gaap:CommonStockMember 2016-01-01 2016-12-31  
0001577670 ldr:NoncontrollingInterestInOperatingPartnershipMember 2016-01-01 2016-12-31 0001577670  
us-gaap:RetainedEarningsMember 2015-12-31 0001577670  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2015-12-31 0001577670  
us-gaap:RetainedEarningsMember 2016-01-01 2016-12-31 0001577670 us-gaap:RetainedEarningsMember  
2016-12-31 0001577670 us-gaap:AdditionalPaidInCapitalMember 2016-12-31 0001577670  
us-gaap:AdditionalPaidInCapitalMember 2015-12-31 0001577670 2016-01-01 2016-12-31 0001577670  
us-gaap:CommonClassBMember us-gaap:CommonStockMember 2016-01-01 2016-12-31 0001577670  
us-gaap:CommonClassBMember us-gaap:CommonStockMember 2016-12-31 0001577670  
ldr:NoncontrollingInterestInOperatingPartnershipMember 2015-12-31 0001577670  
us-gaap:AdditionalPaidInCapitalMember 2016-01-01 2016-12-31 0001577670  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0001577670  
ldr:NoncontrollingInterestInConsolidatedJointVenturesMember 2016-01-01 2016-12-31 0001577670  
us-gaap:CommonClassAMember us-gaap:CommonStockMember 2015-12-31 0001577670  
us-gaap:TreasuryStockMember 2016-01-01 2016-12-31 0001577670 us-gaap:CommonClassBMember  
us-gaap:CommonStockMember 2015-12-31 0001577670  
ldr:NoncontrollingInterestInConsolidatedJointVenturesMember 2015-12-31 0001577670  
us-gaap:TreasuryStockMember 2016-12-31 0001577670  
ldr:NoncontrollingInterestInConsolidatedJointVenturesMember 2016-12-31 0001577670 2015-12-31 0001577670  
us-gaap:TreasuryStockMember 2015-12-31 0001577670 us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2016-01-01 2016-12-31 0001577670 us-gaap:CommonClassAMember us-gaap:CommonStockMember 2016-12-31  
0001577670 ldr:NoncontrollingInterestInOperatingPartnershipMember 2016-12-31 0001577670  
us-gaap:AdditionalPaidInCapitalMember 2017-01-01 2017-09-30 0001577670  
ldr:NoncontrollingInterestInConsolidatedJointVenturesMember 2017-09-30 0001577670  
ldr:NoncontrollingInterestInOperatingPartnershipMember 2017-09-30 0001577670  
us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30 0001577670  
ldr:NoncontrollingInterestInConsolidatedJointVenturesMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CommonClassAMember us-gaap:CommonStockMember 2017-01-01 2017-09-30 0001577670  
ldr:NoncontrollingInterestInOperatingPartnershipMember 2017-01-01 2017-09-30 0001577670  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-09-30 0001577670 us-gaap:CommonClassAMember  
us-gaap:CommonStockMember 2017-09-30 0001577670 us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2017-01-01 2017-09-30 0001577670 us-gaap:CommonClassBMember us-gaap:CommonStockMember 2017-01-01  
2017-09-30 0001577670 us-gaap:RetainedEarningsMember 2017-09-30 0001577670  
us-gaap:CommonClassBMember us-gaap:CommonStockMember 2017-09-30 0001577670  
us-gaap:AdditionalPaidInCapitalMember 2017-09-30 0001577670 us-gaap:TreasuryStockMember 2017-09-30  
0001577670 us-gaap:TreasuryStockMember 2017-01-01 2017-09-30 0001577670 us-gaap:PartnershipInterestMember  
2017-01-01 2017-09-30 0001577670 us-gaap:CorporateJointVentureMember 2016-01-01 2016-09-30 0001577670  
us-gaap:CorporateJointVentureMember 2017-01-01 2017-09-30 0001577670 us-gaap:PartnershipInterestMember

Edgar Filing: Ladder Capital Corp - Form 10-Q

2016-01-01 2016-09-30 0001577670 2016-09-30 0001577670 ldr:LadderCapitalFinanceHoldingsLLPMember  
us-gaap:CommonClassAMember 2014-02-11 2014-02-11 0001577670 ldr:SeriesRealEstateInvestmentTrustMember  
2014-02-11 2014-02-11 0001577670 ldr:LadderCapitalFinanceHoldingsLLPMember  
ldr:SeriesTaxableRealEstateInvestmentTrustSubsidiaryMember 2014-02-11 2014-02-11 0001577670  
ldr:LadderCapitalFinanceHoldingsLLPMember ldr:SeriesRealEstateInvestmentTrustMember 2014-02-11  
2014-02-11 0001577670 2015-02-27 0001577670 2015-01-01 2017-09-30 0001577670  
ldr:LadderCapitalFinanceHoldingsLLPMember ldr:LadderCapitalFinanceHoldingsLLPMember 2017-09-30  
0001577670 ldr:OutofPeriodAdjustmentRelatedtoPriorYearsMember 2016-01-01 2016-03-31 0001577670  
ldr:OutofPeriodAdjustmentRelatedtoPriorYearsMember 2017-01-01 2017-03-31 0001577670  
ldr:OutofPeriodAdjustmentRelatedtoPriorYearsMember  
ldr:NoncontrollingInterestInConsolidatedJointVenturesMember 2016-01-01 2016-03-31 0001577670  
ldr:OutofPeriodAdjustmentRelatedtoPriorYearsMember us-gaap:StateAndLocalJurisdictionMember  
us-gaap:TaxYear2015Member 2016-01-01 2016-03-31 0001577670  
ldr:MortgageLoanReceivablesHeldForInvestmentMember 2017-01-01 2017-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForSaleMember 2017-01-01 2017-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForInvestmentMember 2016-12-31 0001577670  
ldr:MortgageLoanReceivablesHeldForSaleMember 2017-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForInvestmentMember 2017-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForSaleMember 2016-12-31 0001577670  
ldr:MortgageLoansHeldByConsolidatedSubsidiariesMember 2016-12-31 0001577670  
ldr:MortgageLoansHeldByConsolidatedSubsidiariesMember 2016-01-01 2016-12-31 0001577670  
ldr:MortgageLoanReceivablesHeldForSaleMember 2016-01-01 2016-12-31 0001577670 2017-06-30 0001577670  
2016-06-30 0001577670 2017-06-29 0001577670 ldr:NonControllingLoanInterestMember 2017-06-29 0001577670  
ldr:MortgageLoansTransferredButNotConsideredSoldMember 2017-06-29 0001577670 2017-06-29 2017-06-29  
0001577670 ldr:MortgageLoansTransferredButNotConsideredSoldMember 2017-06-29 2017-06-29 0001577670  
ldr:FirstMortgageHeldForInvestmentMember 2017-06-29 0001577670  
ldr:NonPerformingLoansHeldForInvestmentMember 2016-12-31 0001577670  
ldr:IntercompanyLoansHeldForInvestmentMember 2017-06-29 2017-06-29 0001577670  
ldr:MortgageLoansTransferredButNotConsideredSoldMember 2017-01-01 2017-09-30 0001577670  
ldr:MortgageLoansTransferredButNotConsideredSoldMember 2017-09-30 0001577670  
ldr:MortgageLoansTransferredButNotConsideredSoldMember 2017-07-01 2017-09-30 0001577670  
ldr:FirstMortgageHeldForInvestmentMember 2017-09-30 0001577670 ldr:NonControllingLoanInterestMember  
2017-06-29 2017-06-29 0001577670 ldr:FirstMortgageHeldForInvestmentMember 2017-06-29 2017-06-29  
0001577670 ldr:MortgageLoanReceivablesHeldForInvestmentMember 2016-01-01 2016-09-30 0001577670  
ldr:IntercompanyLoansHeldForInvestmentMember 2017-06-29 0001577670  
ldr:NonPerformingLoansHeldForInvestmentMember 2017-09-30 0001577670  
ldr:FirstMortgageHeldForInvestmentMember 2017-09-30 2017-09-30 0001577670  
ldr:MortgageLoansHeldByConsolidatedSubsidiariesMember 2017-01-01 2017-09-30 0001577670  
ldr:MortgageLoansHeldByConsolidatedSubsidiariesMember 2017-09-30 0001577670 ldr:MezzanineLoanMember  
2017-09-30 0001577670 ldr:FirstMortgageHeldForInvestmentMember 2016-12-31 0001577670  
ldr:MortgageLoansTransferredButNotConsideredSoldMember 2016-12-31 0001577670  
ldr:FirstMortgageHeldForSaleMember 2016-12-31 0001577670 ldr:MezzanineLoanMember 2016-12-31  
0001577670 ldr:FirstMortgageHeldForSaleMember 2017-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForSaleMember 2016-01-01 2016-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForSaleMember 2015-12-31 0001577670  
ldr:MortgageLoanReceivablesHeldForSaleMember 2016-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForInvestmentMember 2016-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForInvestmentMember 2015-12-31 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember 2016-12-31 0001577670  
ldr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember 2016-12-31  
0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember 2016-12-31 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember 2016-12-31 0001577670  
ladr:GNPermanentSecuritiesMember 2016-12-31 0001577670 ladr:GNPermanentSecuritiesMember 2016-01-01  
2016-12-31 0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember 2016-01-01 2016-12-31  
0001577670 ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
2016-01-01 2016-12-31 0001577670 ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember 2016-01-01  
2016-12-31 0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember 2016-01-01 2016-12-31  
0001577670 ladr:GNPermanentSecuritiesMember 2017-09-30 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember 2017-09-30  
0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember 2017-09-30 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember 2017-01-01  
2017-09-30 0001577670 ladr:GNPermanentSecuritiesMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-01-01 2017-09-30 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember 2017-01-01 2017-09-30 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember 2017-01-01 2017-09-30 0001577670  
ladr:InplaceLeasesIntangiblesMember 2017-09-30 0001577670 ladr:NetLeaseMember  
ladr:MountainGroveMissouriMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:LinnMissouriMember 2016-09-30 0001577670 ladr:NetLeaseMember ladr:ChampaignIllinoisMember  
2016-09-30 0001577670 ladr:NetLeaseMember ladr:MountainGroveMissouriMember 2016-09-30 0001577670  
us-gaap:LandMember ladr:St.PaulMinnesotaMember 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:DecaturIllinoisOneMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:CapeGirardeauMissouriMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:BergerTexasMember 2016-09-30 0001577670 ladr:NetLeaseMember ladr:DecaturIllinoisTwoMember  
2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember ladr:BergerTexasMember 2016-01-01 2016-09-30  
0001577670 ladr:NetLeaseMember ladr:DimmittTexasMember 2016-01-01 2016-09-30 0001577670  
ladr:NetLeaseMember ladr:FloraVistaNewMexicoMember 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:RantoulIllinoisMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember ladr:RantoulIllinoisMember  
2016-09-30 0001577670 us-gaap:OtherPropertyMember ladr:EwingNewJerseyMember 2016-09-30 0001577670  
ladr:NetLeaseMember ladr:LinnMissouriMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:UnionMissouriMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember ladr:PawneeIllinoisMember  
2016-09-30 0001577670 ladr:NetLeaseMember ladr:DecaturIllinoisTwoMember 2016-09-30 0001577670  
ladr:NetLeaseMember ladr:PawneeIllinoisMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:DimmittTexasMember 2016-09-30 0001577670 ladr:NetLeaseMember ladr:SanAntonioTexasMember  
2016-09-30 0001577670 ladr:NetLeaseMember ladr:DecaturIllinoisOneMember 2016-09-30 0001577670  
us-gaap:OtherPropertyMember ladr:EwingNewJerseyMember 2016-01-01 2016-09-30 0001577670  
ladr:NetLeaseMember ladr:CapeGirardeauMissouriMember 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:LamarMissouriMember 2016-09-30 0001577670 ladr:NetLeaseMember ladr:PhiloIllinoisMember 2016-09-30  
0001577670 ladr:NetLeaseMember ladr:St.CharlesMinnesotaMember 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:St.CharlesMinnesotaMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:ChampaignIllinoisMember 2016-01-01 2016-09-30 0001577670 ladr:NetLeaseMember  
ladr:UnionMissouriMember 2016-09-30 0001577670 ladr:NetLeaseMember ladr:SanAntonioTexasMember  
2016-01-01 2016-09-30 0001577670 us-gaap:LandMember ladr:St.PaulMinnesotaMember 2016-01-01 2016-09-30  
0001577670 ladr:NetLeaseMember ladr:PhiloIllinoisMember 2016-01-01 2016-09-30 0001577670  
ladr:NetLeaseMember ladr:FloraVistaNewMexicoMember 2016-01-01 2016-09-30 0001577670  
ladr:NetLeaseMember ladr:LamarMissouriMember 2016-01-01 2016-09-30 0001577670  
us-gaap:AboveMarketLeasesMember 2016-07-01 2016-09-30 0001577670 us-gaap:OtherPropertyMember  
us-gaap:CorporateJointVentureMember ladr:ElMonteCaliforniaMember 2017-01-01 2017-09-30 0001577670  
us-gaap:AboveMarketLeasesMember 2017-01-01 2017-09-30 0001577670 us-gaap:OtherPropertyMember  
us-gaap:CorporateJointVentureMember ladr:MiamiFloriaMember 2017-01-01 2017-09-30 0001577670  
us-gaap:AboveMarketLeasesMember 2016-01-01 2016-09-30 0001577670 ladr:DisposalProperties2017Member

Edgar Filing: Ladder Capital Corp - Form 10-Q

2017-01-01 2017-09-30 0001577670 us-gaap:AboveMarketLeasesMember 2017-07-01 2017-09-30 0001577670  
ladr:DisposalProperties2017Member us-gaap:MultifamilyMember ladr:LasVegasNevadaMember 2017-01-01  
2017-09-30 0001577670 ladr:DisposalProperties2017Member us-gaap:MultifamilyMember ladr:MiamiFloriaMember  
2017-01-01 2017-09-30 0001577670 ladr:DisposalProperties2017Member 2017-09-30 0001577670  
ladr:DisposalProperties2017Member us-gaap:MultifamilyMember ladr:LasVegasNevadaMember 2017-09-30  
0001577670 ladr:DisposalProperties2017Member us-gaap:MultifamilyMember ladr:MiamiFloriaMember 2017-09-30  
0001577670 ladr:NetLeaseMember ladr:JeffersonCityMissouriMember 2017-09-30 0001577670  
ladr:NetLeaseMember ladr:PortOConnorTexasMember 2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember  
ladr:MilfordIowaMember 2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember ladr:HannaCityIllinoisMember  
2017-09-30 0001577670 ladr:NetLeaseMember ladr:PeoriaIllinoisMember 2017-09-30 0001577670  
ladr:NetLeaseMember ladr:CarmiIllinoisMember 2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember  
ladr:JeffersonCityMissouriMember 2017-01-01 2017-09-30 0001577670 us-gaap:OtherPropertyMember  
ladr:ElMonteCaliforniaMember 2017-01-01 2017-09-30 0001577670 us-gaap:OtherPropertyMember  
ladr:MiamiFloriaMember 2017-09-30 0001577670 ladr:NetLeaseMember ladr:PeoriaIllinoisMember 2017-01-01  
2017-09-30 0001577670 us-gaap:OtherPropertyMember ladr:ElMonteCaliforniaMember 2017-09-30 0001577670  
ladr:NetLeaseMember ladr:JessupIowaMember 2017-09-30 0001577670 us-gaap:OtherPropertyMember  
ladr:JacksonvilleFloridaMember 2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember  
ladr:WabashaMinnesotaMember 2017-09-30 0001577670 ladr:NetLeaseMember ladr:DenverIowaMember  
2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember ladr:JessupIowaMember 2017-01-01 2017-09-30  
0001577670 us-gaap:OtherPropertyMember ladr:CrumLaynePennsylvaniaMember 2017-01-01 2017-09-30  
0001577670 ladr:NetLeaseMember ladr:ShelbyvilleIllinoisMember 2017-09-30 0001577670 ladr:NetLeaseMember  
ladr:RigdedaleMOMember 2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember ladr:MilfordIowaMember  
2017-09-30 0001577670 us-gaap:OtherPropertyMember ladr:JacksonvilleFloridaMember 2017-09-30 0001577670  
ladr:NetLeaseMember ladr:CarmiIllinoisMember 2017-09-30 0001577670 us-gaap:OtherPropertyMember  
ladr:MiamiFloriaMember 2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember ladr:HannaCityIllinoisMember  
2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember ladr:WabashaMinnesotaMember 2017-01-01 2017-09-30  
0001577670 ladr:NetLeaseMember ladr:RigdedaleMOMember 2017-09-30 0001577670 ladr:NetLeaseMember  
ladr:PortOConnorTexasMember 2017-09-30 0001577670 ladr:NetLeaseMember ladr:ShelbyvilleIllinoisMember  
2017-01-01 2017-09-30 0001577670 ladr:NetLeaseMember ladr:DenverIowaMember 2017-09-30 0001577670  
us-gaap:OtherPropertyMember ladr:CrumLaynePennsylvaniaMember 2017-09-30 0001577670  
ladr:A2016DisposalPropertiesMember us-gaap:MultifamilyMember ladr:LasVegasNevadaMember 2016-01-01  
2016-09-30 0001577670 ladr:A2016DisposalPropertiesMember 2016-01-01 2016-09-30 0001577670  
ladr:A2016DisposalPropertiesMember ladr:NetLeaseMember ladr:CrawfordsvilleIndianaMember 2016-09-30  
0001577670 ladr:A2016DisposalPropertiesMember ladr:NetLeaseMember ladr:RocklandMassachusettsMember  
2016-01-01 2016-09-30 0001577670 ladr:A2016DisposalPropertiesMember us-gaap:MultifamilyMember  
ladr:LasVegasNevadaMember 2016-09-30 0001577670 ladr:A2016DisposalPropertiesMember  
us-gaap:MultifamilyMember ladr:MiamiFloriaMember 2016-01-01 2016-09-30 0001577670  
ladr:A2016DisposalPropertiesMember us-gaap:MultifamilyMember ladr:MiamiFloriaMember 2016-09-30  
0001577670 ladr:A2016DisposalPropertiesMember ladr:NetLeaseMember ladr:RocklandMassachusettsMember  
2016-09-30 0001577670 ladr:A2016DisposalPropertiesMember ladr:NetLeaseMember  
ladr:CrawfordsvilleIndianaMember 2016-01-01 2016-09-30 0001577670 ladr:A2016DisposalPropertiesMember  
2016-09-30 0001577670 us-gaap:OtherLiabilitiesMember 2016-12-31 0001577670 us-gaap:LandMember 2017-09-30  
0001577670 us-gaap:BuildingMember 2016-12-31 0001577670 ladr:InplaceLeasesAndOtherIntangiblesMember  
2016-12-31 0001577670 us-gaap:OtherLiabilitiesMember 2017-09-30 0001577670 us-gaap:BuildingMember  
2017-09-30 0001577670 ladr:InplaceLeasesAndOtherIntangiblesMember 2017-09-30 0001577670  
us-gaap:LandMember 2016-12-31 0001577670 ladr:A24SecondAvenueHoldingsLLCMember 2015-08-07  
0001577670 ladr:A24SecondAvenueHoldingsLLCMember 2016-07-01 2016-09-30 0001577670  
ladr:A24SecondAvenueHoldingsLLCMember 2017-01-01 2017-09-30 0001577670  
ladr:A24SecondAvenueHoldingsLLCMember 2017-07-01 2017-09-30 0001577670  
ladr:A24SecondAvenueHoldingsLLCMember 2017-09-30 0001577670 us-gaap:LimitedLiabilityCompanyMember  
ladr:GraceLakeJVLLCMember 2017-09-30 0001577670 ladr:LadderCapitalRealtyIncomePartnershipILPMember

Edgar Filing: Ladder Capital Corp - Form 10-Q

2016-07-01 2016-09-30 0001577670 us-gaap:LimitedPartnerMember laddr:GraceLakeJVLLCMember 2013-03-22  
0001577670 laddr:LadderCapitalRealtyIncomePartnershipILPMember 2017-01-01 2017-09-30 0001577670  
us-gaap:ConstructionLoanPayableMember us-gaap:CoVenturerMember  
laddr:A24SecondAvenueHoldingsLLCMember 2017-09-30 0001577670 us-gaap:OtherOwnershipInterestMember  
laddr:A24SecondAvenueHoldingsLLCMember 2015-08-07 0001577670 laddr:GraceLakeJVLLCMember 2017-01-01  
2017-09-30 0001577670 us-gaap:CoVenturerMember laddr:A24SecondAvenueHoldingsLLCMember 2016-12-31  
0001577670 laddr:LadderCapitalRealtyIncomePartnershipILPMember 2016-01-01 2016-09-30 0001577670  
laddr:A24SecondAvenueHoldingsLLCMember 2016-01-01 2016-09-30 0001577670 us-gaap:CoVenturerMember  
laddr:A24SecondAvenueHoldingsLLCMember 2017-09-30 0001577670 us-gaap:LimitedPartnerMember  
laddr:LadderCapitalRealtyIncomePartnershipILPMember 2011-04-15 0001577670 laddr:GraceLakeJVLLCMember  
2012-04-01 2012-04-30 0001577670 laddr:GraceLakeJVLLCMember 2016-12-31 0001577670  
laddr:GraceLakeJVLLCMember 2017-09-30 0001577670 laddr:A24SecondAvenueHoldingsLLCMember 2016-12-31  
0001577670 laddr:GraceLakeJVLLCMember 2016-07-01 2016-09-30 0001577670 laddr:GraceLakeJVLLCMember  
2017-07-01 2017-09-30 0001577670 laddr:LadderCapitalRealtyIncomePartnershipILPMember 2017-07-01 2017-09-30  
0001577670 laddr:GraceLakeJVLLCMember 2016-01-01 2016-09-30 0001577670  
laddr:SeniorUnsecuredNotesMember 2017-09-30 0001577670 laddr:LiabilityForTransfersNotConsideredSalesMember  
2017-09-30 0001577670 laddr:SeniorNotesDue2017Member us-gaap:UnsecuredDebtMember 2014-12-17 2014-12-17  
0001577670 laddr:SeniorNotesDue2017Member us-gaap:UnsecuredDebtMember 2016-12-31 0001577670  
laddr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember 2017-09-30  
0001577670 laddr:SeniorNotesDue2025Member us-gaap:UnsecuredDebtMember 2017-09-11 2017-09-11 0001577670  
laddr:SeniorNotesDue2017Member us-gaap:UnsecuredDebtMember 2014-12-17 0001577670  
laddr:Maturingon2August2019Member laddr:CommittedMasterRepurchaseAgreementsMember 2016-01-01 2016-12-31  
0001577670 laddr:Maturingon24May2018Member laddr:CommittedMasterRepurchaseAgreementsMember 2017-09-30  
0001577670 laddr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember  
us-gaap:MaximumMember 2016-12-31 0001577670 laddr:Maturingon28June2019Member  
laddr:CommittedMasterRepurchaseAgreementsMember 2016-06-28 0001577670  
laddr:MortgageLoansTransferredButNotConsideredSoldMember 2017-09-30 2017-09-30 0001577670  
laddr:SeniorNotesDue2017Member us-gaap:UnsecuredDebtMember 2014-11-05 0001577670  
laddr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember 2016-12-31  
0001577670 laddr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember  
us-gaap:MaximumMember 2017-01-01 2017-09-30 0001577670 laddr:TueborCaptiveInsuranceCompanyLLCMember  
us-gaap:FederalHomeLoanBankAdvancesMember 2017-01-13 2017-01-13 0001577670  
laddr:SeniorNotesDue2017Member us-gaap:UnsecuredDebtMember 2017-06-30 0001577670  
laddr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember  
us-gaap:MaximumMember 2017-09-30 0001577670 laddr:Maturing9April2018Member  
laddr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
laddr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember 2017-01-01  
2017-09-30 0001577670 laddr:SeniorNotesDue2025Member us-gaap:UnsecuredDebtMember 2017-09-11 0001577670  
laddr:Maturingon1July2018Member laddr:TermMasterRepurchaseAgreementMember 2016-07-01 0001577670  
us-gaap:MortgagesMember 2017-07-01 2017-09-30 0001577670 laddr:SeniorNotesDue2017Member  
us-gaap:UnsecuredDebtMember 2016-01-01 2016-12-31 0001577670 laddr:MaturingOn1October2020Member  
laddr:CommittedMasterRepurchaseAgreementsMember 2017-03-21 2017-03-21 0001577670  
laddr:MaturingOctober302018Member laddr:CommittedMasterRepurchaseAgreementsMember 2016-01-01 2016-12-31  
0001577670 laddr:Maturingon9April2017Member laddr:CommittedMasterRepurchaseAgreementsMember 2016-01-01  
2016-12-31 0001577670 us-gaap:MaximumMember laddr:UncommittedSecuritiesRepurchaseFacilitiesMember  
2017-01-01 2017-09-30 0001577670 laddr:SeniorNotesDue2021Member us-gaap:UnsecuredDebtMember 2016-02-24  
0001577670 laddr:Maturing9April2018Member laddr:CommittedMasterRepurchaseAgreementsMember 2017-03-21  
0001577670 laddr:MaturingOnVariousDateMember laddr:SeniorUnsecuredNotesMember 2016-12-31 0001577670  
laddr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember  
us-gaap:MinimumMember 2016-12-31 0001577670 us-gaap:MortgagesMember 2017-09-30 0001577670  
us-gaap:MortgagesMember us-gaap:MaximumMember 2017-09-30 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

us-gaap:RevolvingCreditFacilityMember us-gaap:LondonInterbankOfferedRateLIBORMember 2017-03-23  
0001577670 ladr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FirstMortgageMember  
us-gaap:FederalHomeLoanBankAdvancesMember 2017-09-30 0001577670 ladr:Maturingon24October2016Member  
ladr:CommittedMasterRepurchaseAgreementsMember 2016-08-03 0001577670  
ladr:ParticipationFinancingMortgageLoanReceivableMember 2017-01-01 2017-09-30 0001577670  
ladr:MaturingonFebruary2022Member us-gaap:RevolvingCreditFacilityMember 2017-03-01 0001577670  
ladr:SeniorNotesDue2021Member us-gaap:UnsecuredDebtMember 2014-08-01 0001577670  
ladr:SeniorNotesDue2021Member us-gaap:UnsecuredDebtMember 2016-12-31 0001577670  
us-gaap:MortgagesMember 2016-12-31 0001577670 us-gaap:UnsecuredDebtMember 2017-04-01 2017-04-01  
0001577670 ladr:MaturingOnVariousDateMember ladr:UncommittedSecuritiesRepurchaseFacilitiesMember  
2017-09-30 0001577670 ladr:Maturingon24May2017Member ladr:CommittedMasterRepurchaseAgreementsMember  
2016-01-01 2016-12-31 0001577670 us-gaap:RepurchaseAgreementsMember 2017-09-30 0001577670  
ladr:Maturingon2August2019Member ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31  
0001577670 us-gaap:MinimumMember ladr:UncommittedSecuritiesRepurchaseFacilitiesMember 2017-01-01  
2017-09-30 0001577670 ladr:SeniorNotesDue2021Member us-gaap:UnsecuredDebtMember 2017-09-30 0001577670  
ladr:CreditAgreementandRevolvingCreditFacilityMember 2017-09-30 0001577670  
ladr:TermMasterRepurchaseAgreementMember 2017-09-30 0001577670 us-gaap:RevolvingCreditFacilityMember  
us-gaap:LondonInterbankOfferedRateLIBORMember 2014-02-11 2014-02-11 0001577670  
ladr:Maturingon11February2017Member us-gaap:RevolvingCreditFacilityMember 2016-01-01 2016-12-31  
0001577670 ladr:DeutscheBankJ.P.MorganandWellsFargoMember us-gaap:RepurchaseAgreementsMember  
2017-01-01 2017-09-30 0001577670 ladr:SeniorNotesDue2022Member us-gaap:UnsecuredDebtMember 2017-03-16  
2017-03-16 0001577670 ladr:CreditAgreementandRevolvingCreditFacilityMember 2016-12-31 0001577670  
ladr:Maturing9April2018Member ladr:CommittedMasterRepurchaseAgreementsMember 2017-01-01 2017-09-30  
0001577670 ladr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FirstMortgageMember  
us-gaap:FederalHomeLoanBankAdvancesMember 2016-12-31 0001577670 ladr:SeniorNotesDue2017Member  
us-gaap:UnsecuredDebtMember 2017-01-01 2017-09-30 0001577670 ladr:SeniorNotesDue2017Member  
us-gaap:UnsecuredDebtMember 2017-01-01 2017-06-30 0001577670  
ladr:DeutscheBankJ.P.MorganandWellsFargoMember us-gaap:RepurchaseAgreementsMember 2017-09-30  
0001577670 ladr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember  
us-gaap:MinimumMember 2017-01-01 2017-09-30 0001577670 ladr:SeniorNotesDue2021Member  
us-gaap:UnsecuredDebtMember 2017-01-01 2017-09-30 0001577670 ladr:SeniorNotesDue2022Member  
us-gaap:UnsecuredDebtMember 2017-03-16 0001577670 ladr:TueborCaptiveInsuranceCompanyLLCMember  
us-gaap:FederalHomeLoanBankAdvancesMember 2017-01-13 0001577670 ladr:Maturingon24May2018Member  
ladr:CommittedMasterRepurchaseAgreementsMember 2017-01-01 2017-09-30 0001577670  
ladr:SeniorNotesDue2017Member us-gaap:UnsecuredDebtMember 2012-09-19 0001577670  
ladr:TueborCaptiveInsuranceCompanyLLCMember  
ladr:CommercialMortgageBackedSecuritiesAndUSAAgencySecuritiesMember  
us-gaap:FederalHomeLoanBankAdvancesMember 2017-09-30 0001577670 ladr:Maturingon9April2017Member  
ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
us-gaap:RevolvingCreditFacilityMember us-gaap:LondonInterbankOfferedRateLIBORMember 2014-02-11  
0001577670 ladr:TueborCaptiveInsuranceCompanyLLCMember  
ladr:CommercialMortgageBackedSecuritiesAndUSAAgencySecuritiesMember  
us-gaap:FederalHomeLoanBankAdvancesMember 2016-12-31 0001577670  
ladr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670 ladr:Maturingon24May2018Member  
ladr:CommittedMasterRepurchaseAgreementsMember 2016-04-19 0001577670  
ladr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember  
us-gaap:MinimumMember 2016-01-01 2016-12-31 0001577670 ladr:SeniorNotesDue2021Member  
us-gaap:UnsecuredDebtMember 2016-01-01 2016-12-31 0001577670 us-gaap:MortgagesMember 2016-01-01  
2016-09-30 0001577670 ladr:CommittedMasterRepurchaseAgreementsMember 2017-01-01 2017-09-30 0001577670  
ladr:MaturingOnVariousDateMember ladr:SeniorUnsecuredNotesMember 2017-09-30 0001577670  
ladr:MaturingOn1October2020Member ladr:CommittedMasterRepurchaseAgreementsMember 2017-01-01

Edgar Filing: Ladder Capital Corp - Form 10-Q

2017-09-30 0001577670 ldr:Maturing9April2018Member ldr:CommittedMasterRepurchaseAgreementsMember  
2017-02-22 0001577670 ldr:Maturing9April2018Member ldr:CommittedMasterRepurchaseAgreementsMember  
2017-03-21 2017-03-21 0001577670 ldr:Maturingon29February2020Member  
ldr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ldr:Maturingon29February2020Member ldr:CommittedMasterRepurchaseAgreementsMember 2017-01-01  
2017-09-30 0001577670 ldr:Maturingon24May2017Member ldr:CommittedMasterRepurchaseAgreementsMember  
2016-12-31 0001577670 ldr:MaturingOn1October2020Member  
ldr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ldr:ParticipationFinancingMortgageLoanReceivableMember 2017-07-01 2017-09-30 0001577670  
ldr:Maturingon11February2017Member us-gaap:RevolvingCreditFacilityMember 2016-12-31 0001577670  
ldr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember 2016-01-01  
2016-12-31 0001577670 ldr:TueborCaptiveInsuranceCompanyLLCMember 2017-09-30 0001577670  
ldr:TueborCaptiveInsuranceCompanyLLCMember us-gaap:FederalHomeLoanBankAdvancesMember 2016-02-19  
0001577670 ldr:Maturing9April2018Member ldr:BankMember  
ldr:CommittedMasterRepurchaseAgreementsMember 2017-03-21 2017-03-21 0001577670  
ldr:Maturing9April2018Member ldr:BankMember ldr:CommittedMasterRepurchaseAgreementsMember  
2017-03-21 0001577670 ldr:TueborCaptiveInsuranceCompanyLLCMember  
us-gaap:FederalHomeLoanBankAdvancesMember us-gaap:MinimumMember 2017-09-30 0001577670  
us-gaap:MortgagesMember 2017-01-01 2017-09-30 0001577670 ldr:Maturingon2August2019Member  
ldr:CommittedMasterRepurchaseAgreementsMember 2016-08-03 0001577670 us-gaap:MortgagesMember  
us-gaap:MinimumMember 2017-09-30 0001577670 ldr:MaturingOctober302018Member  
ldr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670 us-gaap:LetterOfCreditMember  
2014-02-11 0001577670 ldr:TueborCaptiveInsuranceCompanyLLCMember  
us-gaap:FederalHomeLoanBankAdvancesMember us-gaap:MaximumMember 2016-01-01 2016-12-31 0001577670  
ldr:LadderCapitalFinanceHoldingsLLPMember ldr:LadderCapitalFinancialCorporationMember 2017-09-30  
0001577670 us-gaap:MortgagesMember 2016-07-01 2016-09-30 0001577670 ldr:Maturing11February2018Member  
us-gaap:RevolvingCreditFacilityMember 2017-09-30 0001577670 ldr:Maturingon28June2019Member  
ldr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ldr:Maturing6December2017Member ldr:ParticipationFinancingMortgageLoanReceivableMember 2017-09-30  
0001577670 ldr:MaturingOnVariousDateMember us-gaap:MortgagesMember 2017-09-30 0001577670  
ldr:Maturingon30September2019Member ldr:TermMasterRepurchaseAgreementMember 2017-09-30 0001577670  
ldr:DebtObligationsMember 2017-09-30 0001577670 ldr:MaturingOnVariousDateMember  
us-gaap:FederalHomeLoanBankCertificatesAndObligationsFHLBMember 2017-09-30 0001577670  
ldr:SecuredAndUnsecuredDebtObligationsMember 2017-09-30 0001577670 ldr:MaturingOnVariousDateMember  
us-gaap:FederalHomeLoanBankCertificatesAndObligationsFHLBMember 2016-12-31 0001577670  
ldr:MaturingOnVariousDateMember us-gaap:MortgagesMember 2016-12-31 0001577670  
ldr:Maturingon28June2019Member ldr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ldr:Maturingon1July2018Member ldr:TermMasterRepurchaseAgreementMember 2016-12-31 0001577670  
ldr:DebtObligationsMember 2016-12-31 0001577670 ldr:MaturingOnVariousDateMember  
ldr:UncommittedSecuritiesRepurchaseFacilitiesMember 2016-12-31 0001577670  
ldr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ldr:SecuredAndUnsecuredDebtObligationsMember 2016-12-31 0001577670  
us-gaap:RepurchaseAgreementsMember 2016-12-31 0001577670  
ldr:CommittedLoanRepurchaseandRevolvingCreditFacilitiesMember 2017-01-01 2017-09-30 0001577670  
ldr:Maturingon2August2019Member us-gaap:MaximumMember  
ldr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ldr:MaturingOnVariousDateMember us-gaap:MaximumMember us-gaap:MortgagesMember 2016-12-31  
0001577670 ldr:Maturingon28June2019Member us-gaap:MaximumMember  
ldr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ldr:MaturingOnVariousDateMember us-gaap:MaximumMember  
ldr:UncommittedSecuritiesRepurchaseFacilitiesMember 2017-09-30 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

ladr:MaturingOnVariousDateMember us-gaap:MaximumMember ladr:SeniorUnsecuredNotesMember 2017-09-30  
0001577670 ladr:MaturingOctober302018Member us-gaap:MinimumMember  
ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MaximumMember ladr:SeniorUnsecuredNotesMember 2016-12-31  
0001577670 ladr:Maturingon24May2018Member us-gaap:MinimumMember  
ladr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MinimumMember  
ladr:LiabilityForTransfersNotConsideredSalesMember 2017-09-30 0001577670 ladr:Maturingon24May2017Member  
us-gaap:MaximumMember ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ladr:MaturingOctober302018Member us-gaap:MaximumMember  
ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670 ladr:Maturingon1July2018Member  
us-gaap:MaximumMember ladr:TermMasterRepurchaseAgreementMember 2016-12-31 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MinimumMember  
us-gaap:FederalHomeLoanBankCertificatesAndObligationsFHLBMember 2017-09-30 0001577670  
ladr:Maturingon24May2018Member us-gaap:MaximumMember  
ladr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670 ladr:Maturingon28June2019Member  
us-gaap:MinimumMember ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MaximumMember us-gaap:MortgagesMember 2017-09-30  
0001577670 ladr:Maturingon30September2019Member us-gaap:MaximumMember  
ladr:TermMasterRepurchaseAgreementMember 2017-09-30 0001577670 ladr:Maturingon2August2019Member  
us-gaap:MinimumMember ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ladr:Maturingon9April2017Member us-gaap:MaximumMember  
ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MaximumMember  
ladr:UncommittedSecuritiesRepurchaseFacilitiesMember 2016-12-31 0001577670 ladr:Maturing9April2018Member  
us-gaap:MinimumMember ladr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ladr:Maturingon9April2017Member us-gaap:MinimumMember  
ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MinimumMember us-gaap:MortgagesMember 2017-09-30  
0001577670 ladr:MaturingOn1October2020Member us-gaap:MinimumMember  
ladr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MinimumMember  
us-gaap:FederalHomeLoanBankCertificatesAndObligationsFHLBMember 2016-12-31 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MinimumMember us-gaap:MortgagesMember 2016-12-31  
0001577670 ladr:Maturing11February2018Member us-gaap:MinimumMember  
us-gaap:RevolvingCreditFacilityMember 2017-09-30 0001577670 ladr:Maturingon29February2020Member  
us-gaap:MaximumMember ladr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MaximumMember  
ladr:LiabilityForTransfersNotConsideredSalesMember 2017-09-30 0001577670 ladr:Maturingon24May2017Member  
us-gaap:MinimumMember ladr:CommittedMasterRepurchaseAgreementsMember 2016-12-31 0001577670  
ladr:MaturingOn1October2020Member us-gaap:MaximumMember  
ladr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MaximumMember  
us-gaap:FederalHomeLoanBankCertificatesAndObligationsFHLBMember 2016-12-31 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MinimumMember  
ladr:UncommittedSecuritiesRepurchaseFacilitiesMember 2016-12-31 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MinimumMember ladr:SeniorUnsecuredNotesMember 2017-09-30  
0001577670 ladr:Maturingon1July2018Member us-gaap:MinimumMember  
ladr:TermMasterRepurchaseAgreementMember 2016-12-31 0001577670 ladr:MaturingOnVariousDateMember  
us-gaap:MinimumMember ladr:UncommittedSecuritiesRepurchaseFacilitiesMember 2017-09-30 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MaximumMember



Edgar Filing: Ladder Capital Corp - Form 10-Q

us-gaap:FederalHomeLoanBankCertificatesAndObligationsFHLBMember 2017-09-30 0001577670  
ladr:MaturingOnVariousDateMember us-gaap:MinimumMember ladr:SeniorUnsecuredNotesMember 2016-12-31  
0001577670 ladr:Maturingon30September2019Member us-gaap:MinimumMember  
ladr:TermMasterRepurchaseAgreementMember 2017-09-30 0001577670 ladr:Maturingon29February2020Member  
us-gaap:MinimumMember ladr:CommittedMasterRepurchaseAgreementsMember 2017-09-30 0001577670  
ladr:Maturing9April2018Member us-gaap:MaximumMember ladr:CommittedMasterRepurchaseAgreementsMember  
2017-09-30 0001577670 ladr:Maturing11February2018Member us-gaap:MaximumMember  
us-gaap:RevolvingCreditFacilityMember 2017-09-30 0001577670 ladr:Maturing9April2018Member  
ladr:BankMember ladr:CommittedMasterRepurchaseAgreementsMember 2017-02-22 2017-02-22 0001577670  
ladr:Maturingon24May2018Member ladr:CommittedMasterRepurchaseAgreementsMember 2016-04-19 2016-04-19  
0001577670 ladr:MaturingOctober302018Member ladr:CommittedMasterRepurchaseAgreementsMember  
2016-11-09 2016-11-09 0001577670 ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2016-12-31 0001577670 ladr:RepurchaseAgreementsLongTermMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2016-01-01 2016-12-31 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2016-12-31 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2016-01-01 2016-12-31 0001577670 ladr:MortgageLoanReceivablesHeldForSaleMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2016-12-31 0001577670 us-gaap:FederalHomeLoanBankAdvancesMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2016-01-01 2016-12-31 0001577670 us-gaap:InvestmentInFederalHomeLoanBankStockMember  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CostApproachValuationTechniqueMember 2016-01-01  
2016-12-31 0001577670 us-gaap:DerivativeFinancialInstrumentsAssetsMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:CounterpartyQuotationsValuationTechniqueMember  
2016-12-31 0001577670 ladr:MortgageLoanReceivablesHeldForInvestmentMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2016-01-01 2016-12-31 0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2016-12-31 0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2016-01-01 2016-12-31 0001577670 ladr:MortgageLoanReceivablesHeldForInvestmentMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2016-12-31 0001577670 ladr:RepurchaseAgreementsShortTermMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2016-12-31 0001577670 us-gaap:MortgagesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:MortgagesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:FederalHomeLoanBankAdvancesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31 0001577670  
ladr:RepurchaseAgreementsShortTermMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2016-12-31 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

ladr:GNPermanentSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
ladr:RepurchaseAgreementsLongTermMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2016-12-31 0001577670  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:CounterpartyQuotationsValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:InvestmentInFederalHomeLoanBankStockMember us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CostApproachValuationTechniqueMember 2016-12-31 0001577670  
us-gaap:RevolvingCreditFacilityMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31 0001577670  
us-gaap:RevolvingCreditFacilityMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:SeniorNotesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:BrokerQuotationsPricingServicesValuationTechniqueMember 2016-12-31 0001577670  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:CounterpartyQuotationsValuationTechniqueMember 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForSaleMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:DerivativeFinancialInstrumentsAssetsMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:CounterpartyQuotationsValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueMeasurementsRecurringMember  
2016-12-31 0001577670 us-gaap:SeniorNotesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:BrokerQuotationsPricingServicesValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:WeightedAverageMember ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30  
0001577670 ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:MaximumMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel3Member us-gaap:MaximumMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel3Member us-gaap:WeightedAverageMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:WeightedAverageMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:MinimumMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MaximumMember ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30  
0001577670 ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:WeightedAverageMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:WeightedAverageMember ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30

Edgar Filing: Ladder Capital Corp - Form 10-Q

0001577670 ldr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel3Member us-gaap:MinimumMember  
ldr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MaximumMember ldr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30  
0001577670 ldr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel3Member  
ldr:DiscountedCashFlowValuationTechniqueMember 2017-09-30 0001577670  
ldr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:MaximumMember  
ldr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
ldr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member ldr:DiscountedCashFlowValuationTechniqueMember 2017-09-30  
0001577670 ldr:CommercialMortgageBackedSecuritiesInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:MinimumMember  
ldr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel3Member ldr:DiscountedCashFlowValuationTechniqueMember 2017-09-30  
0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MinimumMember ldr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30  
0001577670 ldr:CommercialMortgageBackedSecuritiesInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member ldr:DiscountedCashFlowValuationTechniqueMember 2017-09-30  
0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MinimumMember ldr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30  
0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
ldr:DiscountedCashFlowValuationTechniqueMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel2Member ldr:LiabilityForTransfersNotConsideredSalesMember 2017-09-30  
0001577670 us-gaap:DerivativeFinancialInstrumentsAssetsMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
ldr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueMeasurementsRecurringMember  
2017-09-30 0001577670 us-gaap:FairValueInputsLevel2Member  
ldr:ParticipationFinancingMortgageLoanReceivableMember 2017-09-30 0001577670  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel1Member  
us-gaap:FederalHomeLoanBankAdvancesMember 2017-09-30 0001577670  
us-gaap:DerivativeFinancialInstrumentsAssetsMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
2017-09-30 0001577670 us-gaap:DerivativeFinancialInstrumentsAssetsMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:SeniorNotesMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel1Member  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
2017-09-30 0001577670 us-gaap:DerivativeFinancialInstrumentsAssetsMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670 us-gaap:RevolvingCreditFacilityMember  
2017-09-30 0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel3Member 2017-09-30 0001577670  
ldr:ParticipationFinancingMortgageLoanReceivableMember 2017-09-30 0001577670  
ldr:MortgageLoanReceivablesHeldForSaleMember us-gaap:FairValueInputsLevel1Member 2017-09-30 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:InvestmentInFederalHomeLoanBankStockMember us-gaap:FairValueInputsLevel1Member 2017-09-30  
0001577670 us-gaap:FairValueInputsLevel3Member us-gaap:RevolvingCreditFacilityMember 2017-09-30  
0001577670 us-gaap:FairValueInputsLevel2Member us-gaap:FederalHomeLoanBankAdvancesMember 2017-09-30

Edgar Filing: Ladder Capital Corp - Form 10-Q

0001577670 ladr:GNPermanentSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember 2017-09-30  
0001577670 ladr:MortgageLoansTransferredButNotConsideredSoldMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel3Member us-gaap:FederalHomeLoanBankAdvancesMember 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel3Member ladr:LiabilityForTransfersNotConsideredSalesMember 2017-09-30  
0001577670 us-gaap:InvestmentInFederalHomeLoanBankStockMember 2017-09-30 0001577670  
ladr:MortgageLoansTransferredButNotConsideredSoldMember us-gaap:FairValueInputsLevel3Member 2017-09-30  
0001577670 ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueInputsLevel3Member  
2017-09-30 0001577670 us-gaap:FairValueInputsLevel2Member us-gaap:RevolvingCreditFacilityMember  
2017-09-30 0001577670 us-gaap:FederalHomeLoanBankAdvancesMember 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForSaleMember us-gaap:FairValueInputsLevel2Member 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel1Member us-gaap:SeniorNotesMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel1Member 2017-09-30 0001577670 us-gaap:FairValueInputsLevel3Member  
us-gaap:SeniorNotesMember 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel1Member ladr:RepurchaseAgreementsLongTermMember 2017-09-30 0001577670  
ladr:LiabilityForTransfersNotConsideredSalesMember 2017-09-30 0001577670  
ladr:RepurchaseAgreementsLongTermMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel3Member  
ladr:RepurchaseAgreementsLongTermMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForSaleMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel2Member  
2017-09-30 0001577670 ladr:RepurchaseAgreementsShortTermMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel3Member us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel2Member  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel1Member  
ladr:ParticipationFinancingMortgageLoanReceivableMember 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueInputsLevel2Member 2017-09-30  
0001577670 ladr:MortgageLoansTransferredButNotConsideredSoldMember us-gaap:FairValueInputsLevel1Member  
2017-09-30 0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel3Member  
ladr:ParticipationFinancingMortgageLoanReceivableMember 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueInputsLevel1Member 2017-09-30  
0001577670 ladr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670 us-gaap:MortgagesMember 2017-09-30  
0001577670 us-gaap:FairValueInputsLevel1Member ladr:LiabilityForTransfersNotConsideredSalesMember  
2017-09-30 0001577670 us-gaap:FairValueInputsLevel2Member ladr:RepurchaseAgreementsLongTermMember  
2017-09-30 0001577670 us-gaap:InvestmentInFederalHomeLoanBankStockMember  
us-gaap:FairValueInputsLevel3Member 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForSaleMember us-gaap:FairValueInputsLevel3Member 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel1Member us-gaap:RevolvingCreditFacilityMember 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member

Edgar Filing: Ladder Capital Corp - Form 10-Q

us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670 us-gaap:FairValueInputsLevel3Member  
ladr:RepurchaseAgreementsShortTermMember 2017-09-30 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
2017-09-30 0001577670 us-gaap:FairValueInputsLevel2Member us-gaap:MortgagesMember 2017-09-30  
0001577670 ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel2Member us-gaap:SeniorNotesMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel3Member us-gaap:MortgagesMember 2017-09-30 0001577670  
us-gaap:FairValueInputsLevel2Member ladr:RepurchaseAgreementsShortTermMember 2017-09-30 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670 ladr:GNPermanentSecuritiesMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
us-gaap:InvestmentInFederalHomeLoanBankStockMember us-gaap:FairValueInputsLevel2Member 2017-09-30  
0001577670 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30  
0001577670 ladr:MortgageLoansTransferredButNotConsideredSoldMember us-gaap:FairValueInputsLevel2Member  
2017-09-30 0001577670 us-gaap:FairValueInputsLevel1Member us-gaap:MortgagesMember 2017-09-30  
0001577670 us-gaap:FairValueInputsLevel1Member ladr:RepurchaseAgreementsShortTermMember 2017-09-30  
0001577670 ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:WeightedAverageMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:WeightedAverageMember ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31  
0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MaximumMember ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31  
0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MaximumMember ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31  
0001577670 ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:MinimumMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:FairValueInputsLevel3Member ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31  
0001577670 ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:MaximumMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MaximumMember ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31  
0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:WeightedAverageMember ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31  
0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MinimumMember ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31  
0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:MinimumMember ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31

Edgar Filing: Ladder Capital Corp - Form 10-Q

0001577670 ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31  
0001577670 ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:MinimumMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:WeightedAverageMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel3Member us-gaap:WeightedAverageMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel3Member us-gaap:MinimumMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueInputsLevel3Member  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31 0001577670 ladr:GNPermanentSecuritiesMember  
us-gaap:FairValueInputsLevel3Member us-gaap:MaximumMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-01-01 2016-12-31 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel3Member  
ladr:DiscountedCashFlowValuationTechniqueMember 2016-12-31 0001577670  
us-gaap:RevolvingCreditFacilityMember 2016-01-01 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember 2017-01-01 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember 2016-01-01 2016-12-31 0001577670  
us-gaap:RevolvingCreditFacilityMember 2017-01-01 2017-09-30 0001577670 us-gaap:SeniorNotesMember  
us-gaap:FairValueMeasurementsRecurringMember  
ladr:BrokerQuotationsPricingServicesValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:DerivativeFinancialInstrumentsAssetsMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:CounterpartyQuotationsValuationTechniqueMember 2017-09-30 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-09-30 0001577670 us-gaap:MortgagesMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2017-09-30 0001577670 ladr:MortgageLoansTransferredButNotConsideredSoldMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2017-01-01 2017-09-30 0001577670 us-gaap:MortgagesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
ladr:LiabilityForTransfersNotConsideredSalesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:SeniorNotesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:BrokerQuotationsPricingServicesValuationTechniqueMember 2017-09-30 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2017-09-30 0001577670 ladr:MortgageLoanReceivablesHeldForInvestmentMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001577670  
ladr:RepurchaseAgreementsShortTermMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-09-30 0001577670  
us-gaap:FederalHomeLoanBankAdvancesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-09-30 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

us-gaap:InvestmentInFederalHomeLoanBankStockMember us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CostApproachValuationTechniqueMember 2017-09-30 0001577670  
ladr:RepurchaseAgreementsShortTermMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:RevolvingCreditFacilityMember ladr:DiscountedCashFlowValuationTechniqueMember 2017-09-30  
0001577670 ladr:ParticipationFinancingMortgageLoanReceivableMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2017-09-30 0001577670 ladr:MortgageLoanReceivablesHeldForSaleMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2017-09-30 0001577670 ladr:RepurchaseAgreementsLongTermMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2017-01-01 2017-09-30 0001577670 ladr:MortgageLoansTransferredButNotConsideredSoldMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2017-09-30 0001577670 us-gaap:RevolvingCreditFacilityMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForSaleMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-09-30 0001577670  
ladr:RepurchaseAgreementsLongTermMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-09-30 0001577670  
us-gaap:DerivativeFinancialInstrumentsAssetsMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:CounterpartyQuotationsValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-09-30 0001577670  
ladr:ParticipationFinancingMortgageLoanReceivableMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:FederalHomeLoanBankAdvancesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:CounterpartyQuotationsValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:CounterpartyQuotationsValuationTechniqueMember 2017-09-30 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:InternalModelThirdPartyInputsValuationTechniqueMember  
2017-01-01 2017-09-30 0001577670 ladr:LiabilityForTransfersNotConsideredSalesMember  
us-gaap:FairValueMeasurementsRecurringMember ladr:DiscountedCashFlowValuationTechniqueMember  
2017-09-30 0001577670 ladr:GNPermanentSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:InvestmentInFederalHomeLoanBankStockMember us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CostApproachValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:InternalModelThirdPartyInputsValuationTechniqueMember 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueMeasurementsRecurringMember  
ladr:DiscountedCashFlowValuationTechniqueMember 2017-01-01 2017-09-30 0001577670  
us-gaap:InvestmentInFederalHomeLoanBankStockMember us-gaap:FairValueInputsLevel1Member 2016-12-31  
0001577670 us-gaap:FairValueInputsLevel2Member us-gaap:SeniorNotesMember 2016-12-31 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:RevolvingCreditFacilityMember 2016-12-31 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
2016-12-31 0001577670 us-gaap:FairValueInputsLevel2Member ladr:RepurchaseAgreementsShortTermMember  
2016-12-31 0001577670 us-gaap:FairValueInputsLevel2Member us-gaap:RevolvingCreditFacilityMember  
2016-12-31 0001577670 us-gaap:FairValueInputsLevel3Member ladr:RepurchaseAgreementsLongTermMember  
2016-12-31 0001577670 us-gaap:CommercialMortgageBackedSecuritiesMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
ladr:GNPermanentSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueInputsLevel2Member 2016-12-31  
0001577670 ladr:RepurchaseAgreementsLongTermMember 2016-12-31 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember  
2016-12-31 0001577670 us-gaap:SeniorNotesMember 2016-12-31 0001577670  
us-gaap:FairValueInputsLevel2Member us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670 ladr:GNPermanentSecuritiesMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueMeasurementsRecurringMember  
2016-12-31 0001577670 us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:MortgagesMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel1Member  
ladr:RepurchaseAgreementsLongTermMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel3Member  
ladr:RepurchaseAgreementsShortTermMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel1Member  
us-gaap:FederalHomeLoanBankAdvancesMember 2016-12-31 0001577670  
ladr:RepurchaseAgreementsShortTermMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel3Member  
us-gaap:SeniorNotesMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel1Member  
us-gaap:SeniorNotesMember 2016-12-31 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:FederalHomeLoanBankAdvancesMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueInputsLevel3Member 2016-12-31  
0001577670 us-gaap:FairValueInputsLevel1Member 2016-12-31 0001577670  
us-gaap:FairValueInputsLevel3Member us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel2Member  
2016-12-31 0001577670 ladr:MortgageLoanReceivablesHeldForSaleMember us-gaap:FairValueInputsLevel1Member  
2016-12-31 0001577670 us-gaap:DerivativeFinancialInstrumentsAssetsMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:FairValueInputsLevel2Member us-gaap:MortgagesMember 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForSaleMember us-gaap:FairValueInputsLevel2Member 2016-12-31 0001577670  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
2016-12-31 0001577670 us-gaap:DerivativeFinancialInstrumentsAssetsMember  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670 ladr:GNPermanentSecuritiesMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:DerivativeFinancialInstrumentsAssetsMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670



Edgar Filing: Ladder Capital Corp - Form 10-Q

ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:FairValueInputsLevel3Member 2016-12-31 0001577670 us-gaap:FairValueInputsLevel1Member  
us-gaap:DerivativeFinancialInstrumentsLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember  
2016-12-31 0001577670 ladr:GNPermanentSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:InvestmentInFederalHomeLoanBankStockMember 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember us-gaap:FairValueInputsLevel1Member 2016-12-31  
0001577670 us-gaap:InvestmentInFederalHomeLoanBankStockMember us-gaap:FairValueInputsLevel2Member  
2016-12-31 0001577670 us-gaap:FairValueInputsLevel1Member ladr:RepurchaseAgreementsShortTermMember  
2016-12-31 0001577670 us-gaap:FairValueInputsLevel1Member us-gaap:RevolvingCreditFacilityMember  
2016-12-31 0001577670 ladr:MortgageLoanReceivablesHeldForInvestmentMember 2016-12-31 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:DerivativeFinancialInstrumentsAssetsMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel2Member  
us-gaap:FederalHomeLoanBankAdvancesMember 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForSaleMember us-gaap:FairValueInputsLevel3Member 2016-12-31 0001577670  
us-gaap:InvestmentInFederalHomeLoanBankStockMember us-gaap:FairValueInputsLevel3Member 2016-12-31  
0001577670 us-gaap:FairValueInputsLevel2Member ladr:RepurchaseAgreementsLongTermMember 2016-12-31  
0001577670 us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
ladr:GovernmentNationalMortgageAssociationCertificatesAndObligationsGNMAInterestOnlyMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForSaleMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel3Member  
us-gaap:MortgagesMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel3Member  
us-gaap:FederalHomeLoanBankAdvancesMember 2016-12-31 0001577670  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel1Member  
us-gaap:MortgagesMember 2016-12-31 0001577670 us-gaap:FairValueInputsLevel3Member  
us-gaap:RevolvingCreditFacilityMember 2016-12-31 0001577670  
ladr:CommercialMortgageBackedSecuritiesInterestOnlyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670  
us-gaap:USGovernmentAgenciesDebtSecuritiesMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001577670 us-gaap:InterestRateSwapMember  
2016-07-01 2016-09-30 0001577670 us-gaap:FutureMember 2016-01-01 2016-09-30 0001577670  
us-gaap:CreditRiskContractMember 2016-07-01 2016-09-30 0001577670 us-gaap:CreditRiskContractMember  
2016-01-01 2016-09-30 0001577670 us-gaap:InterestRateSwapMember 2016-01-01 2016-09-30 0001577670  
us-gaap:FutureMember 2016-07-01 2016-09-30 0001577670 us-gaap:InterestRateSwapMember 2017-07-01  
2017-09-30 0001577670 us-gaap:FutureMember 2017-01-01 2017-09-30 0001577670  
us-gaap:CreditRiskContractMember 2017-01-01 2017-09-30 0001577670 us-gaap:CreditRiskContractMember  
2017-07-01 2017-09-30 0001577670 us-gaap:FutureMember 2017-07-01 2017-09-30 0001577670  
us-gaap:InterestRateSwapMember 2017-01-01 2017-09-30 0001577670 ladr:CreditRiskContractCDXMember  
2017-09-30 0001577670 us-gaap:InterestRateSwapMember 2017-09-30 0001577670  
ladr:CreditRiskContractCMBXMember 2017-09-30 0001577670  
ladr:InterestRateFutureFiveYearUSTreasuryNoteMember 2017-09-30 0001577670  
us-gaap:CreditRiskContractMember 2017-09-30 0001577670 ladr:A10yearU.S.TreasuryNoteUltraMember  
2017-09-30 0001577670 us-gaap:FutureMember 2017-09-30 0001577670  
ladr:InterestRateFutureTenYearUSTreasuryNoteMember 2017-09-30 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

ladr:CreditRiskContractCMBXMember 2017-01-01 2017-09-30 0001577670 ladr:A5yearU.S.TreasuryNoteMember 2017-09-30 0001577670 ladr:VariationMarginMember 2017-09-30 0001577670  
ladr:CreditRiskContractCDXMember 2017-01-01 2017-09-30 0001577670  
ladr:InterestRateFutureTenYearUSTreasuryNoteMember 2016-12-31 0001577670  
us-gaap:CreditRiskContractMember 2016-12-31 0001577670 ladr:CreditRiskContractCDXMember 2016-12-31 0001577670 us-gaap:FutureMember 2016-12-31 0001577670 ladr:CreditRiskContractCMBXMember 2016-12-31 0001577670 ladr:A5yearU.S.TreasuryNoteMember 2016-12-31 0001577670  
ladr:InterestRateFutureFiveYearUSTreasuryNoteMember 2016-12-31 0001577670  
ladr:CreditRiskContractCDXMember 2016-01-01 2016-12-31 0001577670 ladr:CreditRiskContractCMBXMember 2016-01-01 2016-12-31 0001577670 ladr:A10yearU.S.TreasuryNoteMember 2016-12-31 0001577670  
us-gaap:InterestRateSwapMember 2016-12-31 0001577670 us-gaap:InterestRateSwapMember 2016-01-01 2016-12-31 0001577670 ladr:InterestRateFutureTenYearUSTreasuryNoteMember 2017-01-01 2017-09-30 0001577670 ladr:A10yearU.S.TreasuryNoteMember 2016-01-01 2016-12-31 0001577670  
ladr:A5yearU.S.TreasuryNoteMember 2017-01-01 2017-09-30 0001577670  
ladr:A10yearU.S.TreasuryNoteUltraMember 2017-01-01 2017-09-30 0001577670  
ladr:InterestRateFutureFiveYearUSTreasuryNoteMember 2017-01-01 2017-09-30 0001577670  
ladr:InterestRateFutureTenYearUSTreasuryNoteMember 2016-01-01 2016-12-31 0001577670  
ladr:InterestRateFutureFiveYearUSTreasuryNoteMember 2016-01-01 2016-12-31 0001577670  
ladr:A5yearU.S.TreasuryNoteMember 2016-01-01 2016-12-31 0001577670 ladr:RestrictedCashMember 2016-12-31 0001577670 ladr:RestrictedCashMember 2017-09-30 0001577670 us-gaap:CommonClassAMember 2017-01-24 2017-01-24 0001577670 ladr:SeriesTRSLPUnitsMember 2017-01-01 2017-09-30 0001577670  
ladr:A2014ShareRepurchaseAuthorizationProgramMember us-gaap:CommonClassAMember 2014-10-30 0001577670 us-gaap:CommonClassAMember 2016-10-01 2016-12-31 0001577670 us-gaap:CommonClassBMember 2017-01-01 2017-09-30 0001577670 2015-01-01 0001577670  
ladr:A2014ShareRepurchaseAuthorizationProgramMember 2017-09-30 0001577670 ladr:SeriesREITLPUnitsMember 2017-01-01 2017-09-30 0001577670 ladr:A2014ShareRepurchaseAuthorizationProgramMember  
us-gaap:CommonClassAMember 2016-01-01 2016-09-30 0001577670 2015-01-01 2015-01-01 0001577670  
ladr:SeriesREITLPUnitsMember 2017-01-24 2017-01-24 0001577670 us-gaap:CommonClassBMember 2017-01-24 2017-01-24 0001577670 ladr:A2014ShareRepurchaseAuthorizationProgramMember  
us-gaap:CommonClassAMember 2017-09-30 0001577670  
ladr:A2014ShareRepurchaseAuthorizationProgramMember us-gaap:CommonClassAMember 2017-01-01 2017-09-30 0001577670 us-gaap:AociIncludingPortionAttributableToNoncontrollingInterestMember 2016-12-31 0001577670  
us-gaap:NoncontrollingInterestMember 2016-12-31 0001577670 us-gaap:NoncontrollingInterestMember 2017-01-01 2017-09-30 0001577670 us-gaap:AociIncludingPortionAttributableToNoncontrollingInterestMember 2017-01-01 2017-09-30 0001577670 us-gaap:NoncontrollingInterestMember 2017-09-30 0001577670  
us-gaap:AociIncludingPortionAttributableToNoncontrollingInterestMember 2017-09-30 0001577670  
us-gaap:CommonClassAMember 2017-03-01 2017-03-01 0001577670 us-gaap:CommonClassAMember 2017-09-01 2017-09-01 0001577670 us-gaap:CommonClassAMember 2017-06-01 2017-06-01 0001577670  
us-gaap:CommonClassAMember 2016-09-01 2016-09-01 0001577670 us-gaap:CommonClassAMember 2016-03-01 2016-03-01 0001577670 us-gaap:CommonClassAMember 2016-06-01 2016-06-01 0001577670  
ladr:A2014ShareRepurchaseAuthorizationProgramMember us-gaap:CommonClassAMember 2015-12-31 0001577670 ladr:A2014ShareRepurchaseAuthorizationProgramMember us-gaap:CommonClassAMember 2016-09-30 0001577670 ladr:A2014ShareRepurchaseAuthorizationProgramMember  
us-gaap:CommonClassAMember 2016-12-31 0001577670 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-01-01 2016-09-30 0001577670 us-gaap:AociIncludingPortionAttributableToNoncontrollingInterestMember 2016-01-01 2016-09-30 0001577670 us-gaap:AociIncludingPortionAttributableToNoncontrollingInterestMember 2016-09-30 0001577670 us-gaap:AociIncludingPortionAttributableToNoncontrollingInterestMember 2015-12-31 0001577670 us-gaap:NoncontrollingInterestMember 2016-01-01 2016-09-30 0001577670  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-09-30 0001577670  
us-gaap:NoncontrollingInterestMember 2015-12-31 0001577670 us-gaap:NoncontrollingInterestMember 2016-09-30 0001577670 us-gaap:OtherPropertyMember us-gaap:CorporateJointVentureMember 2017-09-30 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

us-gaap:OfficeBuildingMember us-gaap:CorporateJointVentureMember 2017-09-30 0001577670  
us-gaap:MaximumMember 2017-09-30 0001577670 us-gaap:MinimumMember 2017-09-30 0001577670  
us-gaap:WarehouseMember us-gaap:CorporateJointVentureMember 2017-09-30 0001577670  
ladr:AccumulatedOtherComprehensiveIncomeLossandAdditionalPaidinCapitalMember 2017-01-01 2017-09-30  
0001577670 ladr:UpfrontRestrictedStockMember ladr:A2016CompensationPlanMember  
us-gaap:CommonClassAMember ladr:NewMemberofBoardofDirectorsMember 2017-06-19 2017-06-19 0001577670  
us-gaap:EmployeeStockOptionMember ladr:OmnibusIncentivePlan2014Member us-gaap:ManagementMember  
ladr:TimeBasedVestingMember 2016-02-18 2016-02-18 0001577670 us-gaap:RestrictedStockMember  
ladr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember us-gaap:ManagementMember  
ladr:PerformanceBasedVestingMember 2015-02-18 2015-02-18 0001577670 us-gaap:RestrictedStockMember  
ladr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember us-gaap:ChiefExecutiveOfficerMember  
us-gaap:ShareBasedCompensationAwardTrancheOneMember 2015-02-18 2015-02-18 0001577670  
us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember  
ladr:BoardOfDirectorsMember us-gaap:ShareBasedCompensationAwardTrancheTwoMember 2015-06-10  
2015-06-10 0001577670 ladr:PhantomEquityInvestmentPlanMember 2016-12-31 0001577670  
us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member ladr:BoardOfDirectorsMember  
ladr:TimeBasedVestingMember 2016-02-18 0001577670 ladr:UpfrontRestrictedStockMember  
ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember ladr:MichaelMazzeiMember 2017-06-22  
2017-06-22 0001577670 2017-02-21 2017-02-21 0001577670 us-gaap:RestrictedStockMember  
ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember ladr:BoardOfDirectorsMember 2017-02-18  
2017-02-18 0001577670 us-gaap:EmployeeStockOptionMember ladr:OmnibusIncentivePlan2014Member  
us-gaap:ManagementMember ladr:TimeBasedVestingMember 2015-02-18 2015-02-18 0001577670  
us-gaap:EmployeeStockOptionMember ladr:OmnibusIncentivePlan2014Member us-gaap:ManagementMember  
ladr:TimeBasedVestingMember 2016-02-18 0001577670 us-gaap:RestrictedStockMember  
ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember ladr:NewEmployeeMember 2017-02-18  
2017-02-18 0001577670 us-gaap:RestrictedStockMember ladr:A2016CompensationPlanMember  
us-gaap:CommonClassAMember ladr:ManagementGranteesMember 2017-02-18 2017-02-18 0001577670  
ladr:DeferredCompensationPlan2014Member 2017-09-30 0001577670 ladr:UpfrontRestrictedStockMember  
ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember  
ladr:NewMemberofBoardofDirectorsMember us-gaap:ShareBasedCompensationAwardTrancheOneMember  
2017-06-19 0001577670 us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member  
us-gaap:ManagementMember ladr:PerformanceBasedVestingMember 2015-02-18 2015-02-18 0001577670  
us-gaap:RestrictedStockMember ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember  
us-gaap:ExecutiveOfficerMember 2017-02-18 2017-02-18 0001577670 us-gaap:RestrictedStockMember  
ladr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember us-gaap:ExecutiveOfficerMember  
2016-02-18 2016-02-18 0001577670 us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member  
us-gaap:CommonClassAMember us-gaap:ManagementMember 2016-02-18 2016-02-18 0001577670  
us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember  
us-gaap:ManagementMember 2015-02-18 2015-02-18 0001577670 us-gaap:RestrictedStockMember  
ladr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember ladr:BoardOfDirectorsMember  
2015-02-18 2015-02-18 0001577670 us-gaap:RestrictedStockMember ladr:A2016CompensationPlanMember  
us-gaap:CommonClassAMember ladr:NonManagementEmployeesMember 2017-02-18 2017-02-18 0001577670  
us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember  
ladr:BoardOfDirectorsMember 2015-06-10 2015-06-10 0001577670  
ladr:RestrictedStockWithDividendEquivalentRightsMember ladr:A2016CompensationPlanMember  
us-gaap:CommonClassAMember ladr:ManagementGranteesMember 2017-01-24 2017-01-24 0001577670  
ladr:DeferredCompensationPlan2014Member 2016-12-31 0001577670 ladr:UpfrontRestrictedStockMember  
ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember  
ladr:NewMemberofBoardofDirectorsMember 2017-03-03 2017-03-03 0001577670  
us-gaap:EmployeeStockOptionMember ladr:OmnibusIncentivePlan2014Member us-gaap:ManagementMember  
ladr:TimeBasedVestingMember 2015-02-18 0001577670 2016-02-10 2016-02-10 0001577670

Edgar Filing: Ladder Capital Corp - Form 10-Q

us-gaap:RestrictedStockMember ldr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember  
us-gaap:ManagementMember us-gaap:ShareBasedCompensationAwardTrancheTwoMember 2017-02-18 2017-02-18  
0001577670 ldr:UpfrontRestrictedStockMember ldr:A2016CompensationPlanMember  
us-gaap:CommonClassAMember ldr:NewMemberofBoardofDirectorsMember  
ldr:SharebasedCompensationAwardTrancheEightMember 2017-06-19 0001577670  
ldr:PhantomEquityInvestmentPlanMember 2017-09-30 0001577670 us-gaap:RestrictedStockMember  
ldr:A2016CompensationPlanMember us-gaap:ExecutiveOfficerMember ldr:PerformanceBasedVestingMember  
2017-02-18 2017-02-18 0001577670 2016-02-10 0001577670 2017-02-21 0001577670  
us-gaap:RestrictedStockMember ldr:OmnibusIncentivePlan2014Member us-gaap:CommonClassAMember  
us-gaap:ManagementMember us-gaap:ShareBasedCompensationAwardTrancheTwoMember 2015-02-18 2015-02-18  
0001577670 us-gaap:RestrictedStockMember ldr:OmnibusIncentivePlan2014Member  
us-gaap:CommonClassAMember ldr:BoardOfDirectorsMember 2016-02-18 2016-02-18 0001577670  
us-gaap:RestrictedStockMember ldr:OmnibusIncentivePlan2014Member us-gaap:ManagementMember  
ldr:TimeBasedVestingMember 2015-02-18 2015-02-18 0001577670 us-gaap:RestrictedStockMember 2015-12-31  
0001577670 ldr:LimitedPartnerUnitsMember 2016-01-01 2016-09-30 0001577670  
us-gaap:EmployeeStockOptionMember 2016-01-01 2016-09-30 0001577670 us-gaap:EmployeeStockOptionMember  
2016-09-30 0001577670 us-gaap:RestrictedStockMember 2016-01-01 2016-09-30 0001577670  
ldr:LimitedPartnerUnitsMember 2016-09-30 0001577670 ldr:LimitedPartnerUnitsMember 2015-12-31 0001577670  
us-gaap:RestrictedStockMember 2016-09-30 0001577670 us-gaap:EmployeeStockOptionMember 2015-12-31  
0001577670 us-gaap:EmployeeStockOptionMember 2017-09-30 0001577670 us-gaap:RestrictedStockMember  
2016-12-31 0001577670 us-gaap:EmployeeStockOptionMember 2017-01-01 2017-09-30 0001577670  
us-gaap:RestrictedStockMember 2017-01-01 2017-09-30 0001577670 us-gaap:EmployeeStockOptionMember  
2016-12-31 0001577670 us-gaap:RestrictedStockMember 2017-09-30 0001577670  
us-gaap:DividendDeclaredMember us-gaap:CommonClassAMember 2016-01-01 2016-09-30 0001577670  
us-gaap:DividendDeclaredMember us-gaap:CommonClassAMember 2017-07-01 2017-09-30 0001577670  
us-gaap:DividendDeclaredMember us-gaap:CommonClassAMember 2017-01-01 2017-09-30 0001577670  
us-gaap:RestrictedStockMember 2016-07-01 2016-09-30 0001577670 us-gaap:RestrictedStockMember  
us-gaap:CommonClassAMember 2016-07-01 2016-09-30 0001577670 us-gaap:DividendDeclaredMember  
us-gaap:CommonClassAMember 2016-07-01 2016-09-30 0001577670 us-gaap:RestrictedStockMember  
us-gaap:CommonClassAMember 2017-01-01 2017-09-30 0001577670 us-gaap:EmployeeStockOptionMember  
2017-07-01 2017-09-30 0001577670 us-gaap:EmployeeStockOptionMember 2016-07-01 2016-09-30 0001577670  
us-gaap:RestrictedStockMember us-gaap:CommonClassAMember 2017-07-01 2017-09-30 0001577670  
us-gaap:RestrictedStockMember us-gaap:CommonClassAMember 2016-01-01 2016-09-30 0001577670  
us-gaap:RestrictedStockMember 2017-07-01 2017-09-30 0001577670 2017-03-17 2017-03-17 0001577670  
ldr:UpfrontRestrictedStockMember ldr:A2016CompensationPlanMember ldr:MichaelMazzeiMember 2017-06-22  
2017-06-22 0001577670 us-gaap:RestrictedStockMember ldr:A2016CompensationPlanMember  
ldr:NonManagementEmployeesMember ldr:PerformanceBasedVestingMember 2017-02-18 2017-02-18  
0001577670 ldr:UpfrontRestrictedStockMember ldr:A2016CompensationPlanMember  
ldr:NewMemberofBoardofDirectorsMember 2017-03-03 2017-03-03 0001577670 us-gaap:RestrictedStockMember  
ldr:A2016CompensationPlanMember us-gaap:ExecutiveOfficerMember 2017-02-18 2017-02-18 0001577670  
us-gaap:RestrictedStockMember ldr:A2016CompensationPlanMember ldr:NonManagementEmployeesMember  
ldr:TimeBasedVestingMember 2017-02-18 2017-02-18 0001577670 ldr:UpfrontRestrictedStockMember  
ldr:A2016CompensationPlanMember ldr:NewMemberofBoardofDirectorsMember 2017-06-22 2017-06-22  
0001577670 us-gaap:RestrictedStockMember ldr:OmnibusIncentivePlan2014Member  
us-gaap:CommonClassAMember us-gaap:ManagementMember ldr:TimeBasedVestingMember 2015-02-18  
2015-02-18 0001577670 us-gaap:RestrictedStockMember ldr:A2016CompensationPlanMember  
us-gaap:ExecutiveOfficerMember ldr:TimeBasedVestingMember 2017-02-18 2017-02-18 0001577670  
us-gaap:RestrictedStockMember ldr:A2016CompensationPlanMember us-gaap:ManagementMember 2017-02-18  
2017-02-18 0001577670 us-gaap:RestrictedStockMember ldr:A2016CompensationPlanMember  
ldr:NonManagementEmployeesMember 2017-02-18 2017-02-18 0001577670 us-gaap:RestrictedStockMember  
ldr:OmnibusIncentivePlan2014Member ldr:MembersOfManagementAndEmployeesMember

Edgar Filing: Ladder Capital Corp - Form 10-Q

ladr:TimeBasedVestingMember 2014-02-11 2014-02-11 0001577670 us-gaap:RestrictedStockMember  
ladr:OmnibusIncentivePlan2014Member ladr:MembersOfManagementAndEmployeesMember  
ladr:TimeBasedVestingOnEighteenMonthsAnniversaryMember 2014-02-11 2014-02-11 0001577670  
us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member ladr:DouglasDurstMember 2014-02-11  
2014-02-11 0001577670 us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member  
us-gaap:ChiefExecutiveOfficerMember ladr:TimeBasedVestingMember 2014-02-11 2014-02-11 0001577670  
us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member  
ladr:MembersOfManagementAndEmployeesMember ladr:TimeBasedVestingOnThreeYearAnniversaryMember  
2014-02-11 2014-02-11 0001577670 us-gaap:RestrictedStockMember ladr:OmnibusIncentivePlan2014Member  
ladr:MembersOfManagementAndEmployeesMember ladr:PerformanceBasedVestingMember 2014-02-11 2014-02-11  
0001577670 ladr:UpfrontRestrictedStockMember ladr:A2016CompensationPlanMember  
us-gaap:CommonClassAMember ladr:NewMemberofBoardofDirectorsMember  
us-gaap:ShareBasedCompensationAwardTrancheTwoMember 2017-06-19 0001577670  
ladr:UpfrontRestrictedStockMember ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember  
ladr:NewMemberofBoardofDirectorsMember ladr:SharebasedCompensationAwardTrancheSevenMember 2017-06-19  
0001577670 ladr:UpfrontRestrictedStockMember ladr:A2016CompensationPlanMember  
us-gaap:CommonClassAMember ladr:NewMemberofBoardofDirectorsMember  
ladr:SharebasedCompensationAwardTrancheFiveMember 2017-06-19 0001577670  
ladr:UpfrontRestrictedStockMember ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember  
ladr:NewMemberofBoardofDirectorsMember ladr:SharebasedCompensationAwardTrancheFourMember 2017-06-19  
0001577670 ladr:UpfrontRestrictedStockMember ladr:A2016CompensationPlanMember  
us-gaap:CommonClassAMember ladr:NewMemberofBoardofDirectorsMember  
ladr:SharebasedCompensationAwardTrancheSixMember 2017-06-19 0001577670  
ladr:UpfrontRestrictedStockMember ladr:A2016CompensationPlanMember us-gaap:CommonClassAMember  
ladr:NewMemberofBoardofDirectorsMember us-gaap:ShareBasedCompensationAwardTrancheThreeMember  
2017-06-19 0001577670 us-gaap:StateAndLocalJurisdictionMember  
us-gaap:NewYorkStateDivisionOfTaxationAndFinanceMember 2016-07-01 2016-09-30 0001577670  
us-gaap:StateAndLocalJurisdictionMember us-gaap:NewYorkStateDivisionOfTaxationAndFinanceMember  
2016-12-31 0001577670 us-gaap:AccruedLiabilitiesMember 2017-09-30 0001577670  
ladr:AmountPayablePursuanttoTaxReceivableAgreementMember 2017-09-30 0001577670  
us-gaap:OtherAssetsMember 2016-12-31 0001577670  
ladr:AmountPayablePursuanttoTaxReceivableAgreementMember 2016-12-31 0001577670  
us-gaap:OtherAssetsMember 2017-09-30 0001577670 ladr:IndemnityCounterpartyMember 2016-12-31 0001577670  
ladr:IndemnityCounterpartyMember 2017-01-01 2017-09-30 0001577670 us-gaap:AccruedLiabilitiesMember  
2016-12-31 0001577670 ladr:MezzanineLoanMember ladr:HallettsInvestorsLLCMember 2015-05-20 0001577670  
us-gaap:AffiliatedEntityMember 2016-10-18 0001577670 ladr:BParticipationInterestMember  
ladr:RelatedReserveIVLLCMember us-gaap:AffiliatedEntityMember 2017-01-01 2017-09-30 0001577670  
ladr:RelatedMember us-gaap:CommonClassAMember 2017-03-03 2017-03-03 0001577670  
us-gaap:AffiliatedEntityMember 2017-01-01 2017-09-30 0001577670 ladr:BParticipationInterestMember  
ladr:RelatedReserveIVLLCMember us-gaap:AffiliatedEntityMember 2017-07-01 2017-09-30 0001577670  
ladr:TheRelatedGroupofFloridaMember us-gaap:CorporateJointVentureMember  
ladr:BrickellHeightsCommercialLLCMember 2017-07-06 0001577670 ladr:BParticipationInterestMember  
ladr:RelatedReserveIVLLCMember us-gaap:AffiliatedEntityMember 2017-03-13 0001577670  
us-gaap:GuarantorSubsidiariesMember ladr:HallettsInvestorsLLCMember 2015-05-20 0001577670  
ladr:RelatedSpecialAssetsLLCMember us-gaap:CorporateJointVentureMember  
ladr:BrickellHeightsCommercialLLCMember 2017-07-06 0001577670 us-gaap:FirstMortgageMember  
ladr:BrickellHeightsCommercialLLCMember us-gaap:AffiliatedEntityMember 2017-07-06 0001577670  
ladr:MezzanineLoanMember ladr:HallettsInvestorsLLCMember 2016-07-01 2016-09-30 0001577670  
ladr:BrickellHeightsCommercialLLCMember us-gaap:MultifamilyMember us-gaap:AffiliatedEntityMember  
2017-07-06 0001577670 us-gaap:AffiliatedEntityMember us-gaap:ManagementMember 2017-09-30 0001577670  
us-gaap:FirstMortgageMember ladr:BrickellHeightsCommercialLLCMember us-gaap:AffiliatedEntityMember

## Edgar Filing: Ladder Capital Corp - Form 10-Q

2017-07-01 2017-09-30 0001577670 ladr:MezzanineLoanMember ladr:HallettsInvestorsLLCMember 2016-01-01  
2016-09-30 0001577670 ladr:BParticipationInterestMember ladr:AccruedExpensesMember  
ladr:RelatedReserveIVLLCMember 2017-01-01 2017-09-30 0001577670 us-gaap:FirstMortgageMember  
ladr:BrickellHeightsCommercialLLCMember us-gaap:AffiliatedEntityMember 2017-01-01 2017-09-30 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember 2016-12-31 0001577670 ladr:HurricaneMariaMember  
2017-09-30 0001577670 2012-05-15 2012-05-15 0001577670 ladr:HurricaneIrmaMember 2017-09-30 0001577670  
ladr:FirstMortgageHeldForInvestmentMember 2017-09-30 0001577670 2011-10-01 2011-10-01 0001577670  
ladr:FirstMortgageHeldForInvestmentMember 2016-12-31 0001577670 ladr:HurricaneHarveyMember 2017-09-30  
0001577670 ladr:MezzanineLoanMember 2016-12-31 0001577670  
ladr:MortgageLoanReceivablesHeldForInvestmentMember 2017-09-30 0001577670  
us-gaap:CorporateNonSegmentMember 2017-09-30 0001577670 us-gaap:CorporateNonSegmentMember  
ladr:SeniorUnsecuredNotesMember 2016-12-31 0001577670 us-gaap:CorporateNonSegmentMember  
ladr:SeniorUnsecuredNotesMember 2017-09-30 0001577670 us-gaap:OperatingSegmentsMember 2017-09-30  
0001577670 us-gaap:CorporateNonSegmentMember 2016-12-31 0001577670 us-gaap:OperatingSegmentsMember  
2016-12-31 0001577670 us-gaap:OperatingSegmentsMember us-gaap:AvailableforsaleSecuritiesMember 2017-07-01  
2017-09-30 0001577670 us-gaap:OperatingSegmentsMember us-gaap:AvailableforsaleSecuritiesMember 2016-01-01  
2016-09-30 0001577670 us-gaap:OperatingSegmentsMember us-gaap:RealEstateMember 2017-01-01 2017-09-30  
0001577670 us-gaap:OperatingSegmentsMember us-gaap:RealEstateMember 2016-01-01 2016-09-30 0001577670  
us-gaap:OperatingSegmentsMember us-gaap:LoansMember 2016-07-01 2016-09-30 0001577670  
us-gaap:OperatingSegmentsMember us-gaap:LoansMember 2017-01-01 2017-09-30 0001577670  
us-gaap:OperatingSegmentsMember us-gaap:RealEstateMember 2016-07-01 2016-09-30 0001577670  
us-gaap:OperatingSegmentsMember us-gaap:AvailableforsaleSecuritiesMember 2016-07-01 2016-09-30 0001577670  
us-gaap:CorporateNonSegmentMember 2016-07-01 2016-09-30 0001577670 us-gaap:OperatingSegmentsMember  
us-gaap:RealEstateMember 2017-07-01 2017-09-30 0001577670 us-gaap:CorporateNonSegmentMember 2017-01-01  
2017-09-30 0001577670 us-gaap:OperatingSegmentsMember us-gaap:LoansMember 2017-07-01 2017-09-30  
0001577670 us-gaap:OperatingSegmentsMember us-gaap:AvailableforsaleSecuritiesMember 2017-01-01 2017-09-30  
0001577670 us-gaap:CorporateNonSegmentMember 2016-01-01 2016-09-30 0001577670  
us-gaap:OperatingSegmentsMember us-gaap:LoansMember 2016-01-01 2016-09-30 0001577670  
us-gaap:CorporateNonSegmentMember 2017-07-01 2017-09-30 0001577670 us-gaap:OperatingSegmentsMember  
us-gaap:LoansMember 2016-12-31 0001577670 us-gaap:OperatingSegmentsMember  
us-gaap:AvailableforsaleSecuritiesMember 2016-12-31 0001577670 us-gaap:OperatingSegmentsMember  
us-gaap:AvailableforsaleSecuritiesMember 2017-09-30 0001577670 us-gaap:OperatingSegmentsMember  
us-gaap:LoansMember 2017-09-30 0001577670 us-gaap:OperatingSegmentsMember us-gaap:RealEstateMember  
2016-12-31 0001577670 us-gaap:OperatingSegmentsMember us-gaap:RealEstateMember 2017-09-30 0001577670  
us-gaap:RevolvingCreditFacilityMember us-gaap:SubsequentEventMember  
us-gaap:LondonInterbankOfferedRateLIBORMember 2017-10-27 0001577670 us-gaap:SubsequentEventMember  
2017-10-17 2017-10-17 0001577670 us-gaap:AffiliatedEntityMember us-gaap:SubsequentEventMember 2017-10-17  
ladr:loan iso4217:USD xbrli:shares ladr:securities xbrli:shares iso4217:USD xbrli:pure ladr:counterparty ladr:property  
ladr:agreement ladr:Joint\_Venture ladr:Extension ladr:Vote ladr:Class\_of\_Stock ladr:anniversary ladr:segment  
utreg:acre ladr:Vesting\_Installment ladr:installment ladr:Extension\_Option

[Table of Contents](#)

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2017

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:

001-36299

## Ladder Capital Corp

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**80-0925494**

(IRS Employer Identification No.)

**345 Park Avenue, New York**

(Address of principal executive offices)

**10154**

(Zip Code)

**(212) 715-3170**

(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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

Edgar Filing: Ladder Capital Corp - Form 10-Q

(Do not check if a 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 registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 31, 2017
Class A Common Stock, \$0.001 par value	88,925,736
Class B Common Stock, \$0.001 par value	21,822,238



Table of Contents

**LADDER CAPITAL CORP**

**FORM 10-Q**

**September 30, 2017**

<b>Index</b>	<b>Page</b>
<b><u>PART I - FINANCIAL INFORMATION</u></b>	<b><u>5</u></b>
<b><u>Item 1. Financial Statements (Unaudited)</u></b>	<b><u>5</u></b>
<u>Consolidated Balance Sheets</u>	<u>6</u>
<u>Consolidated Statements of Income</u>	<u>7</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>9</u>
<u>Consolidated Statements of Changes in Equity</u>	<u>10</u>
<u>Consolidated Statements of Cash Flows</u>	<u>12</u>
<u>Notes to Consolidated Financial Statements</u>	<u>15</u>
<b><u>Item 2. Management’s Discussion and Analysis of Financial</u></b>	<b><u>82</u></b>
<u>Condition and Results of Operations</u>	
<b><u>Item 3. Quantitative and Qualitative Disclosures about</u></b>	<b><u>121</u></b>
<u>Market Risk</u>	
<b><u>Item 4. Controls and Procedures</u></b>	<b><u>124</u></b>
<b><u>PART II - OTHER INFORMATION</u></b>	<b><u>124</u></b>
<b><u>Item 1. Legal Proceedings</u></b>	<b><u>124</u></b>
<b><u>Item 1A. Risk Factors</u></b>	<b><u>124</u></b>
<b><u>Item 2. Unregistered Sales of Securities</u></b>	<b><u>127</u></b>
<b><u>Item 3. Defaults Upon Senior Securities</u></b>	<b><u>127</u></b>
<b><u>Item 4. Mine Safety Disclosures</u></b>	<b><u>127</u></b>
<b><u>Item 5. Other Information</u></b>	<b><u>127</u></b>
<b><u>Item 6. Exhibits and Financial Statement Schedules</u></b>	<b><u>128</u></b>
<b><u>SIGNATURES</u></b>	<b><u>129</u></b>

Table of Contents

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q (this “Quarterly Report”) includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact contained in this Quarterly Report, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations for future operations, are forward-looking statements. The words “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “might,” “will,” “should,” “can have,” “likely” and other words and terms of similar expressions are intended to identify forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short-term and long-term business operations and objectives and financial needs. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ from those expressed in our forward-looking statements. Our future financial position and results of operations, as well as any forward-looking statements are subject to change and inherent risks and uncertainties. You should consider our forward-looking statements in light of a number of factors that may cause actual results to vary from our forward-looking statements including, but not limited to:

risks discussed under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016 (“Annual Report”), as well as our consolidated financial statements, related notes, and the other financial information appearing elsewhere in this Quarterly Report and our other filings with the United States Securities and Exchange Commission (“SEC”);

- changes in general economic conditions, in our industry and in the commercial finance and the real estate markets;
- changes to our business and investment strategy;
- our ability to obtain and maintain financing arrangements;
- the financing and advance rates for our assets;
- our actual and expected leverage and liquidity;
- the adequacy of collateral securing our loan portfolio and a decline in the fair value of our assets;
- interest rate mismatches between our assets and our borrowings used to fund such investments;
- changes in interest rates and the market value of our assets;
- changes in prepayment rates on our mortgages and the loans underlying our mortgage-backed and other asset-backed securities;
- the effects of hedging instruments and the degree to which our hedging strategies may or may not protect us from interest rate and credit risk volatility;
- the increased rate of default or decreased recovery rates on our assets;
- the adequacy of our policies, procedures and systems for managing risk effectively;
- a potential downgrade in the credit ratings assigned to our investments;
- our compliance with, and the impact of and changes in, governmental regulations, tax laws and rates, accounting guidance and similar matters;
- our ability to maintain our qualification as a real estate investment trust (“REIT”) for U.S. federal income tax purposes and our ability and the ability of our subsidiaries to operate in compliance with REIT requirements;
- our ability and the ability of our subsidiaries to maintain our and their exemptions from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”);
- potential liability relating to environmental matters that impact the value of properties we may acquire or the properties underlying our investments;

## Edgar Filing: Ladder Capital Corp - Form 10-Q

- the inability of insurance covering real estate underlying our loans and investments to cover all losses;
- the availability of investment opportunities in mortgage-related and real estate-related instruments and other securities;
- fraud by potential borrowers;
- the availability of qualified personnel;
- the degree and nature of our competition; and
- the market trends in our industry, interest rates, real estate values, the debt securities markets or the general economy.

Table of Contents

You should not rely upon forward-looking statements as predictions of future events. In addition, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. The forward-looking statements contained in this Quarterly Report are made as of the date hereof, and the Company assumes no obligation to update or supplement any forward-looking statements.

3

---

Table of Contents

**REFERENCES TO LADDER CAPITAL CORP**

Ladder Capital Corp is a holding company, and its primary assets are a controlling equity interest in Ladder Capital Finance Holdings LLLP (“LCFH” or the “Operating Partnership”) and in each series thereof, directly or indirectly. Unless the context suggests otherwise, references in this report to “Ladder,” “Ladder Capital,” the “Company,” “we,” “us” and “our” (1) prior to the February 2014 initial public offering (“IPO”) of the Class A common stock of Ladder Capital Corp and related transactions, to LCFH (“Predecessor”) and its consolidated subsidiaries and (2) after our IPO and related transactions, to Ladder Capital Corp and its consolidated subsidiaries.

Table of Contents**Part I - Financial Information****Item 1. Financial Statements (Unaudited)**

The consolidated financial statements of Ladder Capital Corp and the notes related to the foregoing consolidated financial statements are included in this Item 1.

**Index to Consolidated Financial Statements (Unaudited)**

<u>Consolidated Balance Sheets</u>	<u>6</u>
<u>Consolidated Statements of Income</u>	<u>7</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>9</u>
<u>Consolidated Statements of Changes in Equity</u>	<u>10</u>
<u>Consolidated Statements of Cash Flows</u>	<u>12</u>
<u>Notes to Consolidated Financial Statements</u>	<u>15</u>
<u>Note 1. Organization and Operations</u>	<u>15</u>
<u>Note 2. Significant Accounting Policies</u>	<u>17</u>
<u>Note 3. Mortgage Loan Receivables</u>	<u>24</u>
<u>Note 4. Real Estate Securities</u>	<u>29</u>
<u>Note 5. Real Estate and Related Lease Intangibles, Net</u>	<u>31</u>
<u>Note 6. Investment in Unconsolidated Joint Ventures</u>	<u>36</u>
<u>Note 7. Debt Obligations</u>	<u>39</u>
<u>Note 8. Fair Value of Financial Instruments</u>	<u>48</u>
<u>Note 9. Derivative Instruments</u>	<u>54</u>
<u>Note 10. Offsetting Assets and Liabilities</u>	<u>56</u>
<u>Note 11. Equity Structure and Accounts</u>	<u>57</u>
<u>Note 12. Noncontrolling Interests</u>	<u>62</u>
<u>Note 13. Earnings Per Share</u>	<u>63</u>
<u>Note 14. Stock Based Compensation Plans</u>	<u>65</u>
<u>Note 15. Income Taxes</u>	<u>72</u>
<u>Note 16. Related Party Transactions</u>	<u>74</u>
<u>Note 17. Commitments and Contingencies</u>	<u>76</u>
<u>Note 18. Segment Reporting</u>	<u>77</u>
<u>Note 19. Subsequent Events</u>	<u>81</u>

Table of Contents
**Ladder Capital Corp**  
**Consolidated Balance Sheets**  
**(Dollars in Thousands)**

	September 30, 2017 (Unaudited)	December 31, 2016
<b>Assets</b>		
Cash and cash equivalents	\$48,894	\$44,615
Restricted cash	48,483	44,813
Mortgage loan receivables held for investment, net, at amortized cost:		
Mortgage loans held by consolidated subsidiaries	2,846,940	2,000,095
Mortgage loans transferred but not considered sold	598,525	—
Provision for loan losses	(4,000	) (4,000
Mortgage loan receivables held for sale	522,961	357,882
Real estate securities, available-for-sale	1,098,471	2,100,947
Real estate and related lease intangibles, net	1,041,901	822,338
Investments in unconsolidated joint ventures	35,007	34,025
FHLB stock	77,915	77,915
Derivative instruments	568	5,018
Due from brokers	12,526	10
Accrued interest receivable	26,426	24,439
Other assets	57,423	70,240
<b>Total assets</b>	<b>\$6,412,040</b>	<b>\$5,578,337</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Debt obligations, net:		
Secured and unsecured debt obligations	\$4,196,547	\$3,942,138
Liability for transfers not considered sales	631,480	—
Due to brokers	432	394
Derivative instruments	2,711	3,446
Amount payable pursuant to tax receivable agreement	2,438	2,520
Dividends payable	1,988	24,682
Accrued expenses	52,679	66,597
Other liabilities	58,246	29,006
<b>Total liabilities</b>	<b>4,946,521</b>	<b>4,068,783</b>
<b>Commitments and contingencies (Note 17)</b>		
	—	—
<b>Equity</b>		
Class A common stock, par value \$0.001 per share, 600,000,000 shares authorized; 88,091,272 and 72,681,218 shares issued and 86,050,681 and 71,586,170 shares outstanding	87	72
Class B common stock, par value \$0.001 per share, 100,000,000 shares authorized; 24,697,293 and 38,002,344 shares issued and outstanding	25	38
Additional paid-in capital	1,201,402	992,307
Treasury stock, 2,040,591 and 1,095,048 shares, at cost	(24,501	) (11,244
Retained Earnings/(Dividends in Excess of Earnings)	(57,052	) (11,148
Accumulated other comprehensive income (loss)	4,398	1,365
<b>Total shareholders' equity</b>	<b>1,124,359</b>	<b>971,390</b>
Noncontrolling interest in operating partnership	329,372	533,246
Noncontrolling interest in consolidated joint ventures	11,788	4,918

<b>Total equity</b>	<b>1,465,519</b>	<b>1,509,554</b>
<b>Total liabilities and equity</b>	<b>\$6,412,040</b>	<b>\$5,578,337</b>

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

6

---



Table of Contents

**Ladder Capital Corp**  
**Consolidated Statements of Income**  
(Dollars in Thousands, Except Per Share and Dividend Data)  
(Unaudited)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Net interest income</b>				
Interest income	\$72,763	\$60,284	\$196,410	\$175,650
Interest expense	42,607	30,685	109,625	88,622
<b>Net interest income</b>	<b>30,156</b>	<b>29,599</b>	<b>86,785</b>	<b>87,028</b>
Provision for loan losses	—	—	—	300
<b>Net interest income after provision for loan losses</b>	<b>30,156</b>	<b>29,599</b>	<b>86,785</b>	<b>86,728</b>
<b>Other income</b>				
Operating lease income	22,924	19,466	64,741	57,845
Tenant recoveries	2,382	1,185	5,121	3,844
Sale of loans, net	(775 )	19,640	(1,774 )	30,265
Realized gain (loss) on securities	6,688	7,126	19,182	9,524
Unrealized gain (loss) on Agency interest-only securities	577	(47 )	1,034	29
Realized gain on sale of real estate, net	3,228	4,649	7,790	15,616
Fee and other income	4,338	8,101	13,378	17,258
Net result from derivative transactions	(348 )	9,356	(18,352 )	(66,148 )
Earnings (loss) from investment in unconsolidated joint ventures	127	(141 )	64	485
Gain (loss) on extinguishment of debt	—	—	(54 )	5,382
<b>Total other income</b>	<b>39,141</b>	<b>69,335</b>	<b>91,130</b>	<b>74,100</b>
<b>Costs and expenses</b>				
Salaries and employee benefits	13,255	17,296	43,786	43,343
Operating expenses	4,790	4,391	16,098	15,399
Real estate operating expenses	9,351	8,392	24,861	23,244
Fee expense	1,242	803	3,556	2,407
Depreciation and amortization	10,606	9,733	29,323	28,789
<b>Total costs and expenses</b>	<b>39,244</b>	<b>40,615</b>	<b>117,624</b>	<b>113,182</b>
<b>Income (loss) before taxes</b>	<b>30,053</b>	<b>58,319</b>	<b>60,291</b>	<b>47,646</b>
Income tax expense (benefit)	(400 )	8,721	(3,224 )	5,547
<b>Net income (loss)</b>	<b>30,453</b>	<b>49,598</b>	<b>63,515</b>	<b>42,099</b>
Net (income) loss attributable to noncontrolling interest in consolidated joint ventures	265	439	(133 )	436
Net (income) loss attributable to noncontrolling interest in operating partnership	(6,679 )	(22,429 )	(15,210 )	(17,664 )
<b>Net income (loss) attributable to Class A common shareholders</b>	<b>\$24,039</b>	<b>\$27,608</b>	<b>\$48,172</b>	<b>\$24,871</b>

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



Table of Contents

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Earnings per share:</b>				
Basic	\$0.28	\$ 0.44	\$0.61	\$ 0.41
Diluted	\$0.28	\$ 0.44	\$0.59	\$ 0.40
<b>Weighted average shares outstanding:</b>				
Basic	85,135,682	85,148,362	79,416,957	97,976,046
Diluted	85,476,266	86,347,690	109,857,679	107,975,010
<b>Dividends per share of Class A common stock (Note 11)</b>	<b>\$0.300</b>	<b>\$ 0.275</b>	<b>\$0.900</b>	<b>\$ 0.825</b>

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

Table of Contents

**Ladder Capital Corp**  
**Consolidated Statements of Comprehensive Income**  
**(Dollars in Thousands)**  
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
<b>Net income (loss)</b>	<b>\$30,453</b>	<b>\$49,598</b>	<b>\$63,515</b>	<b>\$42,099</b>
<b>Other comprehensive income (loss)</b>				
<b>Unrealized gain (loss) on securities, net of tax:</b>				
Unrealized gain (loss) on real estate securities, available for sale	4,650	(1,450 )	24,046	63,383
Reclassification adjustment for (gains) included in net income	(6,875 )	(7,126 )	(20,345 )	(10,108 )
<b>Total other comprehensive income (loss)</b>	<b>(2,225 )</b>	<b>(8,576 )</b>	<b>3,701</b>	<b>53,275</b>
<b>Comprehensive income</b>	<b>28,228</b>	<b>41,022</b>	<b>67,216</b>	<b>95,374</b>
Comprehensive (income) loss attributable to noncontrolling interest in consolidated joint ventures	265	439	(133 )	436
<b>Comprehensive income of combined Class A common shareholders and Operating Partnership unitholders</b>	<b>\$28,493</b>	<b>\$41,461</b>	<b>\$67,083</b>	<b>\$95,810</b>
Comprehensive (income) attributable to noncontrolling interest in operating partnership	(6,183 )	(18,978 )	(17,057 )	(40,768 )
<b>Comprehensive income attributable to Class A common shareholders</b>	<b>\$22,310</b>	<b>\$22,483</b>	<b>\$50,026</b>	<b>\$55,042</b>

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

Table of Contents

**Ladder Capital Corp**  
**Consolidated Statements of Changes in Equity**  
**(Dollars and Shares in Thousands)**  
**(Unaudited)**

	Class A Common Stock		Class B Common Stock		Additional Paid-in-Capital	Treasury Stock	Retained Earnings/(Dividends in Excess of Earnings)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests		Total Shareholders' Equity/Partners' Capital
	Shares	Par	Shares	Par					Operating Partnership	Consolidated Joint Ventures	
<b>Balance, December 31, 2016</b>	<b>71,586</b>	<b>\$72</b>	<b>38,003</b>	<b>\$38</b>	<b>\$992,307</b>	<b>\$(11,244)</b>	<b>\$(11,148)</b>	<b>\$1,365</b>	<b>\$533,246</b>	<b>\$4,918</b>	<b>\$1,509,554</b>
Contributions	—	—	—	—	—	—	—	—	—	6,935	6,935
Distributions	—	—	—	—	—	—	—	—	(36,372)	(198)	(36,570)
Equity based compensation	—	—	—	—	10,482	—	—	—	—	—	10,482
Grants of restricted stock	859	1	—	—	(1)	—	—	—	—	—	—
Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock and units	(936)	(1)	—	—	—	(13,257)	—	—	—	—	(13,258)
Forfeitures	(10)	—	—	—	—	—	—	—	—	—	—
Dividends declared	—	—	—	—	—	—	(76,757)	—	—	—	(76,757)
Stock dividends	814	1	432	1	17,317	—	(17,319)	—	—	—	—
Exchange of noncontrolling interest for common stock	13,738	14	(13,738)	(14)	185,002	—	—	1,422	(188,507)	—	(2,083)
Net income (loss)	—	—	—	—	—	—	48,172	—	15,210	133	63,515
Other comprehensive income (loss)	—	—	—	—	—	—	—	1,854	1,847	—	3,701
Rebalancing of ownership percentage between Company and Operating Partnership	—	—	—	—	(3,705)	—	—	(243)	3,948	—	—
<b>Balance, September 30, 2017</b>	<b>86,051</b>	<b>\$87</b>	<b>24,697</b>	<b>\$25</b>	<b>\$1,201,402</b>	<b>\$(24,501)</b>	<b>\$(57,052)</b>	<b>\$4,398</b>	<b>\$329,372</b>	<b>\$11,788</b>	<b>\$1,465,519</b>

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



Table of Contents

**Ladder Capital Corp**  
**Consolidated Statements of Changes in Equity**  
**(Dollars and Shares in Thousands)**

	Shareholders' Equity						Retained Earnings/(Dividends in Excess of Earnings)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests Operating Partnership	Interests Consolidated Joint Ventures	Total Shareholders' Equity/Partners Capital
	Class A Common Stock Shares	Par	Class B Common Stock Shares	Par	Additional Paid-in-Capital	Treasury Stock					
<b>Balance, December 31, 2015</b>	<b>55,210</b>	<b>\$55</b>	<b>44,056</b>	<b>\$44</b>	<b>\$776,866</b>	<b>\$(5,812)</b>	<b>\$60,618</b>	<b>\$(3,556)</b>	<b>\$657,380</b>	<b>\$5,813</b>	<b>\$1,491,408</b>
Contributions	—	—	—	—	—	—	—	—	250	—	250
Distributions	—	—	—	—	—	—	—	—	(39,805)	(757)	(40,562)
Equity based compensation	—	—	—	—	516	—	—	—	17,124	—	17,640
Grants of restricted stock	794	1	—	—	(1)	—	—	—	—	—	—
Purchase of treasury stock	(424)	—	—	—	—	(4,652)	—	—	—	—	(4,652)
Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock and units	(73)	—	(1)	—	—	(780)	—	—	(6)	—	(786)
Forfeitures	(48)	—	—	—	—	—	—	—	—	—	—
Dividends declared	—	—	—	—	—	—	(74,393)	—	—	—	(74,393)
Stock dividends	5,606	6	4,469	4	64,090	—	(64,100)	—	—	—	—
Exchange of noncontrolling interest for common stock	10,521	10	(10,521)	(10)	144,629	—	—	1,202	(145,831)	—	—
Adjustment for deferred taxes/tax receivable agreement as a result of the exchange of Class B shares	—	—	—	—	(1,590)	—	—	—	—	—	(1,590)
Net income (loss)	—	—	—	—	—	—	66,727	—	47,131	(138)	113,720
Other comprehensive income (loss)	—	—	—	—	—	—	—	3,420	5,099	—	8,519
Rebalancing of ownership percentage between Company and Operating Partnership	—	—	—	—	7,797	—	—	299	(8,096)	—	—
	<b>71,586</b>	<b>\$72</b>	<b>38,003</b>	<b>\$38</b>	<b>\$992,307</b>	<b>\$(11,244)</b>	<b>\$(11,148)</b>	<b>\$1,365</b>	<b>\$533,246</b>	<b>\$4,918</b>	<b>\$1,509,554</b>

**Balance,  
December 31,  
2016**

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

11

---



Table of Contents

**Ladder Capital Corp**  
**Consolidated Statements of Cash Flows**  
**(Dollars in Thousands)**  
**(Unaudited)**

	Nine Months Ended September 30,	
	2017	2016
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$63,515	\$42,099
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
(Gain) loss on extinguishment of debt	54	(5,382 )
Depreciation and amortization	29,323	28,789
Unrealized (gain) loss on derivative instruments	3,509	6,273
Unrealized (gain) loss on Agency interest-only securities	(1,034 )	(29 )
Unrealized (gain) loss on investment in mutual fund	(57 )	—
Provision for loan losses	—	300
Amortization of equity based compensation	10,481	12,694
Amortization of deferred financing costs included in interest expense	5,673	5,935
Amortization of premium on mortgage loan financing	(681 )	(660 )
Amortization of above- and below-market lease intangibles	(451 )	(115 )
Accretion of premium on liability for transfers not considered sales	188	—
Amortization of premium/(accretion) of discount and other fees on loans	(7,905 )	(6,515 )
Amortization of premium/(accretion) of discount and other fees on securities	48,315	56,151
Realized (gain) loss on sale of mortgage loan receivables held for sale	1,774	(30,265 )
Realized (gain) loss on real estate securities	(19,182 )	(9,524 )
Realized gain on sale of real estate, net	(7,790 )	(15,616 )
Realized gain on sale of derivative instruments	(1,623 )	(24 )
Origination of mortgage loan receivables held for sale	(887,978)	(865,497)
Purchases of mortgage loan receivables held for sale	—	(21,667 )
Repayment of mortgage loan receivables held for sale	1,655	1,161
Proceeds from sales of mortgage loan receivables held for sale	5	703,846
(Income) loss from investments in unconsolidated joint ventures in excess of distributions received	(64 )	(485 )
Distributions from operations of investment in unconsolidated joint ventures	—	1,017
Deferred tax asset	(6,556 )	(6,263 )
Payments pursuant to tax receivable agreement	(230 )	—
Changes in operating assets and liabilities:		
Accrued interest receivable	(1,987 )	(1,018 )
Other assets	(3,320 )	(13,472 )
Accrued expenses and other liabilities	(10,947 )	(21,718 )
<b>Net cash provided by (used in) operating activities</b>	<b>(785,313)</b>	<b>(139,985)</b>
<b>Cash flows from investing activities:</b>		
Purchase of derivative instruments	(199 )	(73 )
Sale of derivative instruments	—	49
Purchases of real estate securities	(109,198)	(837,190)
Repayment of real estate securities	93,233	307,847
Proceeds from sales of real estate securities	983,386	308,429



Table of Contents

	<b>Nine Months Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
Origination of mortgage loan receivables held for investment	(869,981 )	(480,622 )
Purchases of mortgage loan receivables held for investment	(94,079 )	—
Repayment of mortgage loan receivables held for investment	266,359	582,447
Distributions received from investments in unconsolidated joint ventures in excess of income	—	49
Capitalization of interest on investment in unconsolidated joint ventures	(918 )	(644 )
Purchases of real estate	(230,677 )	(50,252 )
Capital improvements of real estate	(3,943 )	(6,813 )
Proceeds from sale of real estate	20,522	60,516
<b>Net cash provided by (used in) investing activities</b>	<b>54,505</b>	<b>(116,257 )</b>
<b>Cash flows from financing activities:</b>		
Deferred financing costs paid	(14,752 )	(2,136 )
Proceeds from borrowings under debt obligations	8,248,079	9,290,374
Repayment of borrowings under debt obligations	(7,352,225 )	(8,960,397 )
Cash dividends paid to Class A common shareholders	(99,452 )	(67,166 )
Capital contributed by noncontrolling interests in operating partnership	—	250
Capital distributed to noncontrolling interests in operating partnership	(36,372 )	(39,040 )
Capital contributed by noncontrolling interests in consolidated joint ventures	6,935	—
Capital distributed to noncontrolling interests in consolidated joint ventures	(198 )	(309 )
Payment of liability assumed in exchange for shares for the minimum withholding taxes on vesting restricted stock	(13,258 )	(786 )
Purchase of treasury stock	—	(4,652 )
<b>Net cash provided by (used in) financing activities</b>	<b>738,757</b>	<b>216,138</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>7,949</b>	<b>(40,104 )</b>
Cash, cash equivalents and restricted cash at beginning of period	89,428	162,794
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$97,377</b>	<b>\$122,690</b>
<b>Supplemental information:</b>		
Cash paid for interest, net of amounts capitalized	\$112,838	\$93,732
Cash paid (received) for income taxes	1,670	14,127
<b>Non-cash investing and financing activities:</b>		
Securities and derivatives purchased, not settled	(37 )	(16,151 )
Securities and derivatives sold, not settled	12,517	—
Origination of mortgage loans receivable held for investment	—	50,378
Repayment of mortgage loans receivable held for investment	—	(50,378 )
Transfer from mortgage loans receivable held for sale to mortgage loans receivable held for investment, at amortized cost	719,465	—
Exchange of noncontrolling interest for common stock	188,520	56,461
Change in deferred tax asset related to exchanges of noncontrolling interest for common stock	1,935	(1,413 )
Dividends declared, not paid	1,988	1,801
Stock dividends	17,319	64,100



Table of Contents

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statement of cash flows (\$ in thousands):

	September 30, 2017	September 30, 2016	December 31, 2016
Cash and cash equivalents	\$ 48,894	\$ 59,693	\$ 44,615
Restricted cash	48,483	62,997	44,813
<b>Total cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows</b>	<b>\$ 97,377</b>	<b>\$ 122,690</b>	<b>\$ 89,428</b>

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

Table of Contents

**Ladder Capital Corp**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**1. ORGANIZATION AND OPERATIONS**

Ladder Capital Corp is an internally-managed real estate investment trust (“REIT”) that is a leader in commercial real estate finance. Ladder Capital Corp, as the general partner of Ladder Capital Finance Holdings LLLP (“LCFH,” “Predecessor” or the “Operating Partnership”), operates the Ladder Capital business through LCFH and its subsidiaries. As of September 30, 2017, Ladder Capital Corp has a 77.7% economic interest in LCFH and controls the management of LCFH as a result of its ability to appoint its board members. Accordingly, Ladder Capital Corp consolidates the financial results of LCFH and records noncontrolling interest for the economic interest in LCFH held by the Continuing LCFH Limited Partners (as defined below). In addition, Ladder Capital Corp, through certain subsidiaries which are treated as taxable REIT subsidiaries (each a “TRS”), is indirectly subject to U.S. federal, state and local income taxes. Other than the noncontrolling interest in the Operating Partnership and such indirect U.S. federal, state and local income taxes, there are no material differences between Ladder Capital Corp’s consolidated financial statements and LCFH’s consolidated financial statements.

Ladder Capital Corp was formed as a Delaware corporation on May 21, 2013. The Company conducted an initial public offering (“IPO”) which closed on February 11, 2014. The Company used the net proceeds from the IPO to purchase newly issued limited partnership units (“LP Units”) from LCFH. In connection with the IPO, Ladder Capital Corp also became a holding corporation and the general partner of, and obtained a controlling interest in, LCFH. Ladder Capital Corp’s only business is to act as the general partner of LCFH, and, as such, Ladder Capital Corp indirectly operates and controls all of the business and affairs of LCFH and its subsidiaries through its ability to appoint the LCFH board. The proceeds received by LCFH in connection with the sale of the LP Units have been and will be used for loan origination and related real estate business lines and for general corporate purposes. The IPO transactions described herein are referred to as the “IPO Transactions.”

Ladder Capital Corp consolidates the financial results of LCFH and its subsidiaries. The ownership interest of certain existing owners of LCFH, who owned LP Units and an equivalent number of shares of Ladder Capital Corp Class B common stock as of the completion of the IPO (the “Continuing LCFH Limited Partners”) and continue to hold equivalent units in the Series of LCFH (as described below) and Ladder Capital Corp Class B common stock, is reflected as a noncontrolling interest in Ladder Capital Corp’s consolidated financial statements.

Pursuant to LCFH’s amended and restated Limited Liability Limited Partnership Agreement (the “Amended and Restated LLLP Agreement”), and subject to the applicable minimum retained ownership requirements and certain other restrictions, including notice requirements, from time to time, Continuing LCFH Limited Partners (or certain transferees thereof) have the right to exchange their LP Units for shares of Ladder Capital Corp’s Class A common stock on a one-for-one basis. In connection with an exchange, a corresponding number of shares of Ladder Capital Corp Class B common stock are required to be provided and canceled. However, the exchange of LP Units for shares of Ladder Capital Corp Class A common stock will not affect the exchanging owners’ voting power since the votes represented by the canceled shares of Ladder Capital Corp Class B common stock will be replaced with the votes represented by the shares of Class A common stock for which such LP Units will be exchanged.

As a result of the Company’s acquisition of LP Units of LCFH and LCFH’s election under Section 754 of the Internal Revenue Code of 1986, as amended (the “Code”), the Company expects to benefit from depreciation and other tax deductions reflecting LCFH’s tax basis for its assets. Those deductions will be allocated to the Company and will be taken into account in reporting the Company’s taxable income.



Table of Contents

***The REIT Structuring Transactions***

In anticipation of the Company's election to be subject to tax as a REIT under the Internal Revenue Code of 1986 (the "Code") beginning with its 2015 taxable year (the "REIT Election"), we effected an internal realignment as of December 31, 2014 that we believe permits us to operate as a REIT, subject to the risk factors described in the Annual Report (see "Risk Factors—Risks Related to Our Taxation as a REIT"). As part of this realignment, LCFH and certain of its wholly-owned subsidiaries were serialized in order to segregate our REIT-qualified assets and income from our non-REIT-qualified assets and income. Pursuant to such serialization, all assets and liabilities of LCFH and each such subsidiary were identified as TRS assets and liabilities (e.g., our conduit securitization and condominium sales businesses) and REIT assets and liabilities (e.g., balance sheet loans, real estate and most securities), and were allocated on our internal books and records into two pools within LCFH or such subsidiary, Series TRS and Series REIT (collectively, the "Series"), respectively.

In connection with this serialization, the Amended and Restated LLLP Agreement was amended and restated, effective as of December 5, 2014 and again as of December 31, 2014 (the "Third Amended and Restated LLLP Agreement"). Pursuant to the Third Amended and Restated LLLP Agreement, as of December 31, 2014:

• all assets and liabilities of LCFH were allocated on LCFH's internal books and records to either Series REIT or Series TRS of LCFH;

• the Company serves as general partner of LCFH and of Series REIT of LCFH;

• LC TRS I LLC ("LC TRS I"), a Delaware limited liability company wholly-owned by Series REIT of LCFH, serves as the general partner of Series TRS of LCFH;

• each outstanding LP Unit was exchanged for one Series REIT limited partnership unit ("Series REIT LP Unit"), which is entitled to receive profits and losses derived from REIT assets and liabilities, and one Series TRS limited partnership unit ("Series TRS LP Unit"), which is entitled to receive profits and losses derived from TRS assets and liabilities (Series REIT LP Units and Series TRS LP Units are collectively referred to as "Series Units");

• as a result, Ladder Capital Corp owned, directly and indirectly, an aggregate of 51.9% of Series REIT of LCFH, and, through such ownership, the right to receive 51.9% of the profits and distributions of Series TRS;

• the limited partners of LCFH owned the remaining 48.1% of each of Series REIT and Series TRS of LCFH;

• Series REIT of LCFH, in turn, owns, directly or indirectly, 100% of the REIT series of each of its serialized subsidiaries as well as certain wholly-owned REIT subsidiaries;

• Series TRS of LCFH owns, directly or indirectly, 100% of the TRS series of each of its serialized subsidiaries, as well as certain wholly-owned TRSs;

• Series TRS LP Units are exchangeable for an equal number of shares ("TRS Shares") of LC TRS I (a "TRS Exchange");

• in order to effect the exchange of Series Units for shares of Class A common stock of the Company on a one-for-one basis (the "Class A Exchange"), holders are required to surrender (i) one share of the Company's Class B common stock, (ii) one Series REIT LP Unit, and (iii) either one Series TRS LP Unit or one TRS Share; and

• Series REIT and Series TRS have separate boards, officers, books and records, bank accounts, and tax identification numbers.



Each Series of LCFH also signed a separate joinder agreement, agreeing, effective as of 11:59:59 pm on December 31, 2014 (the “Effective Time”), to assume and pay when due (i) any and all liabilities of LCFH incurred or accrued by LCFH as of the Effective Time and (ii) any and all obligations of LCFH arising under contracts, bonds, notes, guarantees, leases or other agreements to which LCFH was a party as of the Effective Time (collectively, the “Agreements”), regardless of whether such obligations arise under the applicable Agreement at, prior to, or after the Effective Time, in each case, with the same force and effect as if each Series had been a signatory to such Agreements on the date thereof.

## Table of Contents

Also in connection with the REIT Election, the Company's certificate of incorporation was amended and restated, effective as of February 27, 2015, following approval by our shareholders (the "Charter Amendment"), to, among other things, impose ownership limitations and transfer restrictions to facilitate our compliance with the REIT requirements. To qualify as a REIT under the Code, our stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (other than the first year for which an election to be a REIT has been made). Also, not more than 50% of the value of the outstanding shares of our capital stock may be owned, directly or indirectly, by five or fewer "individuals" (as defined to include certain entities such as private foundations) during the last half of a taxable year (other than the first taxable year for which an election to be a REIT has been made). Finally, a person actually or constructively owning 10% or more of the vote or value of the outstanding shares of our capital stock could lead to a level of affiliation between the Company and one or more of its tenants that could disqualify our revenues from the affiliated tenants and possibly jeopardize or otherwise adversely impact our qualification as a REIT.

To facilitate satisfaction of these requirements for qualification as a REIT, the Charter Amendment contains provisions restricting the ownership and transfer of shares of all classes or series of our capital stock. Including ownership limitations in a REIT's charter is the most effective mechanism to monitor compliance with the above-described provisions of the Code. The Charter Amendment provides that, subject to certain exceptions and the constructive ownership rules, no person may own, or be deemed to own by virtue of the attribution provisions of the Code, in excess of (i) 9.8% in value of the outstanding shares of all classes or series of our capital stock or (ii) 9.8% in value or number (whichever is more restrictive) of the outstanding shares of any class of our common stock.

In addition, our Tax Receivable Agreement with the Continuing LCFH Limited Partners (the "TRA Members") was amended and restated in connection with our REIT Election, effective as of December 31, 2014 (the "TRA Amendment"), in order to preserve a portion of the potential tax benefits currently existing under the Tax Receivable Agreement that would otherwise be reduced in connection with our REIT Election. The TRA Amendment provides that, in lieu of the existing tax benefit payments under the Tax Receivable Agreement for the 2015 taxable year and beyond, LC TRS I will pay to the TRA Members 85% of the amount of the benefits, if any, that LC TRS I realizes or under certain circumstances (such as a change of control) is deemed to realize as a result of (i) the increases in tax basis resulting from the TRS Exchanges by the TRA Members, (ii) any incremental tax basis adjustments attributable to payments made pursuant to the TRA Amendment, and (iii) any deemed interest deductions arising from payments made by LC TRS I under the TRA Amendment. Under the TRA Amendment, LC TRS I may benefit from the remaining 15% of cash savings in income tax that it realizes, which is in the same proportion realized by the Company under the existing Tax Receivable Agreement. The purpose of the TRA Amendment was to preserve the benefits of the Tax Receivable Agreement to the extent possible in a REIT, although, as a result, the amount of payments made to the TRA Members under the TRA Amendment is expected to be less than would be made under the prior Tax Receivable Agreement. The TRA Amendment continues to share such benefits in the same proportions and otherwise has substantially the same terms and provisions as the prior Tax Receivable Agreement. See Note 2 and Note 15 for further discussion of the Tax Receivable Agreement.

As of March 4, 2015, the Company made the necessary TRS and check-the-box elections began to elect to be taxed as a REIT starting with its tax return for the year ended December 31, 2015, filed in September 2016.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### *Basis of Accounting and Principles of Consolidation*

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). In the opinion of management, the unaudited financial information for the interim periods presented in this report reflects all normal and recurring adjustments

necessary for a fair statement of results of operations, financial position and cash flows. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016, which are included in the Company's Annual Report, as certain disclosures would substantially duplicate those contained in the audited consolidated financial statements have not been included in this interim report. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year. The interim consolidated financial statements have been prepared, without audit, and do not necessarily include all information and footnotes necessary for a fair statement of our consolidated financial position, results of operations and cash flows in accordance with GAAP.

## Table of Contents

The consolidated financial statements include the Company's accounts and those of its subsidiaries which are majority-owned and/or controlled by the Company and variable interest entities for which the Company has determined itself to be the primary beneficiary, if any. All significant intercompany transactions and balances have been eliminated.

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

Noncontrolling interests in consolidated subsidiaries are defined as "the portion of the equity (net assets) in the subsidiaries not attributable, directly or indirectly, to a parent." Noncontrolling interests are presented as a separate component of capital in the consolidated balance sheets. In addition, the presentation of net income attributes earnings to shareholders/unitholders (controlling interest) and noncontrolling interests.

### ***Emerging Growth Company Status***

Since our IPO, the Company has been an "emerging growth company," as defined in the Jumpstart Our Business Startups Act ("JOBS Act"), and is eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), reduced disclosure obligations regarding executive compensation in the Company's periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, the Company chose to "opt out" of such extended transition period, and as a result, it will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that the Company's decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

The Company could remain an "emerging growth company" for up to five years from the date of the IPO, or until the earliest of (i) the last day of the first fiscal year in which its annual gross revenues exceed \$1.07 billion; (ii) the date that the Company becomes a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of its common stock that is held by nonaffiliates exceeds \$700 million as of the last business day of its most recently completed second fiscal quarter; or (iii) the date on which the Company has issued more than \$1 billion in nonconvertible debt during the preceding three-year period.

However, because the market value of the Company's common stock held by non-affiliates exceeded \$700 million as of June 30, 2017, as of December 31, 2017, the Company will be deemed a large accelerated filer and it will no longer qualify as an emerging growth company. Accordingly, the Company will be subject to certain disclosure and compliance requirements that apply to other public companies but have not previously applied to it due to the Company's prior status as an emerging growth company. These requirements include:

- compliance with the auditor attestation requirements on the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002;

## Table of Contents

compliance with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;

full disclosure obligations regarding executive compensation; and

compliance with the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

As a large accelerated filer, the Company is required to file its Form 10-K with the Securities and Exchange Commission within 60 days after the Company's fiscal year end. As an accelerated filer, the Company was only required to file its Form 10-K within 75 days after the Company's fiscal year end. There has been no change to the Form 10-Q filing due dates.

## *Use of Estimates*

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the balance sheets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of resulting changes are reflected in the consolidated financial statements in the period the changes are deemed to be necessary. Significant estimates made in the accompanying consolidated financial statements include, but are not limited to the following:

valuation of real estate securities;

allocation of purchase price for acquired real estate;

impairment, and useful lives, of real estate;

useful lives of intangible assets;

valuation of derivative instruments;

valuation of deferred tax asset;

amounts payable pursuant to the Tax Receivable Agreement;

determination of effective yield for recognition of interest income;

adequacy of provision for loan losses;

determination of other than temporary impairment of real estate securities and investments in unconsolidated joint ventures;

certain estimates and assumptions used in the accrual of incentive compensation and calculation of the fair value of equity compensation issued to employees;

determination of the effective tax rate for income tax provision; and

certain estimates and assumptions used in the allocation of revenue and expenses for our segment reporting.

## *Cash and Cash Equivalents*

The Company considers all investments with original maturities of three months or less, at the time of acquisition, to be cash equivalents. The Company maintains cash accounts at several financial institutions, which are insured up to a maximum of \$250,000 per account as of September 30, 2017 and December 31, 2016. At September 30, 2017 and December 31, 2016, and at various times during the years, the balances exceeded the insured limits.



Table of Contents

***Restricted Cash***

Restricted cash is comprised of accounts the Company maintains with brokers to facilitate financial derivative and repurchase agreement transactions in support of its loan and securities investments and risk management activities. Based on the value of the positions in these accounts and the associated margin requirements, the Company may be required to deposit additional cash into these broker accounts. The cash collateral held by broker is considered restricted cash. Restricted cash also includes tenant security deposits, deposits related to real estate sales and acquisitions and required escrow balances on credit facilities. Prior to January 1, 2017, these amounts were previously recorded in other assets on the Company's consolidated balance sheets. Prior period amounts have been reclassified to conform to current period presentation.

***Investments in Unconsolidated Joint Ventures***

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting. The Company applies the equity method by initially recording these investments at cost, as investments in unconsolidated joint ventures, subsequently adjusted for equity in earnings and cash contributions and distributions. The outside basis portion of the Company's joint ventures is amortized over the anticipated useful lives of the underlying ventures' tangible and intangible assets acquired and liabilities assumed. Generally, the Company would discontinue applying the equity method when the investment (and any advances) is reduced to zero and would not provide for additional losses unless the Company has guaranteed obligations of the venture or is otherwise committed to providing further financial support for the investee. If the venture subsequently generates income, the Company only recognizes its share of such income to the extent it exceeds its share of previously unrecognized losses. The Company classifies distributions received from its investments in unconsolidated joint ventures using the nature of the distribution approach.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management's estimate of the value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the value of the investment. The Company's estimates of value for each investment (particularly in commercial real estate joint ventures) are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the values estimated by management in its impairment analyses may not be realized, and actual losses or impairment may be realized in the future. See Note 6, Investment in Unconsolidated Joint Ventures.

***Transfers of Financial Assets***

For a transfer of financial assets to be considered a sale, the transfer must meet the sale criteria of ASC 860, which, at the time of the transfer, require that the transferred assets qualify as recognized financial assets and the Company surrender control over the assets. Such surrender requires that the assets be isolated from the Company, even in bankruptcy or other receivership, the purchaser have the right to pledge or sell the assets transferred and the Company not have an option or obligation to reacquire the assets. If the sale criteria are not met, the transfer is considered to be a secured borrowing, the assets remain on the Company's consolidated balance sheets and the sale proceeds are recognized as a liability.



Table of Contents

***Out-of-Period Adjustments***

During the first quarter of 2017, the Company recorded an out-of-period adjustment to reduce depreciation expense of \$0.8 million, related to prior periods. The Company has concluded that this adjustment is not material to the financial position or results of operations for the three months ended March 31, 2017, or any prior periods; accordingly, the Company recorded the related adjustment in the three month period ended March 31, 2017.

During the first quarter of 2016, the Company had recorded the following out-of-period adjustments to correct errors from prior periods: (i) additional deferred financing cost amortization of \$0.5 million relating to 2015; (ii) additional taxes of \$1.2 million representing additional state taxes relating to 2015 and (iii) additional return on equity of \$0.9 million from the Company's investment in an unconsolidated joint venture predominately relating to prior years. The Company has concluded that these adjustments were not material to the financial position or results of operations for the current period or any prior periods, accordingly, the Company recorded the related adjustments in the three month period ended March 31, 2016.

***Recently Adopted Accounting Pronouncements***

In October 2016, the FASB issued ASU 2016-17, *Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control* ("ASU 2016-17"). ASU 2016-17 changes how a reporting entity that is a decision maker should consider indirect interests in a VIE held through an entity under common control. If a decision maker must evaluate whether it is the primary beneficiary of a VIE, it will only need to consider its proportionate indirect interest in the VIE held through a common control party. ASU 2016-17 amends ASU 2015-02, which the Company adopted on January 1, 2016, and which currently directs the decision maker to treat the common control party's interest in the VIE as if the decision maker held the interest itself. ASU 2016-17 is effective for public business entities in fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, with early adoption permitted. The Company adopted this update in the quarter ended March 31, 2017. The adoption did not have a material effect on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18"). ASU 2016-18 requires the inclusion of restricted cash with cash and cash equivalents when reconciling the beginning-of-the period and end-of-period total amounts shown on the statement of cash flows. For a public company, ASU 2016-18 is effective for annual reporting periods, beginning after December 15, 2017, including interim periods within that reporting period. The Company elected to early adopt ASU 2016-18 effective January 1, 2017 and the amendment was applied on a retrospective basis for all periods presented. As a result of the adoption, the Company no longer presents the change within restricted cash in the consolidated statements of cash flows.

***Recent Accounting Pronouncements***

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. In adopting ASU 2014-09, companies may use either a full retrospective or a modified retrospective approach. Additionally, this guidance requires improved disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In August 2015, the FASB issued ASU 2015-14, *Deferral of the Effective Date* ("ASU 2015-14"), which amends ASU 2014-09. As a result, the effective date for the amendments contained in ASU 2014-09 will be the first quarter of fiscal year 2018, with early adoption permitted in the first quarter of fiscal year 2017. The FASB allows two adoption methods under ASU 2014-09. Under the full retrospective method, a company will apply the rules to contracts in all reporting periods

presented, subject to certain allowable exceptions. Under the modified retrospective method, a company will apply the rules to all contracts existing as of January 1, 2018, recognizing in beginning retained earnings an adjustment for the cumulative effect of the change and providing additional disclosures comparing results to previous rules. The Company expects to adopt the standard using the modified retrospective method. The Company believes the effects on its existing accounting policies will be associated with its non-leasing revenue components, specifically the amount, timing and presentation of tenant expense reimbursements revenue. The Company continues to evaluate other areas of the standard and is currently assessing the impact on its consolidated financial statements. The Company expects to adopt this update beginning January 1, 2018.

Table of Contents

In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* (“ASU 2016-08”). This update provides clarifying guidance regarding the application of ASU 2014-09 when another party, along with the reporting entity, is involved in providing a good or a service to a customer. In these circumstances, an entity is required to determine whether the nature of its promise is to provide that good or service to the customer (that is, the entity is a principal) or to arrange for the good or service to be provided to the customer by the other party (that is, the entity is an agent). In April 2016, the FASB issued ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* (“ASU 2016-10”), which clarifies the identification of performance obligations and the licensing implementation guidance. In May 2016, the FASB issued ASU 2016-11, *Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 Emerging Issues Task Force (“EITF”) Meeting (SEC Update)* (“ASU 2016-11”), which rescinds SEC paragraphs pursuant to SEC staff announcements. These rescissions include changes to topics pertaining to accounting for shipping and handling fees and costs and accounting for consideration given by a vendor to a customer. In May 2016, the FASB issued ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* (“ASU 2016-12”), which provides clarifying guidance in certain narrow areas and adds some practical expedients. The effective dates for these ASUs are the same as the effective date for ASU No. 2014-09, for annual and interim periods beginning after December 15, 2017. The Company is reviewing its policies and processes to ensure compliance with the requirements in these updates.

In December 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers* (“ASU 2016-20”). The amendments in this ASU affect the guidance in ASU 2014-09, which is not yet effective. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements of Topic 606 (and any other Topic amended by Update 2014-09). ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, defers the effective date of ASU 2014-09 by one year.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”). The update provides guidance to improve certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The standard is effective for public companies for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. Early adoption by public companies for fiscal year or interim period financial statements that have not yet been issued or, by all other entities, that have not yet been made available for issuance of this guidance, is permitted as of the beginning of the fiscal year of adoption, under certain restrictions. The Company is required to apply the guidance by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The guidance related to equity securities without readily determinable fair values should be applied prospectively to equity investments that exist at the date of adoption. The Company anticipates adopting this update in the quarter ending March 31, 2018 and is currently evaluating the impact on the Company’s consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sale-type leases, direct financing

leases and operating leases. ASU 2016-02 supersedes the previous lease standard, *Leases (Topic 840)*. The standard is effective for the Company on January 1, 2019, with an early adoption permitted. The Company continues to evaluate the effect the adoption of ASU 2016-02 will have on the Company's financial position and/or results of operations. The Company currently believes that the adoption of ASU 2016-02 will not have a material impact for operating leases where it is a lessor and will continue to record revenues from rental properties for its operating leases on a straight-line basis. However, for leases where the Company is the lessee, primarily for the Company's corporate headquarters and regional offices, the Company will measure the present value of the future lease payments and recognize a right-of-use asset and corresponding lease liability on its balance sheet.

Table of Contents

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”). The guidance changes the impairment model for most financial assets. The new model uses a forward-looking expected loss method, which will generally result in earlier recognition of allowances for losses. ASU 2016-13 is effective for annual and interim periods beginning after December 15, 2019, and early adoption is permitted for annual and interim periods beginning after December 15, 2018. The Company must apply the amendments in this update through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The Company is currently assessing the impact of this standard on the consolidated financial statements. In general, the allowance for credit losses is expected to increase when changing from an incurred loss to expected loss methodology. The models and methodologies that are currently used in estimating the allowance for credit losses are being evaluated to identify the changes necessary to meet the requirements of the new standard.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (“ASU 2016-15”). ASU 2016-15 clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows to reduce diversity in practice with respect to (i) debt prepayment or debt extinguishment costs, (ii) settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, (iii) contingent consideration payments made after a business combination, (iv) proceeds from the settlement of insurance claims, (v) proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies, (vi) distributions received from equity method investees, (vii) beneficial interests in securitization transactions, and (viii) separately identifiable cash flows and application of the predominance principle. For a public company, ASU 2016-15 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted in any interim or annual period. The Company is currently assessing the impact that this guidance will have on its combined consolidated financial statements when adopted.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350)* (“ASU 2017-04”). The ASU simplifies the accounting for goodwill impairment. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The guidance will be applied prospectively and is effective for annual or any interim goodwill impairment tests in years beginning after December 15, 2019 with early adoption permitted. The Company is currently assessing the impact that this guidance will have on its consolidated financial statements when adopted.

In February 2017, the FASB issued ASU 2017-05, *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20)* (“ASU 2017-05”). Subtopic 610-20 was issued as part of the new revenue standard. It provides guidance for recognizing gains and losses from the transfer of nonfinancial assets in contracts with non-customers. The new guidance defines “in substance nonfinancial assets,” unifies guidance related to partial sales of nonfinancial assets, eliminates rules specifically addressing sales of real estate, removes exceptions to the financial asset derecognition model, and clarifies the accounting for contributions of nonfinancial assets to joint ventures. The amendments are effective for annual periods beginning after December 15, 2017 with early adoption permitted. Transition can use either the full retrospective approach or the modified retrospective approach. The Company expects to adopt the standard using the modified retrospective method. The Company is currently assessing the impact that this guidance will have on its consolidated financial statements when adopted.

In March 2017, the FASB issued ASU 2017-08, *Receivables-Nonrefundable Fees and Other Costs (Subtopic 310-20)* (“ASU 2017-08”). The ASU shortens the amortization period for the premium on certain purchased callable debt securities to the earliest call date. Today, entities generally amortize the premium over the contractual life of the security. The new guidance does not change the accounting for purchased callable debt securities held at a discount; the discount continues to be amortized to maturity. ASU No. 2017-08 is effective for interim and annual reporting

periods beginning after December 15, 2018; early adoption is permitted. The guidance calls for a modified retrospective transition approach under which a cumulative-effect adjustment will be made to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company is currently assessing the impact that this guidance will have on its consolidated financial statements when adopted.

Table of Contents

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718)* (“ASU 2017-09”). The ASU provides clarification on when modification accounting should be used for changes to the terms or conditions of a share-based payment award. ASU 2017-09 does not change the accounting for modifications but clarifies that modification accounting guidance should only be applied if there is a change to the value, vesting conditions or award classification and would not be required if the changes are considered non-substantive. The amendments of this ASU are effective for reporting periods beginning after December 15, 2017, with early adoption permitted. The adoption of ASU 2017-09 is not expected to have an impact on the Company’s Condensed Consolidated Financial Statements.

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features; II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*, (“ASU 2017-11”). Part I of this update addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Current accounting guidance creates cost and complexity for entities that issue financial instruments (such as warrants and convertible instruments) with down round features that require fair value measurement of the entire instrument or conversion option. Part II of this update addresses the difficulty of navigating *Topic 480, Distinguishing Liabilities from Equity*, because of the existence of extensive pending content in the FASB Accounting Standards Codification. This pending content is the result of the indefinite deferral of accounting requirements about mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests. The amendments in Part II of this update do not have an accounting effect. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Company is currently assessing the potential impact of adopting ASU 2017-11 on its financial statements and related disclosures.

Any new accounting standards not disclosed above that have been issued or proposed by FASB and that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

**3. MORTGAGE LOAN RECEIVABLES**

*September 30, 2017* (\$ in thousands)

	Outstanding Face Amount	Carrying Value	Weighted Average Yield (1)	Remaining Maturity (years)
Mortgage loans held by consolidated subsidiaries	\$2,862,739	\$2,846,940	7.06 %	1.71
Mortgage loans transferred but not considered sold(2)	600,222	598,525	4.92 %	8.38
Provision for loan losses	N/A	(4,000 )		
Mortgage loan receivables held for investment, net, at amortized cost	3,462,961	3,441,465		
Mortgage loan receivables held for sale	526,085	522,961	4.79 %	8.63
<b>Total</b>	<b>\$3,989,046</b>	<b>\$3,964,426</b>	<b>5.70 %</b>	<b>3.63</b>

(1) September 30, 2017 London Interbank Offered Rate (“LIBOR”) rates are used to calculate weighted average yield for floating rate loans.

(2) As more fully described below, as of September 30, 2017, included in mortgage loans transferred but not considered sold are 34 loans with a combined outstanding face amount of \$548.0 million and a combined carrying value of \$546.7 million which were sold to the LCCM 2017-LC26 securitization trust on June 29, 2017. This line also includes one non-controlling loan interest with an outstanding face amount of \$52.3 million and a carrying value of

\$51.8 million that was previously sold to a third party for which the controlling portion was transferred to the LCCM 2017-LC26 securitization trust on June 29, 2017. All of these transactions are considered financings for accounting purposes.



Table of Contents

On June 29, 2017, the Company transferred its interests in \$625.7 million of loans to the LCCM 2017-LC26 securitization trust. The assets transferred to the trust were comprised of 34 loans to third parties with a combined outstanding face amount of \$549.0 million and a combined carrying value of \$547.7 million as well as 23 intercompany loans secured by certain of the Company's real estate assets, with a combined principal balance of \$76.7 million (which had not previously been recognized for accounting purposes because they eliminated in consolidation). In connection with this transaction, pursuant to the 5% risk retention requirement of the Dodd-Frank Act described in Part 2, Item 1A "Risk Factors," in this Quarterly Report, (i) the Company retained a \$12.9 million restricted "vertical interest" of approximately 2% in each class of securities issued by the trust, which must be held by the Company until the principal balance of the pool has been reduced to a level prescribed by the risk retention rules and (ii) sold an approximately 3% restricted "horizontal interest" in the form of 98% of the controlling classes (excluding the 2% included in the vertical interest) to a "Third Party Purchaser" ("TPP"), which must be held by the TPP for at least five years. In addition, the Company purchased \$62.7 million in securities which are not restricted.

Transfer restrictions placed on the TPP, imposed by the risk retention rules of the Dodd-Frank Act, precluded sale accounting for these loans. Accordingly, the Company continues to recognize these loans to third parties transferred in the transaction on its consolidated balance sheets. Included in interest income on the Company's consolidated statements of income is \$7.2 million and \$7.3 million of interest income related to mortgage loans transferred but not considered sales for the three and nine months ended September 30, 2017, respectively. In connection with this transaction, the Company recognized a liability of \$580.0 million representing the loan sale proceeds of \$655.6 million (net of issue costs) less the \$75.6 million of securities purchased discussed above, not reflected in these consolidated financial statements. This liability is effectively a non-recourse borrowing secured by these securitized third party loans and the Company's real estate collateral pledged under the previously unrecognized intercompany loans. Included in interest expense on the Company's consolidated statements of income is \$6.2 million and \$6.3 million of interest expense related to liabilities for transfers not considered sales for the three and nine months ended September 30, 2017, respectively. The securities purchased by the Company are not reflected in these financial statements because the sale of these loans was not recognized for accounting purposes.

As of September 30, 2017, \$1.2 billion, or 34.7%, of the carrying value of our mortgage loan receivables held for investment, at amortized cost, were at fixed interest rates and \$2.2 billion, or 65.3%, of the carrying value of our mortgage loan receivables held for investment, at amortized cost, were at variable interest rates, linked to LIBOR, some of which include interest rate floors. Included in the \$1.2 billion of the carrying value of our mortgage loan receivables held for investment, at amortized cost, at fixed interest rates are \$598.5 million of mortgage loans transferred but not considered sold. As of September 30, 2017, \$523.0 million, or 100.0%, of the carrying value of our mortgage loan receivables held for sale were at fixed interest rates.

**December 31, 2016** (\$ in thousands)

	<b>Outstanding Face Amount</b>	<b>Carrying Value</b>	<b>Weighted Average Yield (1)</b>	<b>Remaining Maturity (years)</b>
Mortgage loans held by consolidated subsidiaries	\$2,011,309	\$2,000,095	7.17 %	1.66
Provision for loan losses	N/A	(4,000 )		
Mortgage loan receivables held for investment, net, at amortized cost	2,011,309	1,996,095		
Mortgage loan receivables held for sale	360,518	357,882	4.20 %	4.55
<b>Total</b>	<b>2,371,827</b>	<b>2,353,977</b>	<b>6.73 %</b>	<b>2.10</b>

(1) December 31, 2016 LIBOR rates are used to calculate weighted average yield for floating rate loans.

## Edgar Filing: Ladder Capital Corp - Form 10-Q

As of December 31, 2016, \$205.4 million, or 10.3%, of the carrying value of our mortgage loan receivables held for investment, at amortized cost, were at fixed interest rates and \$1.8 billion, or 89.7%, of the carrying value of our mortgage loan receivables held for investment, at amortized cost, were at variable interest rates, linked to LIBOR, some of which include interest rate floors. As of December 31, 2016, \$360.5 million, or 100%, of the carrying value of our mortgage loan receivables held for sale were at fixed interest rates.

25

---

Table of Contents

The following table summarizes mortgage loan receivables by loan type (\$ in thousands):

	September 30, 2017		December 31, 2016	
	Outstanding Face Amount	Carrying Value	Outstanding Face Amount	Carrying Value
Mortgage loan receivables held for investment, net, at amortized cost:				
First mortgage loans	\$2,703,936	\$2,688,845	\$1,843,006	\$1,832,626
Mezzanine loans	158,803	158,095	168,303	167,469
Mortgage loans transferred but not considered sold(1)(2)	600,222	598,525	—	—
Mortgage loan receivables held for investment, net, at amortized cost	3,462,961	3,445,465	2,011,309	2,000,095
Mortgage loan receivables held for sale				
First mortgage loans	526,085	522,961	360,518	357,882
Total mortgage loan receivables held for sale	526,085	522,961	360,518	357,882
Provision for loan losses	N/A	(4,000 )	N/A	(4,000 )
<b>Total</b>	<b>\$3,989,046</b>	<b>\$3,964,426</b>	<b>\$2,371,827</b>	<b>\$2,353,977</b>

As more fully described earlier in this Note, as of September 30, 2017, included in mortgage loans transferred but not considered sold are 34 loans with a combined outstanding face amount of \$548.0 million and a combined carrying value of \$546.7 million which were sold to the LCCM 2017-LC26 securitization trust on June 29, 2017.

(1) As of September 30, 2017, also included is one non-controlling loan interest with an outstanding face amount of \$52.3 million and a carrying value of \$51.8 million for which the controlling portion was transferred to the LCCM 2017-LC26 securitization trust on June 29, 2017. All of these transactions are considered financings for accounting purposes.

(2) First mortgage loans.

For the nine months ended September 30, 2017 and 2016, the activity in our loan portfolio was as follows (\$ in thousands):

	Mortgage loan receivables held for investment, net, at amortized cost (1)	Mortgage loan receivables held for sale
<b>Balance, December 31, 2016</b>	<b>\$1,996,095</b>	<b>\$ 357,882</b>
Origination of mortgage loan receivables	869,981	887,978
Purchases of mortgage loan receivables	94,079	—
Repayment of mortgage loan receivables	(246,060 )	(1,655 )
Proceeds from sales of mortgage loan receivables	—	(5 )
Realized gain on sale of mortgage loan receivables(2)	—	(1,774 )
Transfer between held for investment and held for sale(3)(4)	719,465	(719,465 )
Accretion/amortization of discount, premium and other fees	7,905	—
<b>Balance, September 30, 2017</b>	<b>\$3,441,465</b>	<b>\$ 522,961</b>



Table of Contents

	Mortgage loan receivables held for investment, net, at amortized cost (1)	Mortgage loan receivables held for sale
<b>Balance, December 31, 2015</b>	<b>\$1,738,645</b>	<b>\$ 571,764</b>
Origination of mortgage loan receivables	531,000	887,164
Repayment of mortgage loan receivables	(632,825 )	(1,161 )
Proceeds from sales of mortgage loan receivables	—	(703,846 )
Realized gain on sale of mortgage loan receivables	—	30,265
Accretion/amortization of discount, premium and other fees	6,515	—
Loan loss provision	(300 )	—
<b>Balance, September 30, 2016</b>	<b>\$1,643,035</b>	<b>\$ 784,186</b>

(1) Includes provision for loan losses of \$4.0 million as of each of September 30, 2017 and 2016.

(2) Includes \$1.8 million of realized losses on loans related to lower of cost or market adjustments for the nine months ended September 30, 2017.

(3) During the nine months ended September 30, 2017, the Company reclassified from mortgage loan receivables held for sale to mortgage loan receivables held for investment, net, at amortized cost, a loan with an outstanding face amount of \$120.0 million, a book value of \$119.9 million (fair value at date of reclassification) and a remaining maturity of three years. The loan had been recorded at lower of cost or market prior to its reclassification. The discount to fair value is the result of an increase in market interest rates since the loan's origination and not a deterioration in credit of the borrower or collateral coverage and the Company expects to collect all amounts due under the loan. The transfer has been reflected as a non-cash item on the consolidated statement of cash flows for the nine months ended September 30, 2017.

(4) As discussed earlier in this Note, on June 29, 2017, the Company sold 34 loans with a combined outstanding face amount of \$549.0 million and a combined carrying value of \$547.7 million to the LCCM 2017-LC26 securitization trust. These loans were previously classified as held for sale, however, because they were transferred in a transaction for which sale accounting was precluded, they have been reclassified to loans held for investment.

At September 30, 2017 and December 31, 2016, there was \$2.3 million and \$0.6 million, respectively, of unamortized discounts included in our mortgage loan receivables held for investment, at amortized cost, on our consolidated balance sheets.

The Company evaluates each of its loans for potential losses at least quarterly. Its loans are typically collateralized by real estate directly or indirectly. As a result, the Company regularly evaluates the extent and impact of any credit deterioration associated with the performance and/or value of the underlying collateral property, as well as the financial and operating capability of the borrower. Specifically, a property's operating results and any cash reserves are analyzed and used to assess (i) whether cash flow from operations is sufficient to cover the debt service requirements currently and into the future, (ii) the ability of the borrower to refinance the loan at maturity, and/or (iii) the property's liquidation value. The Company also evaluates the financial wherewithal of any loan guarantors as well as the borrower's competency in managing and operating the properties. In addition, the Company considers the overall economic environment, real estate sector, and geographic sub-market in which the collateral property is located. Such impairment analyses are completed and reviewed by asset management personnel, who utilize various data sources, including (i) periodic financial data such as property occupancy, tenant profile, rental rates, operating expenses, the borrowers' business plan, and capitalization and discount rates, (ii) site inspections, and (iii) current credit spreads and other market data. As a result of this analysis, the Company has concluded that none of its loans are individually

impaired as of September 30, 2017 and December 31, 2016.

However, based on the inherent risks shared among the loans as a group, it is probable that the loans had incurred an impairment due to common characteristics and inherent risks in the portfolio. Therefore, the Company has recorded a reserve, based on a targeted percentage level which it seeks to maintain over the life of the portfolio, as disclosed in the tables below. Historically, the Company has not incurred losses on any originated loans.

Table of Contents

As of September 30, 2017, two of the Company's loans, which were originated simultaneously as part of a single transaction, and had a carrying value of \$26.9 million, were in default. The borrower is currently in bankruptcy court; however, the Company determined that no impairment was necessary because of the loans' liquidation value, however, the Company has placed the loans on non-accrual status as of July 1, 2017. The Company continues to pursue its legal remedies on these loans. As of September 30, 2017, accrued but unpaid interest totaled \$4.8 million, which included \$3.5 million of default interest. As of December 31, 2016, the same two loans mentioned above were in default. As of December 31, 2016, accrued but unpaid interest totaled \$3.5 million, which included \$2.2 million of default interest. These loans were placed on non-accrual status as of July 1, 2017. As of September 30, 2017 there were no other loans on non-accrual status. As of December 31, 2016 there were no loans on non-accrual status.

*Provision for Loan Losses* (\$ in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Provision for loan losses at beginning of period	\$4,000	\$4,000	\$4,000	\$3,700
Provision for loan losses	—	—	—	300
<b>Provision for loan losses at end of period</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$4,000</b>

Table of Contents**4. REAL ESTATE SECURITIES**

Commercial mortgage backed securities (“CMBS”), CMBS interest-only securities, Agency securities, Government National Mortgage Association (“GNMA”) construction securities and Government National Mortgage Association (“GNMA”) permanent securities are classified as available-for-sale and reported at fair value with changes in fair value recorded in the current period in other comprehensive income. GNMA and Federal Home Loan Mortgage Corp (“FHLMC”) securities (collectively, “Agency interest-only securities”) are recorded at fair value with changes in fair value recorded in current period earnings. The following is a summary of the Company’s securities at September 30, 2017 and December 31, 2016 (\$ in thousands):

*September 30, 2017*

Asset Type	Outstanding Face Amount	Amortized Cost Basis	Gross Unrealized			# of Securities	Weighted Average			Remaining Duration (years)
			Gains	Losses	Carrying Value		Rating (1)	Coupon %	Yield %	
CMBS(2)	\$ 934,559	\$ 946,231	\$ 6,195	\$(2,397 )	\$ 950,029	89	AAA	3.24 %	2.73 %	2.85
CMBS interest-only(2)	3,308,063	(3) 102,986	1,542	(45 )	104,483	27	AAA	0.75 %	3.14 %	2.88
GNMA interest-only(4)	279,567	(3) 9,138	188	(1,327 )	7,999	16	AA+	0.60 %	5.99 %	4.36
Agency securities(2)	731	754	—	(12 )	742	2	AA+	2.84 %	1.82 %	3.08
GNMA permanent securities(2)	34,014	34,675	790	(247 )	35,218	6	AA+	3.98 %	3.63 %	5.82
<b>Total</b>	<b>\$ 4,556,934</b>	<b>\$ 1,093,784</b>	<b>\$ 8,715</b>	<b>\$(4,028 )</b>	<b>\$ 1,098,471</b>	<b>140</b>		<b>1.28 %</b>	<b>2.82 %</b>	<b>2.96</b>

*December 31, 2016*

Asset Type	Outstanding Face Amount	Amortized Cost Basis	Gross Unrealized			# of Securities	Weighted Average			Remaining Duration (years)
			Gains	Losses	Carrying Value		Rating (1)	Coupon %	Yield %	
CMBS(2)	\$ 1,676,680	\$ 1,698,616	\$ 10,880	\$(8,101 )	\$ 1,701,395	131	AAA	3.26 %	2.81 %	3.55
CMBS interest-only(2)	8,160,458	(3) 343,438	1,273	(2,540 )	342,171	60	AAA	0.87 %	3.45 %	2.99
GNMA interest-only(4)	478,577	(3) 18,994	159	(2,332 )	16,821	17	AA+	0.73 %	4.19 %	4.44
Agency securities(2)	774	802	—	(22 )	780	2	AA+	2.90 %	1.29 %	3.27
GNMA permanent securities(2)	38,327	39,144	882	(246 )	39,780	9	AA+	4.09 %	3.80 %	10.30
<b>Total</b>	<b>\$ 10,354,816</b>	<b>\$ 2,100,994</b>	<b>\$ 13,194</b>	<b>\$(13,241 )</b>	<b>\$ 2,100,947</b>	<b>219</b>		<b>1.27 %</b>	<b>2.94 %</b>	<b>3.60</b>

Represents the weighted average of the ratings of all securities in each asset type, expressed as an S&P equivalent rating. For each security rated by multiple rating agencies, the highest rating is used. Ratings provided were determined by third-party rating agencies as of a particular date, may not be current and are subject to change (including the assignment of a “negative outlook” or “credit watch”) at any time.

CMBS, CMBS interest-only securities, Agency securities, and GNMA permanent securities are classified as (2) available-for-sale and reported at fair value with changes in fair value recorded in the current period in other comprehensive income.

The amounts presented represent the principal amount of the mortgage loans outstanding in the pool in which the (3) interest-only securities participate.

Agency interest-only securities are recorded at fair value with changes in fair value recorded in current period earnings. The Company’s Agency interest-only securities are considered to be hybrid financial instruments that contain embedded derivatives. As a result, the Company accounts for them as hybrid instruments in their entirety at



fair value with changes in fair value recognized in unrealized gain (loss) on Agency interest-only securities in the consolidated statements of income in accordance with ASC 815.

Table of Contents

The following is a breakdown of the carrying value of the Company's securities by remaining maturity based upon expected cash flows at September 30, 2017 and 2016 (\$ in thousands):

**September 30, 2017**

Asset Type	Within 1 year	1-5 years	5-10 years	After 10 years	Total
CMBS(1)	\$ 72,958	\$770,559	\$106,512	\$ —	\$950,029
CMBS interest-only(1)	737	103,746	—	—	104,483
GNMA interest-only(2)	101	7,368	516	14	7,999
Agency securities(1)	—	742	—	—	742
GNMA permanent securities(1)	—	1,881	33,337	—	35,218
<b>Total</b>	<b>\$ 73,796</b>	<b>\$884,296</b>	<b>\$140,365</b>	<b>\$ 14</b>	<b>\$1,098,471</b>

**December 31, 2016**

Asset Type	Within 1 year	1-5 years	5-10 years	After 10 years	Total
CMBS(1)	\$ 132,730	\$1,156,026	\$412,639	\$ —	\$1,701,395
CMBS interest-only(1)	11,188	330,983	—	—	342,171
GNMA interest-only(2)	—	15,914	724	183	16,821
Agency securities(1)	—	780	—	—	780
GNMA permanent securities(1)	—	4,488	27,675	7,617	39,780
<b>Total</b>	<b>\$ 143,918</b>	<b>\$1,508,191</b>	<b>\$441,038</b>	<b>\$ 7,800</b>	<b>\$2,100,947</b>

CMBS, CMBS interest-only securities, Agency securities, and GNMA permanent securities are classified as (1) available-for-sale and reported at fair value with changes in fair value recorded in the current period in other comprehensive income.

(2) Agency interest-only securities are recorded at fair value with changes in fair value recorded in current period earnings.

There were \$0.2 million unrealized losses on securities recorded as other than temporary impairments for the three months ended September 30, 2017 and no unrealized losses on securities recorded as other than temporary impairments for the three months ended September 30, 2016. There were \$1.2 million and \$0.6 million realized losses on securities recorded as other than temporary impairments for the nine months ended September 30, 2017 and 2016, respectively. The determination of whether a security is other-than-temporarily impaired involves judgments and assumptions based on subjective and objective factors. Consideration is given to (i) the length of time and the extent to which the fair value has been less than amortized cost, (ii) the financial condition and near-term prospects of recovery in fair value of the security, and (iii) the Company's intent to sell the security and whether it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis. The Company has no intention to sell the securities before recovery of its amortized cost basis. For cash flow statement purposes, all receipts of interest from interest-only real estate securities are treated as part of cash flows from operations.

Table of Contents**5. REAL ESTATE AND RELATED LEASE INTANGIBLES, NET**

The following tables present additional detail related to our real estate portfolio (\$ in thousands):

	September 30, 2017	December 31, 2016
Land	\$213,402	\$143,286
Building	790,454	646,372
In-place leases and other intangibles	188,666	154,687
Less: Accumulated depreciation and amortization	(150,621 )	(122,007 )
<b>Real estate and related lease intangibles, net</b>	<b>\$1,041,901</b>	<b>\$822,338</b>
Below market lease intangibles, net (other liabilities)	\$(42,984 )	\$(16,506 )

The following table presents depreciation and amortization expense on real estate recorded by the Company (\$ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Depreciation expense (1)	\$7,624	\$6,272	\$20,470	\$18,540
Amortization expense	2,959	3,433	8,783	10,164
<b>Total real estate depreciation and amortization expense</b>	<b>\$10,583</b>	<b>\$9,705</b>	<b>\$29,253</b>	<b>\$28,704</b>

Depreciation expense on the consolidated statements of income also includes \$23 thousand and \$28 thousand of depreciation on corporate fixed assets for the three months ended September 30, 2017 and 2016, respectively, and (1) \$70 thousand and \$85 thousand of depreciation on corporate fixed assets for the nine months ended September 30, 2017 and 2016, respectively.

The Company's intangible assets are comprised of in-place leases, favorable leases compared to market leases and other intangibles. At September 30, 2017, gross intangible assets totaled \$188.7 million with total accumulated amortization of \$57.5 million, resulting in net intangible assets of \$131.1 million, including \$9.2 million of unamortized favorable lease intangibles which are included in real estate and related lease intangibles, net on the consolidated balance sheets. At December 31, 2016, gross intangible assets totaled \$154.7 million with total accumulated amortization of \$48.1 million, resulting in net intangible assets of \$106.6 million, including \$7.0 million of unamortized favorable lease intangibles which are included in real estate and related lease intangibles, net on the consolidated balance sheets. For the three and nine months ended September 30, 2017, the Company recorded a net reduction in operating lease income of \$0.3 million and \$0.8 million, respectively, for amortization of above market lease intangibles acquired, compared to \$0.7 million and \$1.0 million for the three and nine months ended September 30, 2016, respectively. For the three and nine months ended September 30, 2017, the Company recorded a net increase in operating lease income of \$0.6 million and \$1.3 million respectively, for amortization of below market lease intangibles acquired, compared to \$0.4 million and \$1.2 million, for the three and nine months ended September 30, 2016, respectively.



Table of Contents

The following table presents expected amortization expense during the next five years and thereafter related to the acquired in-place lease intangibles for property owned as of September 30, 2017 (\$ in thousands):

<b>Period Ending December 31,</b>	<b>Amount</b>
2017 (last 3 months)	\$4,272
2018	16,649
2019	16,323
2020	16,323
2021	16,120
Thereafter	89,619
<b>Total</b>	<b>\$159,306</b>

There were \$0.5 million and \$0.7 million of unbilled rent receivables included in other assets on the consolidated balance sheets as of September 30, 2017 and December 31, 2016, respectively.

There was unencumbered real estate of \$179.3 million and \$70.3 million as of September 30, 2017 and December 31, 2016, respectively.

The following is a schedule of non-cancellable, contractual, future minimum rent under leases (excluding property operating expenses paid directly by tenant under net leases or rent escalations under other leases from tenants) at September 30, 2017 (\$ in thousands):

<b>Period Ending December 31,</b>	<b>Amount</b>
2017 (last 3 months)	\$24,751
2018	88,129
2019	81,456
2020	79,628
2021	74,920
Thereafter	1,321,150
<b>Total</b>	<b>\$1,670,034</b>

Table of Contents**Acquisitions**

During the nine months ended September 30, 2017, the Company acquired the following properties (\$ in thousands):

<b>Acquisition Date</b>	<b>Type</b>	<b>Primary Location(s)</b>	<b>Purchase Price</b>	<b>Ownership Interest (1)</b>
February 2017	Net Lease	Carmi, IL	\$ 1,411	100.0%
February 2017	Net Lease	Peoria, IL	1,183	100.0%
March 2017	Net Lease	Ridgedale, MO	1,298	100.0%
April 2017	Net Lease	Hanna City, IL	1,141	100.0%
April 2017	Other(2)	El Monte, CA	54,110	70.0%
May 2017	Net Lease	Jessup, IA	1,163	100.0%
May 2017	Net Lease	Shelbyville, IL	1,132	100.0%
May 2017	Other	Jacksonville, FL	115,641	100.0%
May 2017	Net Lease	Wabasha, MN	1,280	100.0%
May 2017	Net Lease	Port O'Connor, TX	1,255	100.0%
May 2017	Net Lease	Denver, IA	1,183	100.0%
June 2017	Net Lease	Jefferson City, MO	1,241	100.0%
August 2017	Other(3)	Miami, FL	38,145	80.0%
September 2017	Net Lease	Milford, IA	1,298	100.0%
September 2017	Other	Crum Lynne, PA	9,196	100.0%
<b>Total</b>			<b>\$230,677</b>	

(1) Properties were consolidated as of acquisition date.

(2) Joint venture partner contributed \$5.3 million to partnership.

(3) Joint venture partner contributed \$1.6 million to the partnership.

On October 1, 2016, the Company early adopted Accounting Standards Update (“ASU”) 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* (“ASU 2017-01”). As a result of this adoption, acquisitions of real estate may not meet the revised definition of a business and may be treated as asset acquisitions rather than business combinations. The measurement of assets and liabilities acquired will no longer be recorded at fair value and the Company will now allocate purchase consideration based on relative fair values. Real estate acquisition costs which are no longer expensed as incurred, will be capitalized as a component of the cost of the assets acquired. During the nine months ended September 30, 2017, all acquisitions were determined to be asset acquisitions.

The purchase prices were allocated to the net assets acquired, which also include asset acquisitions occurring after October 1, 2016, during the nine months ended September 30, 2017, as follows (\$ in thousands):

	<b>Purchase Price Allocation</b>
Land	\$ 76,342
Building	151,396
Intangibles	30,686
Below Market Lease Intangibles	(27,747 )
<b>Total purchase price</b>	<b>\$ 230,677</b>

The weighted average amortization period for intangible assets acquired during the nine months ended September 30, 2017 was 18.6 years. The Company recorded \$0.3 million and \$5.6 million in revenues from its 2017 acquisitions for the three and nine months ended September 30, 2017, respectively, which are included in our consolidated statements of

33

---

Table of Contents

income. The Company recorded \$0.1 million and \$3.7 million in earnings (losses) from its 2017 acquisitions for the three and nine months ended September 30, 2017, respectively, which are included in our consolidated statements of income.

During the nine months ended September 30, 2016, the Company acquired the following properties (\$ in thousands):

Acquisition Date	Type	Primary Location(s)	Purchase Price	Ownership Interest (1)
April 2016	Land	St. Paul, MN	\$ 200	100.0%
April 2016	Net Lease	Dimmitt, TX	1,319	100.0%
April 2016	Net Lease	Philo, IL	1,156	100.0%
April 2016	Net Lease	St. Charles, MN	1,198	100.0%
May 2016	Net Lease	San Antonio, TX	1,096	100.0%
May 2016	Net Lease	Borger, TX	978	100.0%
June 2016	Net Lease	Champaign, IL	1,324	100.0%
June 2016	Net Lease	Decatur-Sunnyside, IL	1,181	100.0%
June 2016	Net Lease	Flora Vista, NM	1,305	100.0%
June 2016	Net Lease	Mountain Grove, MO	1,279	100.0%
June 2016	Net Lease	Rantoul, IL	1,204	100.0%
June 2016	Net Lease	Decatur-Pershing, IL	1,365	100.0%
June 2016	Net Lease	Cape Girardeau, MO	1,281	100.0%
June 2016	Net Lease	Linn, MO	1,122	100.0%
July 2016	Net Lease	Union, MO	1,227	100.0%
July 2016	Net Lease	Pawnee, IL	1,201	100.0%
July 2016	Net Lease	Lamar, MO	1,176	100.0%
August 2016	Other	Ewing, NJ	30,640	100.0%
<b>Total</b>			<b>\$ 50,252</b>	

(1) Properties were consolidated as of acquisition date.

The purchase prices were allocated to the net assets acquired during the nine months ended September 30, 2016, as follows (\$ in thousands):

	Purchase Price Allocation
Land	\$ 6,407
Building	34,396
Intangibles	11,364
Below Market Lease Intangibles	(1,915 )
<b>Total purchase price</b>	<b>\$ 50,252</b>

The weighted average amortization period for intangible assets acquired during the nine months ended September 30, 2016 was 20.3 years. The Company recorded \$0.6 million and \$1.0 million in revenues for the three and nine months ended September 30, 2016, respectively, which are included in our consolidated statements of income. The Company recorded \$(0.3) million and \$(0.2) million in earnings (losses) from its 2016 acquisitions for the three and nine months ended September 30, 2016, respectively, which are included in our consolidated statements of income.





Table of Contents**Sales**

The Company sold the following properties during the nine months ended September 30, 2017 (\$ in thousands):

Sales Date	Type	Primary Location(s)	Net Sales Proceeds	Net Book Value	Realized Gain/(Loss)(1)	Properties	Units Sold	Units Remaining
Various	Condominium	Las Vegas, NV	\$ 14,568	\$ 7,943	\$ 6,625	—	37	22
Various	Condominium	Miami, FL	6,104	4,789	1,315	—	21	67
<b>Totals</b>			<b>\$ 20,672</b>	<b>\$ 12,732</b>	<b>\$ 7,940</b>			

- (1) Realized gain on the sale of real estate, net on the consolidated statements of income also includes \$150 thousand of realized loss on the disposal of fixed assets for the nine months ended September 30, 2017.

The Company sold the following properties during the nine months ended September 30, 2016 (\$ in thousands):

Sales Date	Type	Primary Location(s)	Net Sales Proceeds	Net Book Value	Realized Gain/(Loss)	Properties	Units Sold	Units Remaining
Mar 2016	Net Lease	Rockland, MA	\$ 9,148	\$ 8,436	\$ 712	1	—	—
Sep 2016	Net Lease	Crawfordsville, IN	6,190	5,723	467	1	—	—
Various	Condominium	Las Vegas, NV	24,534	13,507	11,027	—	58	74
Various	Condominium	Miami, FL	14,162	10,752	3,410	—	49	104
<b>Totals</b>			<b>\$ 54,034</b>	<b>\$ 38,418</b>	<b>\$ 15,616</b>			

**Real Estate Sold or Classified as Held for Sale**

On January 1, 2014, the Company early adopted ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, and as the properties sold or classified as real estate held for sale in 2017 and 2016 did not represent a strategic shift (as the Company is not entirely exiting markets or property types), they have not been reflected as part of discontinued operations.

Table of Contents**6. INVESTMENT IN UNCONSOLIDATED JOINT VENTURES**

As of September 30, 2017, the Company had an aggregate investment of \$35.0 million in its equity method joint ventures with unaffiliated third parties.

Included in the Company's investments in unconsolidated joint ventures as of September 30, 2017 is one unconsolidated joint venture, which is a VIE for which the Company is not the primary beneficiary. This joint venture is primarily established to develop real estate property for long-term investment and was deemed to be a VIE primarily based on the fact there are disproportionate voting and economic rights within the joint venture. The Company determined that it was not the primary beneficiary of this VIE based on the fact that the Company has shared control of this entity along with the entity's partner and therefore does not have controlling financial interests in this VIE. The Company's aggregate investment in this VIE is \$30.4 million. The Company's maximum exposure to loss is limited to its investment in the VIE. The Company has not provided financial support to this VIE that it was not previously contractually required to provide. In general, future costs of development not financed through a third party will be funded with capital contributions from the Company and its outside partner in accordance with their respective ownership percentages.

The following is a summary of the Company's investments in unconsolidated joint ventures, which we account for using the equity method, as of September 30, 2017 and December 31, 2016 (\$ in thousands):

Entity	September 30, December 31,	
	2017	2016
Grace Lake JV, LLC	\$ 4,614	\$ 3,719
24 Second Avenue Holdings LLC	30,393	30,306
<b>Investment in unconsolidated joint ventures</b>	<b>\$ 35,007</b>	<b>\$ 34,025</b>

The following is a summary of the Company's allocated earnings (losses) based on its ownership interests from investment in unconsolidated joint ventures for the three and nine months ended September 30, 2017 and 2016 (\$ in thousands):

Entity	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Ladder Capital Realty Income Partnership I LP	\$—	\$—	\$—	\$ 892
Grace Lake JV, LLC	387	230	895	690
24 Second Avenue Holdings LLC	(260)	(371)	(831)	(1,097)
<b>Earnings (loss) from investment in unconsolidated joint ventures</b>	<b>\$127</b>	<b>\$(141)</b>	<b>\$64</b>	<b>\$485</b>

Table of Contents*Ladder Capital Realty Income Partnership I LP*

On April 15, 2011, the Company entered into a limited partnership agreement, becoming the general partner and acquiring a 10% limited partnership interest in LCRIP I to invest in first mortgage loans held for investment and acted as general partner and manager to LCRIP I. The Company accounted for its interest in LCRIP I using the equity method of accounting, as it exerted significant influence but the unrelated limited partners had substantive participating rights, as well as kick-out rights. During the quarter ended June 30, 2015, the last loan held by LCRIP I was repaid. The term of the partnership expired on April 15, 2016. At that time, LCRIP I made distributions to the partners in the aggregate amounts determined by the general partner in accordance with the Limited Partnership Agreement. Simultaneously with the execution of the LCRIP I Partnership Agreement, the Company was engaged as the manager of LCRIP I and was entitled to a fee based upon the average net equity invested in LCRIP I, which was subject to a fee reduction in the event average net equity invested in LCRIP I exceeded \$100.0 million. As discussed in “Out-of-Period Adjustments” in Note 2. Significant Accounting Policies, during the first quarter of 2016, the Company recorded an additional return on equity of \$0.9 million in this investment in unconsolidated joint venture predominately relating to prior years. During the three and nine months ended September 30, 2017, the Company recorded no management fees. During the three and nine months ended September 30, 2016, the Company recorded \$0 and \$6,905 in management fees, respectively, which is reflected in fee and other income in the consolidated statements of income.

*Grace Lake JV, LLC*

In connection with the origination of a loan in April 2012, the Company received a 25% equity kicker with the right to convert upon a capital event. On March 22, 2013, the loan was refinanced, and the Company converted its interest into a 25% limited liability company membership interest in Grace Lake JV, LLC (“Grace Lake LLC”), which holds an investment in an office building complex. After taking into account the preferred return of 8.25% and the return of all equity remaining in the property to the Company’s operating partner, the Company is entitled to 25% of the distribution of all excess cash flows and all disposition proceeds upon any sale. The Company is not legally required to provide any future funding to Grace Lake JV. The Company accounts for its interest in Grace Lake JV using the equity method of accounting, as it has a 25% investment, compared to the 75% investment of its operating partner and does not control the entity.

*24 Second Avenue Holdings LLC*

On August 7, 2015, the Company entered into a joint venture, 24 Second Avenue Holdings LLC (“24 Second Avenue”), with an operating partner to invest in a ground-up condominium construction and development project located at 24 Second Avenue, New York, NY. The Company accounts for its interest in 24 Second Avenue using the equity method of accounting as its joint venture partner is the managing member of 24 Second Avenue and has substantive participating rights. The Company contributed \$31.1 million for a 73.8% interest, with the operating partner holding the remaining 26.2% interest. The Company is entitled to income allocations and distributions based upon its membership interest of 73.8% until the Company achieves a 1.70x profit multiple, after which, income is allocated and distributed 50% to the Company and 50% to the operating partner.

During the three and nine months ended September 30, 2017, the Company recorded \$0.3 million and \$0.8 million, respectively, in expenses, which is recorded in earnings (loss) from investment in unconsolidated joint ventures in the consolidated statements of income. During the three and nine months ended September 30, 2016 the Company recorded \$0.4 million and \$1.1 million, respectively, in expenses, which is recorded in earnings (loss) from investment in unconsolidated joint ventures in the consolidated statements of income. The Company capitalizes interest related to the cost of its investment, as 24 Second Avenue has activities in progress necessary to construct and ultimately sell condominium units. During the three and nine months ended September 30, 2017, the Company capitalized \$0.4

million and \$0.9 million, respectively, of interest expense, using a weighted average interest rate, which is recorded in investment in unconsolidated joint ventures in the consolidated balance sheets. During the three and nine months ended September 30, 2016, the Company capitalized \$0.2 million and \$0.6 million, respectively, of interest expense, using a weighted average interest rate, which is recorded in investment in unconsolidated joint ventures in the consolidated balance sheets.

As of September 30, 2017 and December 31, 2016, 24 Second Avenue had \$32.3 million and \$21.6 million, respectively, of loans payable. As of September 30, 2017, the existing building has been demolished and we are anticipating completion in 2018. Our operating partner entered into a construction loan in the amount of \$50.5 million to fund the project. As of September 30, 2017, draws of \$32.3 million have been taken against the construction loan. The Company has no remaining capital commitment to our operating partner.

Table of Contents*Combined Summary Financial Information for Unconsolidated Joint Ventures*

The following is a summary of the combined financial position of the unconsolidated joint ventures in which the Company had investment interests as of September 30, 2017 and December 31, 2016 (\$ in thousands):

	September 30, 2017	December 31, 2016
Total assets	\$ 149,793	\$ 138,298
Total liabilities	103,716	94,964
Partners'/members' capital	\$ 46,077	\$ 43,334

The following is a summary of the combined results from operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the three and nine months ended September 30, 2017 and 2016 (\$ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Total revenues	\$5,199	\$4,463	\$13,942	\$12,678
Total expenses	3,709	4,030	11,193	11,943
<b>Net income (loss)</b>	<b>\$1,490</b>	<b>\$433</b>	<b>\$2,749</b>	<b>\$735</b>

Table of Contents**7. DEBT OBLIGATIONS, NET**

The details of the Company's debt obligations at September 30, 2017 and December 31, 2016 are as follows (\$ in thousands):

**September 30, 2017**

Debt Obligations	Committed Financing	Debt Obligations Outstanding	Committed but Unfunded	Interest Rate at September 30, 2017(1)	Current Term Maturity	Remaining Extension Options	Eligible Collateral	Carrying Amount of Collateral	Fair Value of Collateral
Committed Loan Repurchase Facility	\$ 600,000	\$ 283,389	\$ 316,611	2.98% - 3.73%	10/1/2020	(2)	(3)	\$ 400,242	\$ 407,091
Committed Loan Repurchase Facility	450,000	179,645	270,355	3.41% - 4.41%	5/24/2018	(4)	(3)	320,363	322,386
Committed Loan Repurchase Facility	300,000	132,441	167,559	3.49% - 4.49%	4/10/2018	(5)	(6)	254,663	254,663
Committed Loan Repurchase Facility	200,000	69,549	130,451	3.50% - 4.25%	2/29/2020	(7)	(8)	109,096	109,096
Committed Loan Repurchase Facility	100,000	31,370	68,630	3.73%	6/28/2019	N/A	(3)	43,334	43,334
<b>Total Committed Loan Repurchase Facilities</b>	<b>1,650,000</b>	<b>696,394</b>	<b>953,606</b>					<b>1,127,698</b>	<b>1,136,570</b>
Committed Securities Repurchase Facility	400,000	116,626	283,374	1.23% - 2.34%	9/30/2019	N/A	(9)	137,503	137,503
Uncommitted Securities Repurchase Facility	N/A (10)	100,117	N/A (10)	1.40% - 3.09%	10/2017 - 12/2017	N/A	(9)	115,145	115,145 (11)
<b>Total Repurchase Facilities</b>	<b>2,050,000</b>	<b>913,137</b>	<b>1,236,980</b>					<b>1,380,346</b>	<b>1,389,218</b>
Revolving Credit Facility	215,508	76,000	139,508	4.73% - 6.50%	2/11/2018	(4)	N/A (12)	N/A (12)	N/A (12)
Mortgage Loan Financing Participation	587,490	587,490	—	4.25% - 6.75%	2018 - 2026	N/A	(13)	736,056	879,598 (14)
Financing - Mortgage Loan Receivable	3,368	3,368	—	17.00%	12/6/2017	N/A	(3)	3,368	3,368
Borrowings from the FHLB	2,000,000	1,464,000	536,000	0.87% - 2.74%	2017 - 2024	N/A	(15)	1,995,211	2,005,617
Senior Unsecured Notes	1,166,201	1,152,552	(16)—	5.250% - 5.875%	2021 - 2025	N/A	N/A (17)	N/A (17)	N/A (17)
<b>Total Secured and Unsecured Debt Obligations</b>	<b>6,022,567</b>	<b>4,196,547</b>	<b>1,912,488</b>					<b>4,114,981</b>	<b>4,277,801</b>
Liability for transfers not considered sales	631,480	631,480	—	4.10% - 5.88%	2017 -2027	N/A	(3) (13)	705,076	717,352
<b>Total Debt Obligations</b>	<b>\$ 6,654,047</b>	<b>\$ 4,828,027</b>	<b>\$ 1,912,488</b>					<b>\$ 4,820,057</b>	<b>\$ 4,995,153</b>

(1) September 30, 2017 LIBOR rates are used to calculate interest rates for floating rate debt.

(2) Two additional 12-month periods at Company's option. No new advances are permitted after the initial maturity date.

(3) First mortgage commercial real estate loans and senior and parri passu interests therein. It does not include the real estate collateralizing such loans.

(4) Three additional 12-month periods at Company's option.

(5) Two additional 364-day periods at Company's option and one additional 364-day period with Bank's consent.

(6) First mortgage and mezzanine commercial real estate loans. It does not include the real estate collateralizing such loans.

(7) One additional 12-month extension period and two additional 6-month extension periods at Company's option.

(8) First mortgage commercial real estate loans. It does not include the real estate collateralizing such loans.

(9) Commercial real estate securities. It does not include the real estate collateralizing such securities.

## Edgar Filing: Ladder Capital Corp - Form 10-Q

(10) Represents uncommitted securities repurchase facilities for which there is no committed amount subject to future advances.

(11) As more fully described in Note 3, securities which were purchased from the LCCM LC-26 securitization trust are not reflected in these consolidated financial statements. Includes \$30.1 million of such securities.

39

---



Table of Contents

- (12) The obligations under the Revolving Credit Facility are guaranteed by the Company and certain of its subsidiaries and secured by equity pledges in certain Company subsidiaries.
- (13) Real estate.
- (14) Using undepreciated carrying value of commercial real estate to approximate fair value.
- (15) First mortgage commercial real estate loans and investment grade commercial real estate securities. It does not include the real estate collateralizing such loans and securities.
- (16) Presented net of unamortized debt issuance costs of \$13.6 million at September 30, 2017.
- (17) The obligations under the senior unsecured notes are guaranteed by the Company and certain of its subsidiaries.

**December 31, 2016**

Debt Obligations	Committed Financing	Debt Obligations Outstanding	Committed but Unfunded	Interest Rate at December 31, 2016(1)	Current Term Maturity	Remaining Extension Options	Eligible Collateral	Carrying Amount of Collateral	Fair Value of Collateral
Committed Loan Repurchase Facility	\$ 600,000	\$ 183,604	\$ 416,396	2.45% - 3.27%	10/30/2018	(2)	(3)	\$ 292,628	\$ 293,618
Committed Loan Repurchase Facility	450,000	184,158	265,842	2.95% - 3.70%	5/24/2017	(4)	(3)	286,848	288,267
Committed Loan Repurchase Facility	400,000	100,979	299,021	2.95% - 3.99%	4/9/2017	(5)	(6)	235,878	236,696
Committed Loan Repurchase Facility	100,000	27,132	72,868	2.90% - 3.13%	6/28/2019	—	(3)	36,166	36,410
Committed Loan Repurchase Facility	100,000	71,290	28,710	2.93% - 3.68%	8/2/2019	(7)	(3)	110,271	110,897
<b>Total Committed Loan Repurchase Facilities</b>	<b>1,650,000</b>	<b>567,163</b>	<b>1,082,837</b>					<b>961,791</b>	<b>965,888</b>
Committed Securities Repurchase Facility	400,000	228,317	171,683	1.00% - 2.59%	7/1/2018	N/A	(8)	272,402	272,402
Uncommitted Securities Repurchase Facility	N/A (9)	311,705	N/A (9)	1.00% - 2.41%	1/2017 - 3/2017	N/A	(8)	368,638	368,638
<b>Total Repurchase Facilities</b>	<b>2,050,000</b>	<b>1,107,185</b>	<b>1,254,520</b>					<b>1,602,831</b>	<b>1,606,928</b>
Revolving Credit Facility	143,000	25,000	118,000	3.16%	2/11/2017	(10)	N/A (11)	N/A (11)	N/A (11)
Mortgage Loan Financing	590,106	590,106	—	4.25% - 6.75%	2018 - 2026	N/A	(12)	757,468	875,160 (13)
Borrowings from the FHLB	1,998,931	1,660,000	338,931	0.43% - 2.74%	2017 - 2024	N/A	(14)	2,162,779	2,167,017
Senior Unsecured Notes	563,872	559,847	(15) —	5.875% - 7.375%	2017 - 2021	N/A	N/A (16)	N/A (16)	N/A (16)
<b>Total Secured and Unsecured Debt Obligations</b>	<b>5,345,909</b>	<b>3,942,138</b>	<b>1,711,451</b>					<b>4,523,078</b>	<b>4,649,105</b>
<b>Total Debt Obligations</b>	<b>\$ 5,345,909</b>	<b>\$ 3,942,138</b>	<b>\$ 1,711,451</b>					<b>\$ 4,523,078</b>	<b>\$ 4,649,105</b>

- (1) December 31, 2016 LIBOR rates are used to calculate interest rates for floating rate debt.
- (2) Three additional 12-month periods at Company's option. No new advances are permitted after the initial maturity date, or if the lender consents, October 30, 2019, the initial extended maturity date.
- (3) First mortgage commercial real estate loans. It does not include the real estate collateralizing such loans.
- (4) Three additional 12-month periods at Company's option.
- (5) Two additional 364-day periods at Company's option.
- (6) First mortgage and mezzanine commercial real estate loans. It does not include the real estate collateralizing such loans.
- (7) One additional 12-month extension period and two additional 6-month extension periods at Company's option.
- (8) Commercial real estate securities. It does not include the real estate collateralizing such securities.
- (9) Represents uncommitted securities repurchase facilities for which there is no committed amount subject to future advances.
- (10) Two additional 12-month extension periods at Company's option.
- (11) The obligations under the Revolving Credit Facility are guaranteed by the Company and certain of its subsidiaries and secured by equity pledges in certain Company subsidiaries.

Edgar Filing: Ladder Capital Corp - Form 10-Q

(12) Real estate.

(13) Using undepreciated carrying value of commercial real estate to approximate fair value.

40

---

Table of Contents

- (14) First mortgage commercial real estate loans and investment grade commercial real estate securities. It does not include the real estate collateralizing such loans and securities.
- (15) Presented net of unamortized debt issuance costs of \$4.0 million at December 31, 2016.
- (16) The obligations under the senior unsecured notes are guaranteed by the Company and certain of its subsidiaries.

***Committed Loan and Securities Repurchase Facilities***

The Company has entered into multiple committed master repurchase agreements in order to finance its lending activities. The Company has entered into five committed master repurchase agreements, as outlined in the September 30, 2017 table above, totaling \$1.7 billion of credit capacity. Assets pledged as collateral under these facilities are limited to whole mortgage loans or participation interests in mortgage loans collateralized by first liens on commercial properties and mezzanine debt. The Company also has a term master repurchase agreement with a major U.S. bank to finance CMBS totaling \$400.0 million. The Company's repurchase facilities include covenants covering net worth requirements, minimum liquidity levels, maximum leverage ratios, and minimum fixed charge coverage ratios. The Company believes it was in compliance with all covenants as of September 30, 2017 and December 31, 2016.

The Company has the option to extend some of the current facilities subject to a number of conditions, including satisfaction of certain notice requirements, no event of default exists, and no margin deficit exists, all as defined in the repurchase facility agreements. The lenders have sole discretion with respect to the inclusion of collateral in these facilities, to determine the market value of the collateral on a daily basis, to be exercised on a good faith basis, and have the right in certain cases to require additional collateral, a full and/or partial repayment of the facilities (margin call), or a reduction in unused availability under the facilities, sufficient to rebalance the facilities if the estimated market value of the included collateral declines.

On April 19, 2016, the Company entered into an amendment to its committed loan repurchase facility with one of its multiple major banking institutions, adding two one-year extension options and extending the maximum term of such facility to May 24, 2020.

On May 26, 2016, the Company entered into an amendment to its committed repurchase facility with a major banking institution to memorialize the replacement of the servicer under such facility.

On June 27, 2016, the Company executed an amendment and extension of one of its credit facilities with a major banking institution, with an effective date of July 1, 2016, providing for, among other things, the extension of the maximum term of the facility to July 1, 2018 and increasing the maximum funding capacity to \$400.0 million.

On June 28, 2016, the Company entered into a committed loan repurchase facility with a major banking institution with total capacity of \$100.0 million and a final maturity date of June 28, 2019.

On August 3, 2016, the Company executed a committed loan repurchase facility with a major banking institution with total capacity of \$100.0 million and an initial maturity date of August 2, 2019, with one twelve-month extension period, followed by two six-month extension periods. In connection with the execution of this new facility, the Company terminated its existing committed loan repurchase facility with total capacity of \$35.0 million.

On November 9, 2016, the Company entered into an amendment to its committed repurchase facility with a major banking institution to, among other things, extend the initial term to October 30, 2018 and add three additional one year extension options to the term thereof, provided that the Company will not be permitted to obtain advances under such facility after October 30, 2018, or if the lender thereunder consents, October 30, 2019.

On February 22, 2017, the Company exercised a one year extension option on one of its committed loan repurchase facilities. In connection with this extension, the Company elected to reduce the maximum capacity of the facility to \$300.0 million. In addition, on March 21, 2017, the Company amended this committed loan repurchase facility to, among other things, add one additional 364-day extension period at Company's option and one additional 364-day extension period permitted with lender's consent.

On March 1, 2017, the Company executed an amendment and extension of one of its credit facilities with a major banking institution, providing for, among other things, the extension of the maximum term of the facility to February 28, 2022 and increasing the maximum funding capacity to \$200.0 million.

## Table of Contents

On May 1, 2017, the Company executed an amendment to one of its credit facilities with a major banking institution to, among other things, extend the maximum term by an additional year to May 24, 2021.

On September 29, 2017, the Company executed an amendment to its committed securities repurchase facility with a major banking institution, providing for, among other things, the extension of the maximum term of the facility to September 30, 2019.

Effective September 30, 2017, the Company executed an amendment of one of its committed loan repurchase facilities with a major banking institution, providing for, among other things, the extension of the maximum term of the facility to October 1, 2022, inclusive of two 12-month extension options, and to extend of the final date to obtain new advances under the facility to October 1, 2020.

As of September 30, 2017, we had repurchase agreements with eight counterparties, with total debt obligations outstanding of \$0.9 billion. As of September 30, 2017, three counterparties, Deutsche Bank, J.P. Morgan and Wells Fargo, held collateral that exceeded the amounts borrowed under the related repurchase agreements by more than \$73.3 million, or 5% of our total equity. As of September 30, 2017, the weighted average haircut, or the percent of collateral value in excess of the loan amount, under our repurchase agreements was 34.3%. There have been no significant fluctuations in haircuts across asset classes on our repurchase facilities.

### ***Revolving Credit Facility***

On February 11, 2014, the Company entered into a revolving credit facility (the “Revolving Credit Facility”), which was subsequently amended on February 26, 2016, March 1, 2017, March 23, 2017 and September 29, 2017, to add additional banks to our syndicate, add two additional one-year extension options and increase its maximum funding capacity. The Revolving Credit Facility provides for an aggregate maximum borrowing amount of \$215.5 million, including a \$25.0 million sublimit for the issuance of letters of credit. The Revolving Credit Facility is available on a revolving basis to finance the Company’s working capital needs and for general corporate purposes. The Revolving Credit Facility has a maturity date of February 11, 2018, which may be extended by three 12-month periods subject to the satisfaction of customary conditions, including the absence of default. Interest on the Revolving Credit Facility is one-month LIBOR plus 3.50% per annum payable monthly in arrears.

The obligations under the Revolving Credit Facility are guaranteed by the Company and certain of its subsidiaries. The Revolving Credit Facility is secured by a pledge of the shares of (or other ownership or equity interests in) certain subsidiaries to the extent the pledge is not restricted under existing regulations, law or contractual obligations.

LCFH is subject to customary affirmative covenants and negative covenants, including limitations on the incurrence of additional debt, liens, restricted payments, sales of assets and affiliate transactions. In addition, under the Revolving Credit Facility, LCFH is required to comply with financial covenants relating to minimum net worth, maximum leverage, minimum liquidity, and minimum fixed charge coverage, consistent with our other credit facilities. The Company’s ability to borrow under the Revolving Credit Facility is dependent on, among other things, LCFH’s compliance with the financial covenants. The Revolving Credit Facility contains customary events of default, including non-payment of principal or interest, fees or other amounts, failure to perform or observe covenants, cross-default to other indebtedness, the rendering of judgments against the Company or certain of our subsidiaries to pay certain amounts of money and certain events of bankruptcy or insolvency.

### ***Debt Issuance Costs***

As discussed in Note 2, Significant Accounting Policies in the Annual Report, the Company considers its committed loan master repurchase facilities and Revolving Credit Facility to be revolving debt arrangements. As such, the

Company continues to defer and present costs associated with these facilities as an asset, subsequently amortizing those costs ratably over the term of each revolving debt arrangement. As of September 30, 2017 and December 31, 2016, the amount of unamortized costs relating to such facilities are \$5.1 million and \$4.9 million, respectively, and are included in other assets in the consolidated balance sheets.

Table of Contents

***Uncommitted Securities Repurchase Facilities***

The Company has also entered into multiple master repurchase agreements with several counterparties collateralized by real estate securities. The borrowings under these agreements have typical advance rates between 70% and 95% of the fair value of collateral.

***Mortgage Loan Financing***

During the nine months ended September 30, 2017, the Company executed no term debt agreements to finance properties in its real estate portfolio. During the nine months ended September 30, 2016, the Company executed 10 term debt agreements to finance properties in its real estate portfolio. These non-recourse debt agreements provide for fixed rate financing at rates, ranging from 4.25% to 6.75%, maturing between 2018 - 2026 as of September 30, 2017. These loans have carrying amounts of \$587.5 million and \$590.1 million, net of unamortized premiums of \$4.9 million and \$5.6 million at September 30, 2017 and December 31, 2016, respectively, representing proceeds received upon financing greater than the contractual amounts due under these agreements. The premiums are being amortized over the remaining life of the respective debt instruments using the effective interest method. The Company recorded \$0.2 million and \$0.7 million of premium amortization, which decreased interest expense, for the three and nine months ended September 30, 2017, respectively. The Company recorded \$0.2 million and \$0.7 million of premium amortization, which decreased interest expense, for the three and nine months ended September 30, 2016, respectively. The loans are collateralized by real estate and related lease intangibles, net, of \$736.1 million and \$757.5 million as of September 30, 2017 and December 31, 2016, respectively.

***Participation Financing - Mortgage Loan Receivable***

During the nine months ended September 30, 2017, the Company sold a participating interest in a first mortgage loan receivable to a third party. The sales proceeds of \$4.0 million are considered non-recourse secured borrowings and are recognized in debt obligations on the Company's consolidated balance sheets. The Company recorded \$0.2 million and \$0.4 million of interest expense for the three and nine months ended September 30, 2017, respectively.

***Borrowings from the Federal Home Loan Bank ("FHLB")***

On July 11, 2012, Tuebor Captive Insurance Company LLC ("Tuebor"), a consolidated subsidiary of the Company, became a member of the FHLB and subsequently drew its first secured funding advances from the FHLB. On January 13, 2017, Tuebor's advance limit was updated to the lowest of \$2.0 billion, 40% of Tuebor's total assets or 150% of the Company's total equity.

As of September 30, 2017, Tuebor had \$1.5 billion of borrowings outstanding (with an additional \$536.0 million of committed term financing available from the FHLB), with terms of overnight to seven years (with a weighted average of 2.5 years), interest rates of 0.87% to 2.74% (with a weighted average of 1.50%), and advance rates of 57.8% to 95.2% of the collateral. As of September 30, 2017, collateral for the borrowings was comprised of \$866.6 million of CMBS and U.S. Agency Securities and \$1.1 billion of first mortgage commercial real estate loans.

As of December 31, 2016, Tuebor had \$1.7 billion of borrowings outstanding (with an additional \$338.9 million of committed term financing available from the FHLB), with terms of overnight to seven years (with a weighted average of 2.4 years), interest rates of 0.43% to 2.74% (with a weighted average of 1.12%), and advance rates of 49.6% to 95.2% of the collateral. As of December 31, 2016, collateral for the borrowings was comprised of \$1.4 billion of CMBS and U.S. Agency Securities and \$724.0 million of first mortgage commercial real estate loans.

Tuebor is subject to state regulations which require that dividends (including dividends to the Company as its parent) may only be made with regulatory approval. However, there can be no assurance that we would obtain such approval if sought. Largely as a result of this restriction, approximately \$336.2 million of the member's capital was restricted from transfer to Tuebor's parent without prior approval of state insurance regulators at September 30, 2017.



## Table of Contents

Effective February 19, 2016, the Federal Housing Finance Agency (the “FHFA”), regulator of the FHLB, adopted a final rule amending its regulation regarding the eligibility of captive insurance companies for FHLB membership.

According to the final rule, Ladder’s captive insurance company subsidiary, Tuebor may remain as a member of the FHLB through February 19, 2021 (the “Transition Period”). During the Transition Period, Tuebor is eligible to continue to draw new additional advances, extend the maturities of existing advances, and pay off outstanding advances on the same terms as non-captive insurance company FHLB members with the following two exceptions:

1. New advances (including any existing advances that are extended during the Transition Period) will have maturity dates on or before February 19, 2021; and
2. The FHLB will make new advances to Tuebor subject to a requirement that Tuebor’s total outstanding advances do not exceed 40% of Tuebor’s total assets.

Tuebor has executed new advances since the effective date of the new rule in the ordinary course of business.

FHLB advances amounted to 30.3% of the Company’s outstanding debt obligations as of September 30, 2017. The Company does not anticipate that the FHFA’s final regulation will materially impact its operations as it will continue to access FHLB advances during the five-year Transition Period.

There is no assurance that the FHFA or the FHLB will not take actions that could adversely impact Tuebor’s membership in the FHLB and continuing access to new or existing advances prior to February 19, 2021.

### ***Senior Unsecured Notes***

LCFH issued the 2025 Notes, the 2022 Notes, the 2021 Notes and the 2017 Notes (each as defined below, and collectively, the “Notes”) with Ladder Capital Finance Corporation (“LCFC”), as co-issuers on a joint and several basis. LCFC is a 100% owned finance subsidiary of Series TRS of LCFH with no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes. The Company and certain subsidiaries of LCFH currently guarantee the obligations under the Notes and the indenture. The Company is the general partner of LCFH and, through LCFH and its subsidiaries, operates the Ladder Capital business. As of September 30, 2017, the Company has a 77.7% economic and voting interest in LCFH and controls the management of LCFH as a result of its ability to appoint board members. Accordingly, the Company consolidates the financial results of LCFH and records noncontrolling interest for the economic interest in LCFH held by the Continuing LCFH Limited Partners. In addition, the Company, through certain subsidiaries which are treated as TRSs, is indirectly subject to U.S. federal, state and local income taxes. Other than the noncontrolling interest in the Operating Partnership and federal, state and local income taxes, there are no material differences between the Company’s consolidated financial statements and LCFH’s consolidated financial statements.

Unamortized debt issuance costs of \$13.6 million and \$4.0 million are included in senior unsecured notes as of September 30, 2017 and December 31, 2016, respectively, in accordance with GAAP.

### **2017 Notes**

On September 19, 2012, LCFH issued \$325.0 million in aggregate principal amount of 7.375% senior notes due October 1, 2017 (the “2017 Notes”). The 2017 Notes required interest payments semi-annually in cash in arrears on April 1 and October 1 of each year, beginning on September 19, 2012. The 2017 Notes were unsecured and subject to incurrence-based covenants, including limitations on the incurrence of additional debt, restricted payments, liens, sales of assets, affiliate transactions and other covenants typical for financings of this type. At any time on or after April 1, 2017, the 2017 Notes were redeemable at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days’ notice, without penalty. On November 5, 2014, the board of directors authorized the Company to make up to \$325.0 million in repurchases of the 2017 Notes from time to time without further approval.

On December 17, 2014, the Company retired \$5.4 million of principal of the 2017 Notes for a repurchase price of \$5.6 million recognizing a \$0.2 million loss on extinguishment of debt. During the year ended December 31, 2016, the Company retired \$21.9 million of principal of the 2017 Notes for a repurchase price of \$21.4 million, recognizing a \$0.3 million net gain on extinguishment of debt after recognizing \$(0.2) million of unamortized debt issuance costs associated with the retired debt. During the six months ended June 30, 2017, the Company retired the remaining \$297.7 million of principal of the 2017 Notes for a repurchase price of \$297.7 million, recognizing a \$53,547 net loss on extinguishment of debt after recognizing \$(22,847) of unamortized debt issuance costs associated with the retired debt.

## Table of Contents

On March 1, 2017, the Company delivered a notice of conditional full redemption to holders of the 2017 Notes, pursuant to which the Company redeemed all outstanding 2017 Notes at 100% of the principal amount thereof (plus any accrued and unpaid interest to the redemption date) as of April 1, 2017. The redemption was conditional on the completion by the Company of a senior notes offering with gross proceeds of not less than \$500 million. The Company's offering of the 2022 Notes, described below, satisfied this condition. On April 3, 2017, the Company repaid the remaining aggregate principal amount of the 2017 Notes outstanding (including accrued and unpaid interest as of that date).

### **2021 Notes**

On August 1, 2014, LCFH issued \$300.0 million in aggregate principal amount of 5.875% senior notes due August 1, 2021 (the "2021 Notes"). The 2021 Notes require interest payments semi-annually in cash in arrears on February 1 and August 1 of each year, beginning on February 1, 2015. The 2021 Notes will mature on August 1, 2021. The 2021 Notes are unsecured and are subject to incurrence-based covenants, including limitations on the incurrence of additional debt, restricted payments, liens, sales of assets, affiliate transactions and other covenants typical for financings of this type. At any time on or after August 1, 2020, the 2021 Notes are redeemable at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, without penalty. On February 24, 2016, the board of directors authorized the Company to make up to \$100.0 million in repurchases of the 2021 Notes from time to time without further approval.

During the year ended December 31, 2016, the Company retired \$33.8 million of principal of the 2021 Notes for a repurchase price of \$28.2 million, recognizing a \$5.1 million net gain on extinguishment of debt after recognizing \$(0.4) million of unamortized debt issuance costs associated with the retired debt. As of September 30, 2017, the remaining \$266.2 million in aggregate principal amount of the 2021 Notes is due August 1, 2021.

### **2022 Notes**

On March 16, 2017, LCFH issued \$500.0 million in aggregate principal amount of 5.250% senior notes due March 15, 2022 (the "2022 Notes"). The 2022 Notes require interest payments semi-annually in cash in arrears on March 15 and September 15 of each year, beginning on September 15, 2017. The 2022 Notes will mature on March 15, 2022. The 2022 Notes are unsecured and are subject to an unencumbered assets to unsecured debt covenant. At any time on or after September 15, 2021, the 2022 Notes are redeemable at the option of the Company, in whole or in part, upon not less than 15 nor more than 60 days' notice, without penalty.

### **2025 Notes**

On September 25, 2017, LCFH issued \$400.0 million in aggregate principal amount of 5.250% senior notes due October 1, 2025 (the "2025 Notes"). The 2025 Notes require interest payments semi-annually in cash in arrears on April 1 and October 1 of each year, beginning on April 1, 2018. The 2025 Notes will mature on October 1, 2025. The 2025 Notes are unsecured and are subject to an unencumbered assets to unsecured debt covenant. The Company may redeem the 2025 Notes, in whole, at any time, or from time to time, prior to their stated maturity. The 2025 Notes are redeemable at the option of the Company, in whole or in part, upon not less than 15 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the 2025 Notes plus the Applicable Premium (as defined in the indenture governing the 2025 Notes) as of, and accrued and unpaid interest, if any, to the redemption date.

Table of Contents***Liability for Transfers Not Considered Sales (Non-Recourse)***

As more fully described in Note 3, on June 29, 2017, the Company sold its interests in \$625.7 million of loans to the LCCM 2017-LC26 securitization trust. The assets sold to the trust were comprised of 34 loans to third parties with a combined outstanding face amount of \$549.0 million and a combined carrying value of \$547.7 million as well as 23 intercompany loans secured by certain of the Company's real estate assets with a combined principal balance of \$76.7 million (which had not previously been recognized for accounting purposes because they eliminated in consolidation). In connection with this transaction, pursuant to the 5% risk retention requirement of the Dodd-Frank Act described in Part 2, Item 1A "Risk Factors," in this Quarterly Report, (i) the Company retained a \$12.9 million restricted "vertical interest" of approximately 2% in each class of securities issued by the trust, which must be held by the Company until the principal balance of the pool has been reduced to a level prescribed by the risk retention rules and (ii) sold an approximately 3% restricted "horizontal interest" in the form of 98% of the controlling classes (excluding the 2% included in the vertical interest) to a "Third Party Purchaser" ("TPP"), which must be held by the TPP for at least five years. In addition, the Company purchased \$62.7 million in securities which are not restricted. The securities purchased by the Company are not reflected in these financial statements because the sale of these loans was not recognized for accounting purposes. Transfer restrictions placed on the TPP, imposed by the risk retention rules of the Dodd-Frank Act, precluded sale accounting for these loans. Accordingly, the Company continues to recognize these loans to third parties transferred in the transaction on its consolidated balance sheets. Included in interest income on the Company's consolidated statements of income is \$7.2 million and \$7.3 million of interest income related to mortgage loans transferred but not considered sales for the three and nine months ended September 30, 2017, respectively. In connection with this transaction, the Company recognized a liability of \$580.0 million representing the loan sale proceeds of \$655.6 million (net of issue costs) less the \$75.6 million of securities purchased discussed above, not reflected in these consolidated financial statements. This liability is effectively a non-recourse borrowing secured by these securitized third-party loans and the Company's real estate collateral pledged under the previously unrecognized intercompany loans. This obligation bears effective interest of 4.30% per annum (based on contractual payments to third parties) and requires principal payments upon repayment of the underlying mortgage loans receivable, which have a weighted average term of 8.76 years with the final loan maturing in 2027.

This liability also includes \$52.1 million for a non-participating loan interest previously sold to a third party, for which the controlling portion was transferred to the LCCM 2017-LC26 securitization trust on June 29, 2017, which also precluded sale accounting on the original transaction. This liability bears an effective interest rate of 5.29% per annum and matures contemporaneously with the underlying mortgage loan receivable. This transaction was considered a financing for accounting purposes. As of September 30, 2017, the liability for transfers not considered sales was \$631.5 million. Included in interest expense on the Company's consolidated statements of income is \$6.2 million and \$6.3 million of interest expense related to liabilities for transfers not considered sales for the three and nine months ended September 30, 2017, respectively.

Table of Contents***Combined Maturity of Debt Obligations***

The following schedule reflects the Company's contractual payments under all borrowings by maturity (\$ in thousands):

<b>Period ending December 31,</b>	<b>Borrowings by Maturity (1)</b>
2017 (last 3 months)	\$ 290,049
2018	1,083,389
2019	240,390
2020	401,766
2021	451,415
Thereafter	2,374,553
<b>Subtotal</b>	<b>\$ 4,841,562</b>
Debt issuance costs included in senior unsecured notes	(13,649 )
Debt issuance costs included in liability for transfers not considered sales	(4,776 )
Premiums included in mortgage loan financing	4,890
<b>Total</b>	<b>4,828,027</b>

(1) Includes principal payments for the liability for transfers not considered sales (see Note 3 and Note 7), i.e., payments required to be made on the underlying loans receivable based on their contractual maturities.

The Company's debt facilities are subject to covenants which require the Company to maintain a minimum level of total equity. Largely as a result of this restriction, approximately \$780.0 million of the total equity is restricted from payment as a dividend by the Company at September 30, 2017.

Table of Contents**8. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is based upon market quotations, broker quotations, counterparty quotations or pricing services quotations, which provide valuation estimates based upon reasonable market order indications and are subject to significant variability based on market conditions, such as interest rates, credit spreads and market liquidity. The fair value of the mortgage loan receivables held for sale is based upon a securitization model utilizing market data from recent securitization spreads and pricing.

**Fair Value Summary Table**

The carrying values and estimated fair values of the Company's financial instruments, which are both reported at fair value on a recurring basis (as indicated) or amortized cost/par, at September 30, 2017 and December 31, 2016 are as follows (\$ in thousands):

**September 30, 2017**

	<b>Outstanding Face Amount</b>	<b>Amortized Cost Basis</b>	<b>Fair Value</b>	<b>Fair Value Method</b>	<b>Weighted Average Yield %</b>	<b>Remaining Maturity/Duration (years)</b>
<b>Assets:</b>						
CMBS(1)	\$ 934,559	\$ 946,231	\$ 950,029	Internal model, third-party inputs	2.73 %	2.85
CMBS interest-only(1)	3,308,063	(2) 102,986	104,483	Internal model, third-party inputs	3.14 %	2.88
GNMA interest-only(3)	279,567	(2) 9,138	7,999	Internal model, third-party inputs	5.99 %	4.36
Agency securities(1)	731	754	742	Internal model, third-party inputs	1.82 %	3.08
GNMA permanent securities(1)	34,014	34,675	35,218	Internal model, third-party inputs	3.63 %	5.82
Mortgage loan receivables held for investment, net, at amortized cost:						
Mortgage loan receivables held for investment, net, at amortized cost	2,862,739	2,846,940	2,853,389	Discounted Cash Flow(4)	7.06 %	1.71
Mortgage loans transferred but not considered sold	600,222	598,525	610,829	Discounted Cash Flow(4)	4.92 %	8.38
Provision for loan losses	N/A	(4,000 )	(4,000 )	(5)	N/A	N/A
Mortgage loan receivables held for sale	526,085	522,961	540,510	Internal model, third-party inputs(6)	4.79 %	8.63
FHLB stock(7)	77,915	77,915	77,915	(7)	4.25 %	N/A
Nonhedge derivatives(1)(8)	616,200	N/A	568	Counterparty quotations	N/A	0.28
<b>Liabilities:</b>						
Repurchase agreements - short-term	549,899	549,899	549,899	Discounted Cash Flow(9)	2.67 %	0.53
Repurchase agreements - long-term	363,238	363,238	363,238	Discounted Cash Flow(10)	2.98 %	2.64
Revolving credit facility	76,000	76,000	76,000	Discounted Cash Flow(11)	5.68 %	0.75
Mortgage loan financing	589,152	587,490	595,106	Discounted Cash Flow(10)	4.85 %	6.40
Participation Financing - Mortgage Loan Receivable	3,368	3,368	3,368	Discounted Cash Flow(12)	17.00 %	0.18
Borrowings from the FHLB	1,464,000	1,464,000	1,465,922	Discounted Cash Flow	1.50 %	2.52
Senior unsecured notes	1,166,201	1,152,552	787,191	Broker quotations, pricing services	5.39 %	5.53
Liability for transfers not considered sales	636,256	631,480	631,480	Discounted Cash Flow(13)	4.37 %	8.38
Nonhedge derivatives(1)(8)	88,700	N/A	2,711	Counterparty quotations	N/A	2.76

(1) Measured at fair value on a recurring basis with the net unrealized gains or losses recorded as a component of other comprehensive income (loss) in equity.

(2) Represents notional outstanding balance of underlying collateral.

## Edgar Filing: Ladder Capital Corp - Form 10-Q

- (3) Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.  
Fair value for floating rate mortgage loan receivables, held for investment is estimated to approximate the outstanding face amount given the short interest rate
- (4) reset risk (30 days) and no significant change in credit risk. Fair value for fixed rate mortgage loan receivables, held for investment is measured using a hypothetical securitization model utilizing market data from recent securitization spreads and pricing.
- (5) Fair value is estimated to equal par value.
- (6) Fair value for mortgage loan receivables, held for sale is measured using a hypothetical securitization model utilizing market data from recent securitization spreads and pricing.
- (7) Fair value of the FHLB stock approximates outstanding face amount as the Company's captive insurance subsidiary is restricted from trading the stock and can only put the stock back to the FHLB, at the FHLB's discretion, at par.
- (8) The outstanding face amount of the nonhedge derivatives represents the notional amount of the underlying contracts.

## Edgar Filing: Ladder Capital Corp - Form 10-Q

### Table of Contents

Fair value for repurchase agreement liabilities is estimated to approximate carrying amount primarily due to the short interest rate reset risk (30 days) of the (9) financings and the high credit quality of the assets collateralizing these positions. If the collateral is determined to be impaired, the related financing would be revalued accordingly. There are no impairments on any positions.

For repurchase agreements - long term and mortgage loan financing, the carrying value approximates the fair value discounting the expected cash flows at (10) current market rates. If the collateral is determined to be impaired, the related financing would be revalued accordingly. There are no impairments on any positions.

Fair value for borrowings under the revolving credit facility is estimated to approximate carrying amount primarily due to the short interest rate reset risk (30 days) of the financings and the high credit quality of the assets collateralizing these positions.

(12) Fair value for Participation Financing - Mortgage Loan Receivable approximates amortized cost as this is a loan participation to a third party.

(13) Fair value for liability for transfers not considered sales approximates amortized cost basis which represents fair value on the latest pricing date.

### *December 31, 2016*

	<b>Outstanding Face Amount</b>	<b>Amortized Cost Basis</b>	<b>Fair Value</b>	<b>Fair Value Method</b>	<b>Weighted Average Yield %</b>	<b>Remaining Maturity/Duration (years)</b>
<b>Assets:</b>						
CMBS(1)	\$ 1,676,680	\$ 1,698,276	\$ 1,701,395	Internal model, third-party inputs	2.81 %	3.55
CMBS interest-only(1)	8,160,458	(2) 343,534	342,171	Internal model, third-party inputs	3.45 %	2.99
GNMA interest-only(3)	478,577	(2) 18,994	16,821	Internal model, third-party inputs	4.19 %	4.44
Agency securities(1)	774	802	780	Internal model, third-party inputs	1.29 %	3.27
GNMA permanent securities(1)	38,327	39,145	39,780	Internal model, third-party inputs	3.80 %	10.30
Mortgage loan receivables held for investment, net, at amortized cost:						
Mortgage loan receivables held for investment, net, at amortized cost	2,011,309	2,000,095	2,018,973	Discounted Cash Flow(4)	7.17 %	1.66
Provision for loan losses	N/A	(4,000)	(4,000)	(5)	N/A	N/A
Mortgage loan receivables held for sale	360,518	357,882	359,897	Internal model, third-party inputs(6)	4.20 %	4.55
FHLB stock(7)	77,915	77,915	77,915	(7)	4.25 %	N/A
Nonhedge derivatives(1)(8)	847,000	N/A	5,018	Counterparty quotations	N/A	0.25
<b>Liabilities:</b>						
Repurchase agreements - short-term	629,430	629,430	629,430	Discounted Cash Flow(9)	2.10 %	0.18
Repurchase agreements - long-term	477,756	477,756	477,756	Discounted Cash Flow(10)	2.00 %	1.70
Revolving credit facility	25,000	25,000	25,000	Discounted Cash Flow(11)	3.16 %	0.12
Mortgage loan financing	589,152	590,106	595,778	Discounted Cash Flow(10)	4.85 %	7.15
Borrowings from the FHLB	1,660,000	1,660,000	1,662,178	Discounted Cash Flow	1.12 %	2.42
Senior unsecured notes	563,872	559,847	550,562	Broker quotations, pricing services	6.67 %	2.81
Nonhedge derivatives(1)(8)	100,400	N/A	3,446	Counterparty quotations	N/A	3.21

(1) Measured at fair value on a recurring basis with the net unrealized gains or losses recorded as a component of other comprehensive income (loss) in equity.

(2) Represents notional outstanding balance of underlying collateral.

(3) Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.

Fair value for floating rate mortgage loan receivables, held for investment is estimated to approximate the outstanding face amount given the short interest rate (4) reset risk (30 days) and no significant change in credit risk. Fair value for fixed rate mortgage loan receivables, held for investment is measured using a hypothetical securitization model utilizing market data from recent securitization spreads and pricing.

(5) Fair value is estimated to equal par value.

(6) Fair value for mortgage loan receivables, held for sale is measured using a hypothetical securitization model utilizing market data from recent securitization spreads and pricing.

(7) Fair value of the FHLB stock approximates outstanding face amount as the Company's captive insurance subsidiary is restricted from trading the stock and can only put the stock back to the FHLB, at the FHLB's discretion, at par.

(8) The outstanding face amount of the nonhedge derivatives represents the notional amount of the underlying contracts.

Fair value for repurchase agreement liabilities is estimated to approximate carrying amount primarily due to the short interest rate reset risk (30 days) of the (9) financings and the high credit quality of the assets collateralizing these positions. If the collateral is determined to be impaired, the related financing would be revalued accordingly. There are no impairments on any positions.



## Edgar Filing: Ladder Capital Corp - Form 10-Q

For repurchase agreements - long term and mortgage loan financing, the carrying value approximates the fair value discounting the expected cash flows at (10) current market rates. If the collateral is determined to be impaired, the related financing would be revalued accordingly. There are no impairments on any positions.

(11) Fair value for borrowings under the revolving credit facility is estimated to approximate carrying amount primarily due to the short interest rate reset risk (30 days) of the financings and the high credit quality of the assets collateralizing these positions.

Table of Contents

The following table summarizes the Company's financial assets and liabilities, which are both reported at fair value on a recurring basis (as indicated) or amortized cost/par, at September 30, 2017 and 2016 (\$ in thousands):

**September 30, 2017**

Financial Instruments Reported at Fair Value on Consolidated Statements of Financial Condition	Outstanding Face Amount	Fair Value		Total
		Level 1	Level 2	
<b>Assets:</b>				
CMBS(1)	\$ 934,559	\$—	\$950,029	\$950,029
CMBS interest-only(1)	3,308,063	(2)—	104,483	104,483
GNMA interest-only(3)	279,567	(2)—	7,999	7,999
Agency securities(1)	731	—	742	742
GNMA permanent securities(1)	34,014	—	35,218	35,218
Nonhedge derivatives(4)	616,200	—568	—	568
		\$—568	\$1,098,471	\$1,099,039
<b>Liabilities:</b>				
Nonhedge derivatives(4)	88,700	\$—2,711	\$—	\$2,711
<b>Financial Instruments Not Reported at Fair Value on Consolidated Statements of Financial Condition</b>				
	Outstanding Face Amount	Fair Value		Total
		Level 1	Level 2	
<b>Assets:</b>				
Mortgage loan receivable held for investment, net, at amortized cost:				
Mortgage loans held by consolidated subsidiaries	\$ 2,862,739	\$—	\$2,853,389	\$2,853,389
Mortgage loans transferred but not considered sold	600,222	—	610,829	610,829
Provision for loan losses	N/A	—	(4,000 )	(4,000 )
Mortgage loan receivable held for sale	526,085	—	540,510	540,510
FHLB stock	77,915	—	77,915	77,915
		\$—	\$4,078,643	\$4,078,643
<b>Liabilities:</b>				
Repurchase agreements - short-term	549,899	\$—	\$549,899	\$549,899
Repurchase agreements - long-term	363,238	—	363,238	363,238
Revolving credit facility	76,000	—	76,000	76,000
Mortgage loan financing	589,152	—	595,106	595,106
Participation Financing - Mortgage Loan Receivable	3,368	—	3,368	3,368
Borrowings from the FHLB	1,464,000	—	1,465,922	1,465,922
Senior unsecured notes	1,166,201	—	787,191	787,191
Liability for transfers not considered sales	636,256	—	631,480	631,480
		\$—	\$4,472,204	\$4,472,204

(1) Measured at fair value on a recurring basis with the net unrealized gains or losses recorded as a component of other comprehensive income (loss) in equity.

(2) Represents notional outstanding balance of underlying collateral.

Table of Contents

(3) Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.

(4) Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings. The outstanding face amount of the nonhedge derivatives represents the notional amount of the underlying contracts.

**December 31, 2016**

Financial Instruments Reported at Fair Value on Consolidated Statements of Financial Condition	Outstanding Face Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Assets:</b>					
CMBS(1)	\$ 1,676,680	\$—	\$—	\$ 1,701,395	\$ 1,701,395
CMBS interest-only(1)	8,160,458	(2)—	—	342,171	342,171
GNMA interest-only(3)	478,577	(2)—	—	16,821	16,821
Agency securities(1)	774	—	—	780	780
GNMA permanent securities(1)	38,327	—	—	39,780	39,780
Nonhedge derivatives(4)	847,000	—	5,018	—	5,018
		\$—	\$5,018	\$ 2,100,947	\$ 2,105,965
<b>Liabilities:</b>					
Nonhedge derivatives(4)	\$ 100,400	\$—	\$3,446	\$—	\$ 3,446

Financial Instruments Not Reported at Fair Value on Consolidated Statements of Financial Condition	Outstanding Face Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Assets:</b>					
Mortgage loan receivable held for investment, net, at amortized cost:					
Mortgage loans held by consolidated subsidiaries	\$ 2,011,309	\$—	\$—	\$ 2,018,973	\$ 2,018,973
Provision for loan losses	N/A	—	—	(4,000 )	(4,000 )
Mortgage loan receivables held for sale	360,518	—	—	359,897	359,897
FHLB stock	77,915	—	—	77,915	77,915
		\$—	\$—	\$ 2,452,785	\$ 2,452,785
<b>Liabilities:</b>					
Repurchase agreements - short-term	629,430	\$—	\$—	\$ 629,430	\$ 629,430
Repurchase agreements - long-term	477,756	—	—	477,756	477,756
Revolving credit facility	25,000	—	—	25,000	25,000
Mortgage loan financing	589,152	—	—	595,778	595,778
Borrowings from the FHLB	1,660,000	—	—	1,662,178	1,662,178
Senior unsecured notes	563,872	—	—	550,562	550,562
		\$—	\$—	\$ 3,940,704	\$ 3,940,704

(1) Measured at fair value on a recurring basis with the net unrealized gains or losses recorded as a component of other comprehensive income (loss) in equity.

(2) Represents notional outstanding balance of underlying collateral.

(3)

Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.

Table of Contents

Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period (4) earnings. The outstanding face amount of the nonhedge derivatives represents the notional amount of the underlying contracts.

The following table summarizes changes in Level 3 financial instruments reported at fair value on the consolidated statements of financial condition for the nine months ended September 30, 2017 and 2016 (\$ in thousands):

<b>Level 3</b>	<b>2017</b>	<b>2016</b>
<b>Balance at January 1,</b>	<b>\$2,100,947</b>	<b>\$2,407,217</b>
Transfer from level 2	—	—
Purchases	108,894	853,341
Sales	(993,739 )	(308,429 )
Paydowns/maturities	(93,233 )	(307,847 )
Amortization of premium/discount	(48,315 )	(56,151 )
Unrealized gain/(loss)	4,735	53,304
Realized gain/(loss) on sale(1)	19,182	9,524
<b>Balance at September 30,</b>	<b>\$1,098,471</b>	<b>\$2,650,959</b>

(1)Includes realized losses on securities recorded as other than temporary impairments.

The following is quantitative information about significant unobservable inputs in our Level 3 measurements for those assets and liabilities measured at fair value on a recurring basis (\$ in thousands):

**September 30, 2017**

<b>Financial Instrument</b>	<b>Carrying Value</b>	<b>Valuation Technique</b>	<b>Unobservable Input</b>	<b>Minimum</b>	<b>Weighted Average</b>	<b>Maximum</b>
CMBS (1)	\$ 950,029	Discounted cash flow	Yield (4)	—	% 2.49	% 4.31
			Duration (years)(5)	0.00	3.43	9.52
CMBS interest-only (1)	104,483	(2)Discounted cash flow	Yield (4)	1.35	% 2.56	% 4.59
			Duration (years)(5)	0.94	5.17	9.36
			Prepayment speed (CPY)(5)	100.00	100.00	100.00
GNMA interest-only (3)	7,999	(2)Discounted cash flow	Yield (4)	—	% 9.38	% 10
			Duration (years)(5)	0.00	5.63	9.78
			Prepayment speed (CPI)(5)	5.00	16.41	35.00
Agency securities (1)	742	Discounted cash flow	Yield (4)	2.26	% 2.39	% 2.66
			Duration (years)(5)	2.70	4.46	5.31
GNMA permanent securities (1)	35,218	Discounted cash flow	Yield (4)	2.64	% 3.34	% 6.59
			Duration (years)(5)	1.84	7.02	7.29
<b>Total</b>	<b>\$ 1,098,471</b>					

CMBS, CMBS interest-only securities, Agency securities, GNMA construction securities, and GNMA permanent (1)securities are classified as available-for-sale and reported at fair value with changes in fair value recorded in the current period in other comprehensive income.

(2). The amounts presented represent the principal amount of the mortgage loans outstanding in the pool in which the interest-only securities participate.

(3)

Agency interest-only securities are recorded at fair value with changes in fair value recorded in current period earnings.

Table of Contents**Sensitivity of the Fair Value to Changes in the Unobservable Inputs**

- (4) Significant increase (decrease) in the unobservable input in isolation would result in significantly lower (higher) fair value measurement.
- (5) Significant increase (decrease) in the unobservable input in isolation would result in either a significantly lower or higher (lower or higher) fair value measurement depending on the structural features of the security in question.

**December 31, 2016**

Financial Instrument	Carrying Value	Valuation Technique	Unobservable Input	Minimum	Weighted Average	Maximum
CMBS (1)	\$ 1,701,395	Discounted cash flow	Yield (3)	1.35 %	2.87 %	9.18 %
			Duration (years)(4)	0.04	3.55	9.01
CMBS interest-only (1)	342,171	(2) Discounted cash flow	Yield (3)	2.84 %	4.04 %	4.8 %
			Duration (years)(4)	0.00	2.99	4.37
			Prepayment speed (CPY)(4)	100.00	100.00	100.00
GNMA interest-only (1)	16,821	(2) Discounted cash flow	Yield (4)	0.87 %	7.22 %	48.64 %
			Duration (years)(5)	1.69	4.44	20.66
			Prepayment speed (CPI)(5)	5.00	13.80	35.00
Agency securities (1)	780	Discounted cash flow	Yield (4)	1.4 %	2.17 %	2.63 %
			Duration (years)(5)	2.61	3.27	4.39
GNMA permanent securities (1)	39,780	Discounted cash flow	Yield (4)	2.63 %	3.65 %	6.92 %
			Duration (years)(5)	1.92	10.30	15.66
<b>Total</b>	<b>\$ 2,100,947</b>					

- CMBS, CMBS interest-only securities, GNMA construction securities, and GNMA permanent securities are (1) classified as available-for-sale and reported at fair value with changes in fair value recorded in the current period in other comprehensive income.
- (2) The amounts presented represent the principal amount of the mortgage loans outstanding in the pool in which the interest-only securities participate.
- (3) Agency interest-only securities are recorded at fair value with changes in fair value recorded in current period earnings.

**Sensitivity of the Fair Value to Changes in the Unobservable Inputs**

- (4) Significant increase (decrease) in the unobservable input in isolation would result in significantly lower (higher) fair value measurement.
- (5) Significant increase (decrease) in the unobservable input in isolation would result in either a significantly lower or higher (lower or higher) fair value measurement depending on the structural features of the security in question.

Table of Contents**9. DERIVATIVE INSTRUMENTS**

The Company uses derivative instruments primarily to economically manage the fair value variability of fixed rate assets caused by interest rate fluctuations and overall portfolio market risk. The following is a breakdown of the derivatives outstanding as of September 30, 2017 and December 31, 2016 (\$ in thousands):

*September 30, 2017*

Contract Type	Notional	Fair Value		Remaining Maturity (years)
		Asset(1)	Liability(1)	
<b>Futures</b>				
5-year Swap	\$260,700	\$2,715	\$—	0.25
10-year Swap	338,000	6,799	2	0.25
5-year U.S. Treasury Note	12,000	86	—	0.25
10-year U.S. Treasury Note Ultra	700	9	—	0.25
Variation Margin	—	(9,110 )	(2 )	
<b>Total futures</b>	<b>611,400</b>	<b>499</b>	<b>—</b>	
<b>Swaps</b>				
3 Month LIBOR(2)	<b>50,000</b>	<b>—</b>	<b>2,343</b>	3.00
<b>Credit derivatives</b>				
CMBX	10,000	69	—	4.42
CDX	33,500	—	368	1.23
<b>Total credit derivatives</b>	<b>43,500</b>	<b>69</b>	<b>368</b>	
<b>Total derivatives</b>	<b>\$704,900</b>	<b>\$568</b>	<b>\$2,711</b>	

(1) Shown as derivative instruments, at fair value, in the accompanying consolidated balance sheets.

(2) The Company is paying fixed interest rates on these swaps.

*December 31, 2016*

Contract Type	Notional	Fair Value		Remaining Maturity (years)
		Asset(1)	Liability(1)	
<b>Futures</b>				
5-year Swap	602,200	3,210	2	0.25
10-year Swap	226,700	1,674	266	0.25
5-year U.S. Treasury Note	21,800	93	—	0.25
10-year U.S. Treasury Note	3,200	38	—	0.25
<b>Total futures</b>	<b>853,900</b>	<b>5,015</b>	<b>268</b>	
<b>Swaps</b>				
3 Month LIBOR(2)	<b>50,000</b>	<b>—</b>	<b>2,697</b>	3.72
<b>Credit Derivatives</b>				
CMBX	10,000	3	—	5.08
CDX	33,500	—	481	1.97
<b>Total credit derivatives</b>	<b>43,500</b>	<b>3</b>	<b>481</b>	
<b>Total derivatives</b>	<b>\$947,400</b>	<b>\$5,018</b>	<b>\$3,446</b>	



Edgar Filing: Ladder Capital Corp - Form 10-Q

- (1) Shown as derivative instruments, at fair value, in the accompanying consolidated balance sheets.
- (2) The Company is paying fixed interest rates on these swaps.

Table of Contents

The following table indicates the net realized gains (losses) and unrealized appreciation (depreciation) on derivatives, by primary underlying risk exposure, as included in net result from derivatives transactions in the consolidated statements of operations for the nine months ended September 30, 2017 and 2016 (\$ in thousands):

	Three Months Ended September 30, 2017			Nine Months Ended September 30, 2017		
	Unrealized Gain/(Loss)	Realized Gain/(Loss)	Net Result from Derivative Transactions	Unrealized Gain/(Loss)	Realized Gain/(Loss)	Net Result from Derivative Transactions
<b>Contract Type</b>						
Futures	\$(2,587)	\$2,192	\$ (395 )	\$(4,249)	\$(13,571)	\$(17,820)
Swaps	277	(242 )	35	561	(780 )	(219 )
Credit Derivatives	110	(98 )	12	178	(491 )	(313 )
<b>Total</b>	<b>\$(2,200)</b>	<b>\$1,852</b>	<b>\$ (348 )</b>	<b>\$(3,510)</b>	<b>\$(14,842)</b>	<b>\$(18,352)</b>

	Three Months Ended September 30, 2016			Nine Months Ended September 30, 2016		
	Unrealized Gain/(Loss)	Realized Gain/(Loss)	Net Result from Derivative Transactions	Unrealized Gain/(Loss)	Realized Gain/(Loss)	Net Result from Derivative Transactions
<b>Contract Type</b>						
Futures	\$16,876	\$(7,617)	\$9,259	\$(5,401)	\$(58,634)	\$(64,035)
Swaps	683	(311 )	372	(582 )	(972 )	(1,554 )
Credit Derivatives	(176 )	(99 )	(275 )	(290 )	(269 )	(559 )
<b>Total</b>	<b>\$17,383</b>	<b>\$(8,027)</b>	<b>\$9,356</b>	<b>\$(6,273)</b>	<b>\$(59,875)</b>	<b>\$(66,148)</b>

The Company's counterparties held \$12.2 million and \$11.3 million of cash margin as collateral for derivatives as of September 30, 2017 and December 31, 2016, respectively, which is included in restricted cash in the consolidated balance sheets.

**Futures**

Collateral posted with our futures counterparties is segregated in the Company's books and records. Interest rate futures are centrally cleared by the Chicago Mercantile Exchange ("CME") through a Futures Commission Merchant. Interest rate futures that are governed by an ISDA agreement provide for bilateral collateral pledging based on the counterparties' market value. The counterparties have the right to re-pledge the collateral posted, but have the obligation to return the pledged collateral, or substantially the same collateral, if agreed to by us, as the market value of the interest rate futures change.

The Company is required to post initial margin and daily variation margin for our interest rate futures that are centrally cleared by CME. CME determines the fair value of our centrally cleared futures, including daily variation margin. Effective January 3, 2017, CME amended their rulebooks to legally characterize daily variation margin payments for centrally cleared interest rate futures as settlement rather than collateral. As a result of this rule change, variation margin pledged on the Company's centrally cleared interest rate futures is settled against the realized results of these futures.



Table of Contents**Credit Risk-Related Contingent Features**

The Company has agreements with certain of its derivative counterparties that contain a provision whereby, if the Company defaults on certain of its indebtedness, the Company could also be declared in default on its derivatives, resulting in an acceleration of payment under the derivatives. As of September 30, 2017 and December 31, 2016, the Company was in compliance with these requirements and not in default on its indebtedness. As of September 30, 2017 and December 31, 2016, there was \$4.5 million and \$6.2 million of cash collateral held by the derivative counterparties for these derivatives, respectively, included in restricted cash in the consolidated statements of financial condition. No additional cash would be required to be posted if the acceleration of payment under the derivatives was triggered.

**10. OFFSETTING ASSETS AND LIABILITIES**

The following tables present both gross information and net information about derivatives and other instruments eligible for offset in the statement of financial position as of September 30, 2017 and December 31, 2016. The Company's accounting policy is to record derivative asset and liability positions on a gross basis, therefore, the following tables present the gross derivative asset and liability positions recorded on the balance sheets, while also disclosing the eligible amounts of financial instruments and cash collateral to the extent those amounts could offset the gross amount of derivative asset and liability positions. The actual amounts of collateral posted by or received from counterparties may be in excess of the amounts disclosed in the following tables as the following only disclose amounts eligible to be offset to the extent of the recorded gross derivative positions.

**As of September 30, 2017****Offsetting of Financial Assets and Derivative Assets**

(\$ in thousands)

Description	Gross amounts of recognized assets	Gross amounts offset in the balance sheet	Net amounts of assets presented in the balance sheet	Gross amounts not offset in the balance sheet Financial instruments	Cash collateral received/(posted)(1)	Net amount
Derivatives	\$ 568	\$ —	\$ 568	\$ —	\$ —	\$ 568
<b>Total</b>	<b>\$ 568</b>	<b>\$ —</b>	<b>\$ 568</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 568</b>

(1) Included in restricted cash on consolidated balance sheets.

**As of September 30, 2017****Offsetting of Financial Liabilities and Derivative Liabilities**

(\$ in thousands)

Description	Gross amounts of recognized liabilities	Gross amounts offset in the balance sheet	Net amounts of liabilities presented in the balance sheet	Gross amounts not offset in the balance sheet Financial instruments collateral	Cash collateral posted/(received)(1)	Net amount
Derivatives	\$ 2,711	\$ —	\$ 2,711	\$ —	\$ 2,711	\$ —
Repurchase agreements	913,137	—	913,137	913,137	—	—
<b>Total</b>	<b>\$ 915,848</b>	<b>\$ —</b>	<b>\$ 915,848</b>	<b>\$ 913,137</b>	<b>\$ 2,711</b>	<b>\$ —</b>

(1) Included in restricted cash on consolidated balance sheets.

56

---

Table of Contents**As of December 31, 2016****Offsetting of Financial Assets and Derivative Assets**

(\$ in thousands)

Description	Gross amounts of recognized assets	Gross amounts offset in the balance sheet	Net amounts of assets presented in the balance sheet	Gross amounts not offset in the balance sheet Financial instruments	Cash collateral received/(posted)(1)	Net amount
Derivatives	\$ 5,018	\$	—\$ 5,018	\$ —	\$	—\$ 5,018
<b>Total</b>	<b>\$ 5,018</b>	<b>\$</b>	<b>—\$ 5,018</b>	<b>\$ —</b>	<b>\$</b>	<b>—\$ 5,018</b>

(1) Included in restricted cash on consolidated balance sheets.

**As of December 31, 2016****Offsetting of Financial Liabilities and Derivative Liabilities**

(\$ in thousands)

Description	Gross amounts of recognized liabilities	Gross amounts offset in the balance sheet	Net amounts of liabilities presented in the balance sheet	Gross amounts not offset in the balance sheet Financial instruments collateral	Cash collateral posted/(received)(1)	Net amount
Derivatives	\$ 3,446	\$	—\$ 3,446	\$ —	\$ 3,446	\$ —
Repurchase agreements	1,107,185	—	1,107,185	1,107,185	—	—
<b>Total</b>	<b>\$ 1,110,631</b>	<b>\$</b>	<b>—\$ 1,110,631</b>	<b>\$ 1,107,185</b>	<b>\$ 3,446</b>	<b>\$ —</b>

(1) Included in restricted cash on consolidated balance sheets.

Master netting agreements that the Company has entered into with its derivative and repurchase agreement counterparties allow for netting of the same transaction, in the same currency, on the same date. Assets, liabilities, and collateral subject to master netting agreements as of September 30, 2017 and December 31, 2016 are disclosed in the tables above. The Company does not present its derivative and repurchase agreements net on the consolidated financial statements as it has elected gross presentation.

**11. EQUITY STRUCTURE AND ACCOUNTS**

The Company has two classes of common stock, Class A and Class B, which are described as follows:

**Class A Common Stock***Voting Rights*

Holders of shares of Class A common stock are entitled to one vote per share on all matters to be voted upon by the shareholders. The holders of Class A common stock do not have cumulative voting rights in the election of directors.



Table of Contents

*Dividend Rights*

Subject to the rights of the holders of any preferred stock that may be outstanding and any contractual or statutory restrictions, holders of Class A common stock are entitled to receive equally and ratably, share for share, dividends as may be declared by the board of directors out of funds legally available to pay dividends. Dividends upon Class A common stock may be declared by the board of directors at any regular or special meeting and may be paid in cash, in property, or in shares of capital stock. Before payment of any dividend, there may be set aside out of any funds available for dividends, such sums as the board of directors deems proper as reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any of the Company's property, or for any proper purpose, and the board of directors may modify or abolish any such reserve.

*Liquidation Rights*

Upon liquidation, dissolution, distribution of assets or other winding up, the holders of Class A common stock are entitled to receive ratably the assets available for distribution to the shareholders after payment of liabilities and the liquidation preference of any outstanding shares of preferred stock.

*Other Matters*

The shares of Class A common stock have no preemptive or conversion rights and are not subject to further calls or assessment by the Company. There are no redemption or sinking fund provisions applicable to the Class A common stock. All outstanding shares of Class A common stock are fully paid and non-assessable.

*Allocation of Income and Loss*

Income and losses are allocated among the shareholders based upon the number of shares outstanding.

**Class B Common Stock**

*Voting Rights*

Holders of shares of Class B common stock are entitled to one vote for each share held of record by such holder and all matters submitted to a vote of shareholders. Holders of shares of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our shareholders for their vote or approval, except as otherwise required by applicable law.

*No Dividend or Liquidation Rights*

Holders of Class B common stock do not have any right to receive dividends or to receive a distribution upon a liquidation or winding up of Ladder Capital Corp.

*Exchange for Class A Common Stock*

As part of the REIT Structuring Transactions described in Note 1, and pursuant to the Third Amended and Restated LLLP Agreement of LCFH, the Continuing LCFH Limited Partners may from time to time, subject to certain conditions, receive one share of the Company's Class A common stock in exchange for (i) one share of the Company's Class B common stock, (ii) one Series REIT LP Unit and (iii) either one Series TRS LP Unit or one TRS Share, subject to equitable adjustments for stock splits, stock dividends and reclassifications.



Edgar Filing: Ladder Capital Corp - Form 10-Q

During the nine months ended September 30, 2017, 13,737,365 Series REIT LP Units and 13,737,365 Series TRS LP Units were collectively exchanged for 13,737,365 shares of Class A common stock and 13,737,365 shares of Class B common stock were canceled. We received no other consideration in connection with these exchanges.

Table of Contents**Stock Repurchases**

On October 30, 2014, the board of directors authorized the Company to repurchase up to \$50.0 million of the Company's Class A common stock from time to time without further approval. Stock repurchases by the Company are generally made for cash in open market transactions at prevailing market prices but may also be made in privately negotiated transactions or otherwise. The timing and amount of purchases are determined based upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. During the nine months ended September 30, 2017, the Company repurchased no shares of Class A common stock. During the nine months ended September 30, 2016, the Company repurchased 424,317 shares of Class A common stock at an average of \$10.96 per share for a total aggregate purchase price of \$4.7 million. All repurchased shares are recorded in treasury stock at cost. As of September 30, 2017, the Company has a remaining amount available for repurchase of \$44.4 million, which represents 3.7% in the aggregate of its outstanding Class A common stock, based on the closing price of \$13.78 per share on such date.

The following table is a summary of the Company's repurchase activity of its Class A common stock during the nine months ended September 30, 2017 and 2016 (\$ in thousands):

	<b>Shares</b>	<b>Amount(1)</b>
Authorizations remaining as of December 31, 2016		\$ 44,353
Additional authorizations		—
Repurchases paid	—	—
Repurchases unsettled		—
<b>Authorizations remaining as of September 30, 2017</b>		<b>\$ 44,353</b>

(1) Amount excludes commissions paid associated with share repurchases.

	<b>Shares</b>	<b>Amount(1)</b>
Authorizations remaining as of December 31, 2015		\$ 49,006
Additional authorizations		—
Repurchases paid	424,317	(4,653 )
Repurchases unsettled		—
<b>Authorizations remaining as of September 30, 2016</b>		<b>\$ 44,353</b>

(1) Amount excludes commissions paid associated with share repurchases.

**Dividends**

In order for the Company to maintain its qualification as a REIT under the Code, it must annually distribute at least 90% of its taxable income. The Company has paid and in the future intends to declare regular quarterly distributions to its shareholders in an amount approximating the REIT's net taxable income.

Consistent with the Company's Private Letter Ruling, it may, subject to a cash/stock election by its shareholders, pay a portion of its dividends in stock, to provide for meaningful capital retention; however, the REIT distribution requirements limit its ability to retain earnings and thereby replenish or increase capital for operations. The timing and amount of future distributions is based on a number of factors, including, among other things, the Company's future operations and earnings, capital requirements and surplus, general financial condition and contractual restrictions. All dividend declarations are subject to the approval of the Company's board of directors. Generally, the Company expects its distributions to be taxable as ordinary dividends to its shareholders, whether paid in cash or a combination of cash

and common stock, and not as a tax-free return of capital or a capital gain. The Company believes that its significant capital resources and access to financing will provide the financial flexibility at levels sufficient to meet current and anticipated capital requirements, including funding new investment opportunities, paying distributions to its shareholders and servicing our debt obligations.

Table of Contents

The following table presents dividends declared (on a per share basis) of Class A common stock for the nine months ended September 30, 2017 and 2016:

<b>Declaration Date</b>	<b>Dividend per Share</b>
March 1, 2017	\$ 0.300
June 1, 2017	0.300
September 1, 2017	0.300
<b>Total</b>	<b>\$ 0.900</b>
March 1, 2016	\$ 0.275
June 1, 2016	0.275
September 1, 2016	0.275
<b>Total</b>	<b>\$ 0.825</b>

**Stock Dividend and Distribution of Accumulated Earnings and Profits**

In order to qualify as a REIT the Company must annually distribute at least 90% of its taxable income. In addition, the Company was required to make a one-time distribution of its undistributed accumulated earnings and profits attributable to taxable periods ending prior to January 1, 2015 (the “E&P Distribution”). The E&P Distribution requirement was \$48.3 million or \$0.90 per share. Pursuant to the terms of an IRS private letter ruling (the “Private Letter Ruling”), the Company elected, subject to the cash/stock election by its shareholders described below, to pay its fourth quarter 2015 and 2016 dividends in a mix of cash and stock and have such dividends be treated as a taxable distribution to its shareholders for U.S. federal income tax purposes.

In order to comply with the Private Letter Ruling, shareholders had the option to elect to receive the fourth quarter 2015 and 2016 dividends in all cash (a “Cash Election”), or all shares of Ladder’s Class A common stock (a “Share Election”). Shareholders who did not return an election form, or who otherwise failed to properly complete an election form, were deemed to have made a Share Election. The total amount of cash paid to all shareholders was limited to a maximum of 20% of the total value of each of the fourth quarter 2015 and 2016 dividends (the “Cash Amount”). The aggregate amount of the dividends owed to shareholders who made Cash Elections exceeded the Cash Amount, and accordingly, the Cash Amount was prorated among such shareholders, with the remaining portion of the fourth quarter 2015 or 2016 dividend, as applicable, paid to such shareholders in shares of Ladder’s Class A common stock plus cash in lieu of any fractional shares. Shareholders making Stock Elections received the full amount of the dividend in shares of Ladder’s Class A common stock plus cash in lieu of any fractional shares. The Company believes that the total value of its 2015 dividends was sufficient to fully distribute its 2015 taxable income and its accumulated earnings and profits.

On January 24, 2017, the Company paid an aggregate of \$20.8 million in cash to its Class A shareholders, accrued for dividends payable on unvested restricted stock and unvested options with dividend equivalent rights of \$0.7 million and issued 815,819 shares of its Class A common stock, equivalent to \$11.5 million, in connection with the fourth quarter 2016 dividend totaling \$0.46 per share. The total number of shares of Class A common stock distributed pursuant to the fourth quarter 2016 dividend was determined based on shareholder elections and the volume weighted average price of \$14.06 per share of Class A common stock on the New York Stock Exchange for the three trading days after January 12, 2017, the date that election forms were due. The Company also issued 432,314 shares of its Class B common stock and each of Series REIT and Series TRS of LCFH issued 1,248,133 of their respective Series

LP units corresponding to the aggregate number of Class A and Class B shares issued by the Company. The Company believes that the total value of its 2016 dividend was sufficient to fully distribute its 2016 taxable income.

Table of Contents**Changes in Accumulated Other Comprehensive Income**

The following table presents changes in accumulated other comprehensive income related to the cumulative difference between the fair market value and the amortized cost basis of securities classified as available for sale for the three and nine months ended September 30, 2017 and 2016 (\$ in thousands):

	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Accumulated Other Comprehensive Income of Noncontrolling Interests</b>	<b>Total Accumulated Other Comprehensive Income</b>
<b>December 31, 2016</b>	\$ 1,365	\$ 761	\$ 2,126
Other comprehensive income (loss)	1,854	1,847	3,701
Exchange of noncontrolling interest for common stock	1,422	(1,422 )	—
Rebalancing of ownership percentage between Company and Operating Partnership	(243 )	243	—
<b>September 30, 2017</b>	<b>\$ 4,398</b>	<b>\$ 1,429</b>	<b>\$ 5,827</b>
	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Accumulated Other Comprehensive Income of Noncontrolling Interests</b>	<b>Total Accumulated Other Comprehensive Income</b>
<b>December 31, 2015</b>	\$ (3,556 )	\$ (2,839 )	\$ (6,395 )
Other comprehensive income (loss)	30,171	23,104	53,275
Exchange of noncontrolling interest for common stock	928	(928 )	—
Rebalancing of ownership percentage between Company and Operating Partnership	350	(350 )	—
<b>September 30, 2016</b>	<b>\$ 27,893</b>	<b>\$ 18,987</b>	<b>\$ 46,880</b>

Table of Contents**12. NONCONTROLLING INTERESTS**

Pursuant to ASC 810, *Consolidation*, on the accounting and reporting for noncontrolling interests and changes in ownership interests of a subsidiary, changes in a parent's ownership interest (and transactions with noncontrolling interest unitholders in the subsidiary), while the parent retains its controlling interest in its subsidiary, should be accounted for as equity transactions. The carrying amount of the noncontrolling interest shall be adjusted to reflect the change in its ownership interest in the subsidiary, with the offset to equity attributable to the parent. Accordingly, as a result of LP unit exchanges which caused changes in ownership percentages between the Company's Class A shareholders and the noncontrolling interests in the Operating Partnership that occurred during the nine months ended September 30, 2017, the Company has increased noncontrolling interests in the Operating Partnership and decreased additional paid-in capital and accumulated other comprehensive income in the Company's shareholders' equity by \$3.9 million as of September 30, 2017. Upon the adoption of ASU 2015-02, which amended ASC 810, *Consolidation*, in the quarter ended March 31, 2016, the Operating Partnership is now determined to be a VIE, however, since the Company was previously consolidating the Operating Partnership, the adoption of ASU 2015-02 had no material impact on the Company's consolidated financial statements.

There are two main types of noncontrolling interest reflected in the Company's consolidated financial statements (i) noncontrolling interest in the operating partnership and (ii) noncontrolling interest in consolidated joint ventures.

*Noncontrolling Interest in the Operating Partnership*

As more fully described in Note 1, certain of the predecessor equity owners continue to own interests in the operating partnership as modified by the IPO Transactions. These interests were subsequently further modified by the REIT Structuring Transactions (also described in Note 1). These interests, along with the Class B shares held by these investors, are exchangeable for Class A shares of the Company. The roll-forward of the Operating Partnership's LP Units follow the Class B common stock of the Company as disclosed in the consolidated statements of changes in equity.

*Distributions to Noncontrolling Interest in the Operating Partnership*

Notwithstanding the foregoing, subject to any restrictions in applicable debt financing agreements and available liquidity as determined by the board of directors of each of Series REIT of LCFH and Series TRS of LCFH, each Series must use commercially reasonable efforts to make quarterly distributions to each of its partners (including the Company) at least equal to such partner's "Quarterly Estimated Tax Amount," which shall be computed (as more fully described in LCFH's Third Amended and Restated LLLP Agreement) for each partner as the product of (x) the U.S. federal taxable income (or alternative minimum taxable income, if higher) allocated by such Series to such partner in respect of the Series REIT LP Units and Series TRS LP Units held by such partner and (y) the highest marginal blended U.S. federal, state and local income tax rate (or alternative minimum taxable rate, as applicable) applicable to an individual residing in New York, NY, taking into account, for U.S. federal income tax purposes, the deductibility of state and local taxes; provided that Series TRS of LCFH may take into account, in determining the amount of tax distributions to holders of Series TRS LP Units, the amount of any distributions each such holder received from Series REIT of LCFH in excess of tax distributions. In addition, to the extent the Company requires an additional distribution from the Series of LCFH in excess of its quarterly tax distribution in order to pay its quarterly cash dividend, the Series of LCFH will be required to make a corresponding distribution of cash to each of their partners (other than the Company) on a pro-rata basis.

*Allocation of Income and Loss*

Income and losses and comprehensive income are allocated among the partners in a manner to reflect as closely as possible the amount each partner would be distributed under the Third Amended and Restated LLLP Agreement upon liquidation of the Operating Partnership's assets.

*Noncontrolling Interest in Unconsolidated Joint Ventures*

The Company consolidates nine ventures in which there are other noncontrolling investors, which own between 1.2% - 30.0% of such ventures. These ventures hold investments in 26 office buildings, one warehouse, one mobile home community and a condominium project. The Company makes distributions and allocates income from these ventures to the noncontrolling interests in accordance with the terms of the respective governing agreements.



Table of Contents**13. EARNINGS PER SHARE**

The Company's net income (loss) and weighted average shares outstanding for the three and nine months ended September 30, 2017 and 2016 consist of the following:

(\$ in thousands except share amounts)	For the Three Months Ended September 30, 2017	For the Three Months Ended September 30, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
Basic Net income (loss) available for Class A common shareholders	\$ 24,039	\$ 27,608	\$ 48,172	\$ 24,871
Diluted Net income (loss) available for Class A common shareholders	\$ 24,039	\$ 27,608	\$ 65,275	\$ 24,871
Weighted average shares outstanding				
Basic	85,135,685	62,148,362	79,416,957	60,976,046
Diluted	85,476,266	63,347,690	109,857,679	61,875,010

The calculation of basic and diluted net income (loss) per share amounts for the three and nine months ended September 30, 2017 and 2016 are described and presented below.

***Basic Net Income (Loss) per Share***

*Numerator:* utilizes net income (loss) available for Class A common shareholders for the three and nine months ended September 30, 2017 and 2016, respectively.

*Denominator:* utilizes the weighted average shares of Class A common stock for the three and nine months ended September 30, 2017 and 2016, respectively.

***Diluted Net Income (Loss) per Share***

*Numerator:* utilizes net income (loss) available for Class A common shareholders for the three and nine months ended September 30, 2017 and 2016, respectively, for the basic net income (loss) per share calculation described above, adding net income (loss) amounts attributable to the noncontrolling interest in the Operating Partnership using the as-if converted method for the Class B common shareholders while adjusting for additional corporate income tax expense (benefit) for the described net income (loss) add-back.

*Denominator:* utilizes the weighted average number of shares of Class A common stock for the three and nine months ended September 30, 2017 and 2016, respectively, for the basic net income (loss) per share calculation described above adding the dilutive effect of shares issuable relating to Operating Partnership exchangeable interests and the incremental shares of unvested Class A restricted stock using the treasury method.

Table of Contents

(In thousands except share amounts)	For the Three Months Ended September 30, 2017	For the Three Months Ended September 30, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
<b>Basic Net Income (Loss) Per Share of Class A Common Stock</b>				
Numerator:				
Net income (loss) attributable to Class A common shareholders	\$ 24,039	\$ 27,608	\$ 48,172	\$ 24,871
Denominator:				
Weighted average number of shares of Class A common stock outstanding	85,135,685	62,148,362	79,416,957	60,976,046
Basic net income (loss) per share of Class A common stock	<b>\$ 0.28</b>	<b>\$ 0.44</b>	<b>\$ 0.61</b>	<b>\$ 0.41</b>
<b>Diluted Net Income (Loss) Per Share of Class A Common Stock</b>				
Numerator:				
Net income (loss) attributable to Class A common shareholders	\$ 24,039	\$ 27,608	\$ 48,172	\$ 24,871
Add (deduct) - dilutive effect of:				
Amounts attributable to operating partnership's share of Ladder Capital Corp net income (loss)	—	—	15,210	—
Additional corporate tax (expense) benefit	—	—	1,893	—
Diluted net income (loss) attributable to Class A common shareholders	\$ 24,039	\$ 27,608	\$ 65,275	\$ 24,871
Denominator:				
Basic weighted average number of shares of Class A common stock outstanding	85,135,685	62,148,362	79,416,957	60,976,046
Add - dilutive effect of:				
Shares issuable relating to converted Class B common shareholders	—	—	30,211,137	—
Incremental shares of unvested Class A restricted stock	340,581	1,199,328	229,585	898,964
Diluted weighted average number of shares of Class A common stock outstanding	85,476,266	63,347,690	109,857,679	61,875,010
Diluted net income (loss) per share of Class A common stock	<b>\$ 0.28</b>	<b>\$ 0.44</b>	<b>\$ 0.59</b>	<b>\$ 0.40</b>

For the three months ended September 30, 2017 and the three and nine months ended September 30, 2016, shares issuable relating to converted Class B common shareholders are excluded from the calculation of diluted EPS, as the inclusion of such potential common shares in the calculation would be anti-dilutive.

The shares of Class B common stock do not share in the earnings of Ladder Capital Corp and are, therefore, not participating securities. Accordingly, basic and diluted net income (loss) per share of Class B common stock has not been presented, although the assumed conversion of Class B common stock has been included in the presented diluted net income (loss) per share of Class A common stock.

Table of Contents

**14. STOCK BASED COMPENSATION PLANS**

**2014 Omnibus Incentive Plan**

In connection with the IPO Transactions, the 2014 Ladder Capital Corp Omnibus Incentive Equity Plan (the “2014 Omnibus Incentive Plan”) was adopted by the board of directors on February 11, 2014, and provides certain members of management, employees and directors of the Company or its affiliates with additional incentives including grants of stock options, stock appreciation rights, restricted stock, other stock-based awards and other cash-based awards.

*2015 Annual Restricted Stock Awards and Annual Option Awards*

Members of management are eligible to receive annual restricted stock awards (the “Annual Restricted Stock Awards”) and annual option awards (the “Annual Option Awards”) based on the performance of the Company. On February 18, 2015, Annual Restricted Stock Awards were granted to our executive officers (each, a “Management Grantee”) with an aggregate value of \$12.6 million which represents 688,400 shares of restricted Class A common stock in connection with 2014 compensation. Fifty percent of each restricted stock award granted is subject to time-based vesting criteria, and the remaining 50% of each restricted stock award is subject to attainment of the Performance Target for the applicable years. The time-vesting restricted stock granted to the Management Grantees will generally vest in three installments on each of the first three anniversaries of the date of grant, subject to continued employment on the applicable vesting dates. The performance-vesting restricted stock will vest in three equal installments upon the compensation committee’s confirmation that the Company achieves a return on equity, based on Core Earnings divided by the Company’s average book value of equity, equal to or greater than 8% for such year (the “Performance Target”) for those years. If the Company misses the Performance Target during either the first or second calendar year but meets the Performance Target for a subsequent year during the three-year performance period and the Company’s return on equity for such subsequent year and any years for which it missed its Performance Target equals or exceeds the compounded return on equity of 8%, based on Core Earnings divided by the Company’s average book value of equity, the performance-vesting restricted stock which failed to vest because the Company previously missed its Performance Target will vest on the last day of such subsequent year (the “Catch-Up Provision”). If the term “Core Earnings” is no longer used in the Company’s SEC filings and approved by the compensation committee, then the Performance Target will be calculated using such other pre-tax performance measurement defined in the Company’s SEC filings, as determined by the compensation committee. The Company met the Performance Target for the years ended December 31, 2016 and 2015.

The Company has elected to recognize the compensation expense related to the time-based vesting portion of the Annual Restricted Stock Awards for the entire award on a straight-line basis over the requisite service period. As such, the compensation expense related to the February 18, 2015 Annual Restricted Stock Awards to Management Grantees shall be recognized as follows:

Compensation expense for restricted stock subject to time-based vesting criteria granted to Brian Harris will be

1. expensed 1/2 each year, for two years, on an annual basis in advance of the Harris Retirement Eligibility Date, as described below.

Compensation expense for restricted stock subject to time-based vesting criteria granted to the Management

2. Grantees other than Mr. Harris, will be expensed 1/3 each year, for three years on an annual basis following such grant.

Accruals of compensation cost for an award with a performance condition shall be based on the probable outcome of that performance condition. Therefore, compensation cost shall be accrued if it is probable that the performance condition will be achieved and shall not be accrued if it is not probable that the performance condition will be

achieved.

On February 18, 2015, Annual Stock Option Awards were granted to Management Grantees with an aggregate grant date fair value of \$1.4 million, which represents 670,256 shares of Class A common stock subject to the Annual Stock Option Awards. The stock option awards are subject to time-based vesting criteria only and vest in three equal installments on February 18 of each of 2016, 2017 and 2018, subject to continued employment until the applicable vesting date. Upon termination of a Management Grantee's employment or service due to death, disability, termination by the Company without Cause or termination by the Management Grantee for Good Reason (each, as defined in the 2014 Omnibus Incentive Plan), the respective Management Grantee's option awards will accelerate and vest in full. The actual grant date fair values of the Annual Option Awards granted to our Management Grantees were computed in accordance with FASB ASC Topic 718 using the Black Scholes model based on the following assumptions: (1) risk-free rate of 1.79%; (2) dividend yield of 5.3%; (3) expected life of six years; and (4) volatility of 24.0%.

65

---

Table of Contents

On February 18, 2015, members of the board of directors each received Annual Restricted Stock Awards with a grant date fair value of \$0.1 million, representing 7,962 shares of restricted Class A common stock, which vested in full on the first anniversary of the date of grant, subject to continued service on the board of directors. Compensation expense for restricted stock subject to time-based vesting criteria granted to directors will be expensed in full on an annual basis following such grant.

Upon a change in control (as defined in the respective award agreements), all restricted stock and option awards will become fully vested, if (1) the Management Grantee continues to be employed through the closing of the change in control or (2) after the signing of definitive documentation related to the change in control, but prior to its closing, the Management Grantee's employment is terminated without Cause or due to death or disability or the Management Grantee resigns for Good Reason. The compensation committee retains the right, in its sole discretion, to provide for the accelerated vesting (in whole or in part) of the restricted stock and option awards granted.

On February 11, 2017 (the "Harris Retirement Eligibility Date"), all outstanding Annual Restricted Stock Awards, including the time-vesting portion and the performance-vesting portion, and all outstanding Annual Option Awards granted to Mr. Harris became fully vested, and any Annual Restricted Stock Awards and Annual Option Awards granted after the Harris Retirement Eligibility Date will be fully vested at grant. The Executive Retirement Eligibility Date for Pamela McCormack is December 8, 2019 (the "McCormack Retirement Eligibility Date"). For Management Grantees other than Harris and McCormack, the Executive Retirement Eligibility Date is February 11, 2019, the time-vesting portion of the Annual Restricted Stock Awards and the Annual Option Awards will become fully vested, and the time-vesting portion of any Annual Restricted Stock Awards and Annual Option Awards granted after the Executive Retirement Eligibility Date will be fully vested at grant. Upon the occurrence of the Executive Retirement Eligibility Date, the performance-vesting portion of such Management Grantee's Annual Restricted Stock Awards will remain outstanding for the performance period and will vest to the extent we meet the Performance Target, including via the Catch-Up Provision described above, regardless of continued employment with us our subsidiaries following the Executive Retirement Eligibility Date.

On June 10, 2015, a new member of the board of directors received an Annual Restricted Stock Award with a grant date fair value of \$0.1 million, representing 4,223 shares of restricted Class A common stock, which will vest in three equal installments on each of the first three anniversaries of the date of grant, subject to continued service on the board of directors. Compensation expense for restricted stock subject to time-based vesting criteria granted to the director will be expensed 1/3 each year, for three years on an annual basis following such grant.

*2016 Annual Restricted Stock Awards and Annual Option Awards*

On February 18, 2016, Annual Restricted Stock Awards were granted to Management Grantees with an aggregate value of \$9.1 million which represents 793,598 shares of restricted Class A common stock in connection with 2015 compensation. These awards are subject to the same terms and conditions as the 2015 Annual Restricted Stock Awards, except that the relevant vesting periods begin in 2016, rather than in 2015. The Company met the Performance Target for the year ended December 31, 2016.

The Company has elected to recognize the compensation expense related to the time-based vesting of the Annual Restricted Stock Awards for the entire award on a straight-line basis over the requisite service period. As such, the compensation expense related to the February 18, 2016 Annual Restricted Stock Awards to Management Grantees shall be recognized as follows:

<sup>1</sup> Compensation expense for restricted stock subject to time-based vesting criteria granted to Brian Harris was expensed in full on February 11, 2017, the Harris Retirement Eligibility Date.

Compensation expense for restricted stock subject to time-based vesting criteria granted to the Management  
2. Grantees other than Mr. Harris, will be expensed 1/3 each year, for three years on an annual basis following such grant.

Accruals of compensation cost for an award with a performance condition shall be based on the probable outcome of that performance condition. Therefore, compensation cost shall be accrued if it is probable that the performance condition will be achieved and shall not be accrued if it is not probable that the performance condition will be achieved.

Table of Contents

On February 18, 2016, Annual Stock Option Awards were granted to Management Grantees with an aggregate grant date fair value of \$1.0 million, which represents 289,326 shares of Class A common stock subject to the Annual Stock Option Awards. The stock option awards are subject to the same terms and conditions as those granted in 2015 except that the vesting period commenced in 2016 and the 2016 stock option awards included dividend equivalent rights. The actual grant date fair values of the Annual Option Awards granted to our Management Grantees were computed in accordance with FASB ASC Topic 718 using the Black Scholes model based on the following assumptions: (1) risk-free rate of 1.5%; (2) dividend yield of 9.8%; (3) expected life of six years; and (4) volatility of 48.0%.

On February 18, 2016, certain members of the board of directors each received Annual Restricted Stock Awards with a grant date fair value of \$0.1 million, representing 12,636 shares of restricted Class A common stock, which will vest in full on the first anniversary of the date of grant, subject to continued service on the board of directors. Compensation expense for restricted stock subject to time-based vesting criteria granted to directors will be expensed in full on an annual basis following such grant. These grants are subject to the same terms and conditions as those made in 2015 except that the vesting period commenced in 2016.

The 2016 awards are subject to the same change in control and retirement provisions that are described above.

*2017 Annual Restricted Stock Awards*

On February 18, 2017, certain members of the board of directors each received Annual Restricted Stock Awards with a grant date fair value of \$0.2 million, representing 16,245 shares of restricted Class A common stock, which will vest in full on the first anniversary of the date of grant, subject to continued service on the board of directors. Compensation expense related to the time-based vesting criteria of the award shall be recognized on a straight-line basis over the one-year vesting period.

For 2016 performance, management received solely stock-based incentive equity. On February 18, 2017, Annual Restricted Stock Awards were granted to Management Grantees with an aggregate value of \$10.2 million which represents 736,461 shares of restricted Class A common stock in connection with 2016 compensation. In accordance with the Harris Employment Agreement, Mr. Harris' annual awards were fully vested at grant. For other Management Grantees, fifty percent of each restricted stock award granted is subject to time-based vesting criteria, and the remaining 50% of each restricted stock award is subject to attainment of the Performance Target for the applicable years. The time-vesting restricted stock will vest in three installments on each of the first three anniversaries of the date of grant, subject to continued employment on the applicable vesting dates and subject to the applicable Retirement Eligibility Date. The performance-vesting restricted stock will vest in three equal installments upon the compensation committee's confirmation that the Company achieves the Performance Target for the years ended December 31, 2017, 2018 and 2019, respectively. The Catch-Up Provision applies to the performance vesting portion of this award.

The Company has elected to recognize the compensation expense related to the time-based vesting of the Annual Restricted Stock Awards for the entire award on a straight-line basis over the requisite service period for the entire award. As such, the compensation expense related to the February 18, 2017 Annual Restricted Stock Awards to Management Grantees shall be recognized as follows:

1. Compensation expense for stock granted to Brian Harris will be expensed immediately in accordance with the Harris Retirement Eligibility Date.

2. Compensation expense for restricted stock subject to time-based vesting criteria granted to Pamela McCormack will be expensed 1/3 each year, for three years, on an annual basis in advance of the McCormack Retirement Eligibility Date.

3. Compensation expense for restricted stock subject to time-based vesting criteria granted to Michael Mazzei will be expensed 1/3 each year, for three years, on an annual basis.

4. Compensation expense for restricted stock subject to time-based vesting criteria granted to the Management Grantees other than Mr. Harris, Ms. McCormack and Mr. Mazzei will be expensed 1/3 each year, for three years, on an annual basis in advance of the Executive Retirement Eligibility Date.

Accruals of compensation cost for an award with a performance condition is accrued if it is probable that the performance condition will be achieved and shall not be accrued if it is not probable that the performance condition will be achieved.



Table of Contents

Upon a change in control (as defined in the respective award agreements), all restricted stock and option awards will become fully vested, if (1) the Management Grantee continues to be employed through the closing of the change in control or (2) after the signing of definitive documentation related to the change in control, but prior to its closing, the Management Grantee's employment is terminated without Cause or due to death or disability or the Management Grantee resigns for Good Reason. The compensation committee retains the right, in its sole discretion, to provide for the accelerated vesting (in whole or in part) of the restricted stock and option awards granted.

*Other 2017 Restricted Stock Awards*

On January 24, 2017, Management Grantees received a Restricted Stock Award with a grant date fair value of \$30,455, representing 2,191 shares of restricted Class A common stock. These shares represent stock dividends paid on the number of shares subject to the 2016 options (had such shares been outstanding) and vest with the time-vesting 2016 options they are associated with, subject to the Retirement Eligibility Date of the respective member of management. Compensation expense shall be recognized on a straight-line basis over the requisite service period.

On February 18, 2017, a new employee of the Company received a Restricted Stock Award with a grant date fair value of \$0.4 million, representing 28,881 shares of restricted Class A common stock, which will vest in two equal installments on each of the first two anniversaries of the date of grant, subject to continued employment on the applicable vesting dates. Compensation expense shall be recognized on a straight-line basis over the requisite service period.

On February 18, 2017, Management Grantees received cash of \$1.0 million and a Stock Award with a grant date fair value of \$48,475, representing 3,500 shares of Class A common stock, intended to represent dividends in type and amount that the 2015 stock option grant to management would have received had such options had dividend equivalent rights since grant. This grant also provides for future dividend equivalents that vest according to the vesting schedule of the 2015 stock option grant. Compensation expense shall be recognized on a straight-line basis over the requisite service period.

On February 18, 2017, Restricted Stock Awards were granted to certain non-management employees (each, a "Non-Management Grantee") with an aggregate value of \$0.6 million which represents 40,000 shares of restricted Class A common stock in connection with 2016 compensation. Fifty percent of each Restricted Stock Award granted is subject to time-based vesting criteria, and the remaining 50% of each Restricted Stock Award is subject to attainment of the Performance Target for the applicable years. The time-vesting restricted stock granted to Non-Management Grantees will vest in three installments on each of the first three anniversaries of June 1, 2017, subject to continued employment on the applicable vesting dates. The performance-vesting restricted stock will vest in three equal installments on June 1 of each of 2018, 2019 and 2020 (subject to the performance target being achieved). The Catch-Up Provision applies to the performance vesting portion of this award. The Company has elected to recognize the compensation expense related to the time-based vesting criteria of these Restricted Stock Awards for the entire award on a straight-line basis over the requisite service period. As such, the compensation expense related to the February 18, 2017 Restricted Stock Awards to Non-Management Grantees shall be recognized 1/3 for the period February 18, 2017 through June 1, 2018, 1/3 for the period June 2, 2018 through June 1, 2019 and 1/3 for the period June 2, 2019 through June 1, 2020.

Accruals of compensation cost for an award with a performance condition shall be based on the probable outcome of that performance condition. Therefore, compensation cost shall be accrued if it is probable that the performance condition will be achieved and shall not be accrued if it is not probable that the performance condition will be achieved.

On March 3, 2017, a new member of the board of directors received a Restricted Stock Award with a grant date fair value of \$0.1 million, representing 5,130 shares of restricted Class A common stock, which will vest in three equal installments on each of the first three anniversaries of the date of grant, subject to continued service on the board of directors. Compensation expense for restricted stock subject to time-based vesting criteria granted to the director will be expensed 1/3 each year, for three years on an annual basis following such grant.

On June 19, 2017, Restricted Stock Awards were granted to a Non-Management Grantee with an aggregate value of \$0.3 million, which represents 21,307 shares of time-based restricted Class A common stock. One-third of this amount will vest on the first anniversary date of the grant date and 1,775 shares will vest on each of October 1, 2018, December 31, 2018, April 1, 2019, July 1, 2019, September 30, 2019, December 31, 2019 and March 31, 2020. The remaining 1,780 shares of the grant will vest on July 1, 2020, subject to the Non-Management Grantee's continued employment with the Company. The Company has elected to recognize the compensation expense related to the time-based vesting criteria of this Restricted Stock Award for the entire award on a straight-line basis over the requisite service period.

Table of Contents

In connection with Mr. Mazzei's retirement as President, Ladder Capital Finance LLC, a subsidiary of Ladder, and Mr. Mazzei entered into a separation agreement, dated June 22, 2017 (the "Separation Agreement"). Pursuant to the Separation Agreement, Mr. Mazzei was appointed as a Class III director of Ladder and, subject to certain exceptions, Mr. Mazzei's unvested stock and stock options will continue to vest as they would have had he continued to be employed with Ladder as long as he continues to serve on the Board of Directors. Such unvested stock and stock options will not be subject to the original retirement eligibility date provided for in his employment agreement. On June 22, 2017, in connection with his appointment to the board of directors, Mr. Mazzei received a Restricted Stock Award with a grant date fair value of \$0.1 million, representing 5,346 shares of restricted Class A common stock, which will vest in three equal installments on each of the first three anniversaries of the date of grant, subject to continued service on the board of directors. Compensation expense for restricted stock subject to time-based vesting criteria granted to the director will be expensed 1/3 each year, for three years on an annual basis following such grant.

**Summary of Restricted Stock and Stock Option Expense and Shares/Options Nonvested/Outstanding**

A summary of the grants is presented below (\$ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,			
	2017	2016	2017		2016	
	Number of Shares/ Options	Weighted Average Share Value	Number of Shares/ Options	Weighted Average Share Value	Number of Shares	Weighted Average Fair Value
<b>Grants - Class A Common Stock (restricted)</b>	—	—	859,061	\$ 11,995	793,598	\$ 9,118
<b>Grants - Class A Common Stock (restricted) dividends</b>	—	—	15,560	216	166,934	1,908
<b>Stock Options</b>	—	—	—	—	380,949	1,356
<b>Amortization to compensation expense</b>						
Ladder compensation expense	(1,715 )	(4,577 )	(10,481 )		(12,694 )	
<b>Total amortization to compensation expense</b>	<b>\$ (1,715 )</b>	<b>\$ (4,577 )</b>	<b>\$ (10,481 )</b>		<b>\$ (12,694 )</b>	

The table below presents the number of unvested shares and outstanding stock options at September 30, 2017 and changes during 2017 of the (i) Class A Common stock and Stock Options of Ladder Capital Corp granted under the 2014 Omnibus Incentive Plan:

	Restricted Stock	Stock Options
<b>Nonvested/Outstanding at December 31, 2016</b>	<b>1,475,865</b>	<b>982,135</b>
Granted	874,621	—
Exercised	—	—
Vested	(1,425,490 )	—
Forfeited	(10,000 )	—
Expired	—	—
<b>Nonvested/Outstanding at September 30, 2017</b>	<b>914,996</b>	<b>982,135</b>
<b>Exercisable at September 30, 2017</b>		<b>752,017</b>

At September 30, 2017 there was \$7.4 million of total unrecognized compensation cost related to certain share-based compensation awards that is expected to be recognized over a period of up to 34 months, with a weighted-average

remaining vesting period of 21.7 months.

Table of Contents

The table below presents the number of unvested shares and outstanding stock options at September 30, 2016 and changes during 2016 of the (i) Class A Common stock and Stock Options of Ladder Capital Corp granted under the 2014 Omnibus Incentive Plan and (ii) Series B Participating Preferred Units of LCFH granted under the 2008 Plan, which were subsequently converted to LP Units of LCFH in connection with the IPO:

	<b>Restricted Stock</b>	<b>Stock Options</b>	<b>LP Units(1)</b>
<b>Nonvested/Outstanding at December 31, 2015</b>	<b>1,334,369</b>	<b>601,186</b>	<b>504</b>
Granted	960,532	380,949	—
Exercised		—	
Vested	(274,842 )		(504 )
Forfeited	(48,467 )	—	—
Expired		—	
<b>Nonvested/Outstanding at September 30, 2016</b>	<b>1,971,592</b>	<b>982,135</b>	<b>—</b>
<b>Exercisable at September 30, 2016</b>		<b>230,936</b>	

(1) Converted to LP Units of LCFH on February 11, 2014 in connection with IPO. LCFH LP Unitholders also received an equal number of shares of Class B Common stock of the Company at IPO. The LP Units converted to an equal number of Series REIT LP Units and Series TRS LP Units on December 31, 2014 in connection with the Company's conversion to a REIT.

As of September 30, 2016 there was \$10.7 million of total unrecognized compensation cost related to certain share-based compensation awards that is expected to be recognized over a period of up to 29 months, with a weighted-average remaining vesting period of 20.2 months.

**Phantom Equity Investment Plan**

LCFH maintains a Phantom Equity Investment Plan, effective on June 30, 2011 (the "Phantom Equity Plan") in which certain eligible employees of LCFH, LCF and their subsidiaries participate. On July 3, 2014, the Board of Directors froze the Phantom Equity Plan, as further described below. The Phantom Equity Plan is an annual deferred compensation plan pursuant to which participants could elect, or in some cases, non-management participants could be required, depending upon the participant's specific level of compensation, to defer all or a portion of their annual cash performance-based bonuses as elective or mandatory contributions. Generally, if a participant's total compensation was in excess of a certain threshold, a portion of such participant's annual bonus, was required to be deferred into the Phantom Equity Plan. Otherwise, amounts could be deferred into the Phantom Equity Plan at the election of the participant, so long as such election was timely made in accordance with the terms and procedures of the Phantom Equity Plan.

In the event that a participant elected to (or was required to) defer a portion of his or her compensation pursuant to the Phantom Equity Plan, such amount was not paid to the participant and was instead credited to such participant's notional account under the Phantom Equity Plan. Prior to the closing of our IPO, such amounts were invested, on a phantom basis, in the Series B Participating Preferred Units issued by LCFH until such amounts were eventually paid to the participant pursuant to the Phantom Equity Plan. Following our IPO, as described below, such amounts were invested on a phantom basis in shares of the Company's Class A common stock. Mandatory contributions are subject to one-third vesting over a three year period following the applicable Phantom Equity Plan year in which the related compensation was earned. Elective contributions were immediately vested upon contribution. Unvested amounts are generally forfeited upon the participant's involuntary termination for cause, a voluntary termination for which the participant's employer would have grounds to terminate the participant for cause or a voluntary termination within one

year of which the participant obtains employment with a financial services organization.

70

---

## Table of Contents

The date that the amounts deferred into the Phantom Equity Plan are paid to a participant depends upon whether such deferral is a mandatory deferral or an elective deferral. Elective deferrals are paid upon the earliest to occur of (1) a change in control (as defined in the Phantom Equity Plan), (2) the end of the participant's employment, or (3) December 31, 2017. The vested amounts of the mandatory contributions are paid upon the first to occur of (A) a change in control and (B) the first to occur of (x) December 31, 2017 or (y) the date of payment of the annual bonus payments following December 31 of the third calendar year following the applicable plan year to which the underlying deferred annual bonus relates. The Company could elect to make, and did make, payments pursuant to the Phantom Equity Plan in the form of cash in an amount equal to the then fair market value of such shares of the Company's Class A common stock (or, prior to our IPO, the Series B Participating Preferred Units), and on May 14, 2014, the Compensation Committee made a global election to make all payments pursuant to the Phantom Equity Plan in the form of cash. Mandatory contributions that were paid at the time specified in clause 2(B) above were made in cash.

Upon the closing of our IPO, each participant in the Phantom Equity Plan had his or her notional interest in LCFH's Series B Participating Preferred Units converted into a notional interest in the Company's Class A common stock, which notional conversion was based on the issuance price of our Class A common stock at the time of the IPO. On July 3, 2014, the board of directors froze the Phantom Equity Plan, effective as of such date, so that there will neither be future participants in the Phantom Equity Plan nor additional amounts contributed to any accounts outstanding under the Phantom Equity Plan. Amounts previously outstanding under the Phantom Equity Plan will be paid in accordance with their original payment terms, including limiting payment to the dates and events specified above. In connection with freezing the Phantom Equity Plan, the board of directors also updated the definition of fair market value for purposes of measuring the value of its Class A Common Stock, to provide that, generally, such value would be the closing price of such stock on the principal national securities exchange on which it is then traded.

As of September 30, 2017, there are 279,935 phantom units outstanding, all of which are vested, resulting in a liability of \$3.9 million, which is included in accrued expenses on the consolidated balance sheets. As of December 31, 2016, there are 373,871 phantom units outstanding, all of which are vested, resulting in a liability of \$6.1 million, which is included in accrued expenses on the consolidated balance sheets.

### **Ladder Capital Corp Deferred Compensation Plan**

On July 3, 2014, the Company adopted a new, nonqualified deferred compensation plan, which was amended and restated on March 17, 2015 (the "2014 Deferred Compensation Plan"), in which certain eligible employees participate. Pursuant to the 2014 Deferred Compensation Plan, participants may elect, or in some cases non-management participants may be required, to defer all or a portion of their annual cash performance-based bonuses into the 2014 Deferred Compensation Plan. Generally, if a participant's total compensation is in excess of a certain threshold, a portion of a participant's performance-based annual bonus is required to be deferred into the 2014 Deferred Compensation Plan. Otherwise, a portion of the participant's annual bonus may be deferred into the 2014 Deferred Compensation Plan at the election of the participant, so long as such elections are timely made in accordance with the terms and procedures of the 2014 Deferred Compensation Plan.

In the event that a participant elects to (or is required to) defer a portion of his or her compensation pursuant to the 2014 Deferred Compensation Plan, such amount is not paid to the participant and is instead credited to such participant's notional account under the 2014 Deferred Compensation Plan. Such amounts are then invested on a phantom basis in Class A common stock of the Company, or the phantom units, and a participant's account is credited with any dividends or other distributions received by holders of Class A common stock of the Company, which are subject to the same vesting and payment conditions as the applicable contributions. Elective contributions are immediately vested upon contribution. Mandatory contributions are subject to one-third vesting over a three-year period on a straight-line basis following the applicable year in which the related compensation was earned.





## Table of Contents

If a participant's employment with the Company is terminated by the Company other than for cause and such termination is within six months following a change in control (each, as defined in the 2014 Deferred Compensation Plan), then the participant will fully vest in his or her unvested account balances. Furthermore, the unvested account balances will fully vest in the event of the participant's death, disability, retirement (as defined in the 2014 Deferred Compensation Plan) or in the event of certain hostile takeovers of the board of directors of the Company. In the event that a participant's employment is terminated by the Company other than for cause, the participant will vest in the portion of the participant's account that would have vested had the participant remained employed through the end of the year in which such termination occurs, subject to, in such case or in the case of retirement, the participant's timely execution of a general release of claims in favor of the Company. Unvested amounts are otherwise generally forfeited upon the participant's resignation or termination of employment, and vested mandatory contributions are generally forfeited upon the participant's termination for cause.

Amounts deferred into the 2014 Deferred Compensation Plan are paid upon the earliest to occur of (1) a change in control, (2) within sixty days following the end of the participant's employment with the Company, or (3) the date of payment of the annual bonus payments following December 31 of the third calendar year following the applicable year to which the underlying deferred annual compensation relates. Payment is made in cash equal to the fair market value of the number of phantom units credited to a participant's account, provided that, if the participant's termination was by the Company for cause or was a voluntary resignation other than on account of such participant's retirement, the amount paid is based on the lowest fair market value of a share of Class A common stock during the forty-five day period following such termination of employment. The amount of the final cash payment may be more or less than the amount initially deferred into the 2014 Deferred Compensation Plan, depending upon the change in the value of the Class A common stock of the Company during such period.

As of September 30, 2017, there are 343,933 phantom units outstanding, of which 221,723 are unvested, resulting in a liability of \$4.7 million, which is included in accrued expenses on the consolidated balance sheets. As of December 31, 2016, there are 273,709 phantom units outstanding, of which 134,281 are unvested, resulting in a liability of \$3.6 million, which is included in accrued expenses on the consolidated balance sheets.

## **Bonus Payments**

On February 8, 2017, the board of directors of Ladder Capital Corp approved 2017 bonus payments to employees, including officers, totaling \$39.5 million, which included \$10.2 million of equity based compensation. The bonuses were accrued for as of December 31, 2017 and paid to employees in full on February 21, 2017. On February 10, 2016, the board of directors of Ladder Capital Corp approved 2016 bonus payments to employees, including officers, totaling \$46.8 million, which included \$10.3 million of equity based compensation. The bonuses were accrued for as of December 31, 2016 and paid to employees in full on February 17, 2016. During the three and nine months ended September 30, 2017, the Company recorded compensation expense of \$7.4 million and \$19.9 million, respectively, related to 2017 bonuses. During the three and nine months ended September 30, 2016, the Company recorded compensation expense of \$8.3 million and \$17.6 million, respectively, related to 2016 bonuses.

## **15. INCOME TAXES**

The Company elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2015. As such, the Company's income is generally not subject to U.S. Federal, state and local corporate income taxes other than as described below.

Certain of the Company's subsidiaries have elected to be treated as TRSs. TRSs permit the Company to participate in certain activities from which REITs are generally precluded, as long as these activities meet specific criteria, are conducted within the parameters of certain limitations established by the Code, and are conducted in entities which

elect to be treated as taxable subsidiaries under the Code. To the extent these criteria are met, the Company will continue to maintain its qualification as a REIT. The Company's TRSs are not consolidated for U.S. federal income tax purposes, but are instead taxed as corporations. For financial reporting purposes, a provision for current and deferred taxes is established for the portion of earnings recognized by the Company with respect to its interest in TRSs. Current income tax expense (benefit) was \$1.5 million and \$3.3 million for the three and nine months ended September 30, 2017, respectively. Current income tax expense (benefit) was \$8.3 million and \$11.8 million for the three and nine months ended September 30, 2016, respectively.

Table of Contents

As of September 30, 2017 and December 31, 2016, the Company's net deferred tax assets were \$6.7 million and \$2.1 million, respectively, and are included in other assets in the Company's consolidated balance sheets. Deferred income tax expense (benefit) included within the provision for income taxes was \$(1.9) million and \$(6.6) million for the three and nine months ended September 30, 2017, respectively. Deferred income tax expense (benefit) included within the provision for income taxes was \$0.4 million and \$(6.3) million for the three and nine months ended September 30, 2016, respectively. The Company believes it is more likely than not that the net deferred tax assets will be realized in the future. Realization of the net deferred tax assets is dependent upon our generation of sufficient taxable income in future years in appropriate tax jurisdictions to obtain benefit from the reversal of temporary differences. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

As of September 30, 2017, the Company has a deferred tax asset of \$10.2 million relating to capital losses which it may only use to offset capital gains. These tax attributes will expire if unused in 2020. As the realization of these assets are not more likely than not before their expiration, the Company has provided a full valuation allowance against this deferred tax asset.

The Company's tax returns are subject to audit by taxing authorities. Generally, as of September 30, 2017, the tax years 2013, 2014, 2015 and 2016 remain open to examination by the major taxing jurisdictions in which the Company is subject to taxes. The Company acquired certain corporate entities at the time of its IPO. The related acquisition agreements provided an indemnification to the Company by the transferor of any amounts due for any potential tax liabilities owed by these entities for tax years prior to their acquisition. During the three months ended September 30, 2016, management proposed a settlement pertaining to a New York State tax audit for these corporate entities for the years 2010-2012 (which are now wholly owned). As a result of the settlement, management recorded income tax expense in the amount of \$3.3 million and a corresponding payable to the State of New York. The settlement was finalized during the three months ended December 31, 2016. Pursuant to the indemnification, Management expected to recover such amounts and, accordingly, recorded fee and other income in the amount of \$3.3 million as well as a corresponding receivable from the indemnity counterparties. As of September 30, 2017, the Company had recovered all amounts owed by the indemnity counterparties related to the 2010-2012 audit. The IRS and New York State have recently begun routine audits of the Company's U.S. federal and state income tax returns for tax year 2014 and 2013-2015 respectively. The Company does not expect the audit to result in any material changes to the Company's financial position. The Company does not expect tax expense to have an impact on either short or long-term liquidity or capital needs.

Under U.S. GAAP, a tax benefit related to an income tax position may be recognized when it is more likely than not that the position will be sustained upon examination by the tax authorities based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized upon settlement. As of September 30, 2017 and December 31, 2016, the Company's unrecognized tax benefit is a liability for \$0.8 million and is included in the accrued expenses in the Company's consolidated balance sheets. This unrecognized tax benefit, if recognized, would have a favorable impact on our effective income tax rate in future periods. As of September 30, 2017, the Company has not recognized a significant amount of any interest or penalties related to uncertain tax positions. In addition, the Company does not believe that it has any tax positions for which it is reasonably possible that it will be required to record a significant liability for unrecognized tax benefits within the next twelve months.

Table of Contents

**Tax Receivable Agreement**

Upon consummation of the IPO, the Company entered into a Tax Receivable Agreement with the Continuing LCFH Limited Partners. Under the Tax Receivable Agreement the Company generally is required to pay to those Continuing LCFH Limited Partners that exchange their interests in LCFH and Class B shares of the Company for Class A shares of the Company, 85% of the applicable cash savings, if any, in U.S. federal, state and local income tax that the Company realizes (or is deemed to realize in certain circumstances) as a result of (i) the increase in tax basis in its proportionate share of LCFH's assets that is attributable to the Company as a result of the exchanges and (ii) payments under the Tax Receivable Agreement, including any tax benefits related to imputed interest deemed to be paid by the Company as a result of such agreement. The Company may make future payments under the Tax Receivable Agreement if the tax benefits are realized. We would then benefit from the remaining 15% of cash savings in income tax that we realize. For purposes of the Tax Receivable Agreement, cash savings in income tax will be computed by comparing our actual income tax liability to the amount of such taxes that we would have been required to pay had there been no increase to the tax basis of the assets of LCFH as a result of the exchanges and had we not entered into the Tax Receivable Agreement.

Payments to a Continuing LCFH Limited Partner under the Tax Receivable Agreement are triggered by each exchange and are payable annually commencing following the Company's filing of its income tax return for the year of such exchange. The timing of the payments may be subject to certain contingencies, including the Company having sufficient taxable income to utilize all of the tax benefits defined in the Tax Receivable Agreement.

As of September 30, 2017 and December 31, 2016, pursuant to the Tax Receivable Agreement, the Company recorded a liability of \$2.4 million and \$2.5 million, respectively, included in amount payable pursuant to tax receivable agreement in the consolidated balance sheets for Continuing LCFH Limited Partners. The amount and timing of any payments may vary based on a number of factors, including the absence of any material change in the relevant tax law, the Company continuing to earn sufficient taxable income to realize all tax benefits, and assuming no additional exchanges that are subject to the Tax Receivable Agreement. Depending upon the outcome of these factors, the Company may be obligated to make substantial payments pursuant to the Tax Receivable Agreement. The actual payment amounts may differ from these estimated amounts, as the liability will reflect changes in prevailing tax rates, the actual benefit the Company realizes on its annual income tax returns, and any additional exchanges.

To determine the current amount of the payments due, the Company estimates the amount of the Tax Receivable Agreement payments that will be made within twelve months of the balance sheet date. As described in Note 1 above, the Tax Receivable Agreement was amended and restated in connection with our REIT Election, effective as of December 31, 2014, in order to preserve a portion of the potential tax benefits currently existing under the Tax Receivable Agreement that would otherwise be reduced in connection with our REIT Election. The purpose of the TRA Amendment was to preserve the benefits of the Tax Receivable Agreement to the extent possible in a REIT, although, as a result, the amount of payments made to the TRA Members under the TRA Amendment is expected to be less than the amount that would have been paid under the original Tax Receivable Agreement. The TRA Amendment continues to share such benefits in the same proportions and otherwise has substantially the same terms and provisions as the prior Tax Receivable Agreement.

**16. RELATED PARTY TRANSACTIONS**

***Ladder Select Bond Fund***

On October 18, 2016, Ladder Capital Asset Management LLC ("LCAM"), a subsidiary of the Company and a registered investment adviser, launched the Ladder Select Bond Fund (the "Fund"), a mutual fund. In addition, on October 18, 2016, the Company made a \$10.0 million investment in the Fund, which is included in other assets in the consolidated

balance sheets. As of September 30, 2017, current members of senior management have also invested \$0.9 million in aggregate in the Fund, since inception. LCAM earns a 0.75% fee on assets under management, which may be reduced for expenses incurred in excess of the Fund's expense cap of 0.95%.

*Commercial Real Estate Loans*

From time to time, the Company may provide commercial real estate loans to entities affiliated with certain of our directors, officers or large shareholders who are, as part of their ordinary course of business, commercial real estate investors. These loans are made in the ordinary course of the Company's business on the same terms and conditions as would be offered to any other borrower of similar type and standing on a similar property.

## Table of Contents

On May 20, 2015, the Company provided a \$25.0 million, 9.0% fixed rate, approximately one year, interest-only mezzanine loan, to Halletts Investors LLC (“Borrower”), an entity affiliated with Douglas Durst, one of the Company’s directors and chairman of The Durst Organization. The loan, which was approved by the Audit Committee and Risk and Underwriting Committee in accordance with the Company’s policies regarding related party transactions, was secured by Borrower’s ownership interest in Durst Halletts Member LLC (“Guarantor”). Borrower and Guarantor indirectly own a controlling interest in the three entities that collectively own approximately 9.66 acres of undeveloped land located along the East River waterfront on Halletts Point Peninsula in Astoria Queens, New York. Douglas Durst and members of his family, including trusts for which Douglas Durst is a trustee, have a controlling interest in Borrower and Guarantor. The loan matured on and was repaid in full as of June 3, 2016. For the nine months ended September 30, 2016, the Company earned \$1.0 million in interest income related to this loan.

On March 13, 2017, Related Reserve IV LLC, an affiliate of Related Fund Management LLC (the “B Participation Holder”), purchased a \$4.0 million subordinate participation interest (the “B Participation Interest”) in the up to \$136.5 million mortgage loan (the “Loan”) secured by the Conrad hotels and condominiums in Fort Lauderdale, Florida from a subsidiary of the Company. The B Participation Interest earns interest at an annual rate of 17%, with the Company’s participation interest (the “A Participation Interest”) receiving the balance of all interest paid under the Loan. Upon an event of default under the Loan, all receipts will be applied to the payment of interest and principal on the Company’s share of the principal balance before the B Participation Holder receives any sums. The Company retains all control over the administration and servicing of the whole loan, except that upon the occurrence of certain Loan defaults and other events, the B Participation Holder will have the option to trigger a buy-sell option, whereupon the Company shall have the right to either repurchase the B Participation Interest at par or sell the A Participation Interest to the B Participation Holder at par plus exit fees that would have been payable upon a borrower repayment. Because the participation interest was not *pari passu* and effective control continued to reside with the retained portions of the loans the transfers of any portion of this loan asset is considered a non-recourse secured borrowing in which the full loan asset remains on the Company’s consolidated balance sheets in mortgage loan receivables held for investment, net, at amortized cost and the sale proceeds are reported as debt obligations. For the three and nine months ended September 30, 2017, the Company incurred \$0.2 million and \$0.4 million, respectively, in interest expense related to this loan which is included in accrued expenses on the Company’s consolidated balance sheets.

On July 6, 2017, Ladder provided a \$21.0 million first mortgage loan to a borrower affiliated with The Related Companies to facilitate the acquisition of two commercial condominium units in the Brickell Heights mixed use development in Miami, Florida. The borrowing entity, Brickell Heights Commercial LLC, is 80% owned by a joint venture between Related Special Assets LLC, a personal investment vehicle for certain principals of The Related Companies, and another investor, with the remaining 20% interest belonging to an affiliate of The Related Group of Florida. For the three and nine months ended September 30, 2017, the Company earned \$0.2 million in interest income related to this loan.

### ***Stockholders Agreement***

On March 3, 2017, Ladder, Related and certain pre-IPO stockholders of Ladder, including affiliates of TowerBrook Capital Partners, L.P. and GI Partners L.P., closed a purchase by Related of \$80.0 million of Ladder’s Class A common stock from the pre-IPO stockholders. As part of the closing of the transaction, Ladder and Related entered into a Stockholders Agreement, dated as of March 3, 2017, pursuant to which Jonathan Bilzin resigned from the Board, and all committees thereof, and Ladder appointed Richard O’Toole to replace Mr. Bilzin as a Class II Director on Ladder’s Board, each effective as of March 3, 2017. Pursuant to the Stockholders Agreement, Ladder granted to Related a right of first offer with respect to certain horizontal risk retention investments in which Ladder intends to retain an interest and Related agreed to certain standstill provisions.



Table of Contents**17. COMMITMENTS AND CONTINGENCIES***Leases*

In 2011, the Company entered into a lease for its primary office space, which commenced on October 1, 2011 and expires on January 31, 2022 with no extension option. In 2012, the Company entered into a lease for secondary office space. The lease commenced on May 15, 2012 and would have expired on May 14, 2015 with no extension option. This lease was amended, however, on October 2, 2014, extending the expiration date from May 14, 2015 to May 14, 2018. The Company recorded \$0.3 million and \$0.8 million of rental expense for the three and nine months ended September 30, 2017, respectively, which is included in operating expenses in the consolidated statements of income. The Company recorded \$0.3 million and \$0.9 million, of rental expense for the three and nine months ended September 30, 2016, respectively, which is included in operating expenses in the consolidated statements of income.

The following is a schedule of future minimum rental payments required under the above operating leases (\$ in thousands):

<b>Period Ending December 31,</b>	<b>Amount</b>
2017 (last 3 months)	\$314
2018	1,206
2019	1,180
2020	1,180
2021	1,180
Thereafter	99
<b>Total</b>	<b>\$5,159</b>

*Unfunded Loan Commitments*

As of September 30, 2017, the Company's off-balance sheet arrangements consisted of \$145.8 million of unfunded commitments on mortgage loan receivables held for investment to provide additional first mortgage loan financing, at rates to be determined at the time of funding, which consisted of \$145.8 million to provide additional first mortgage loan financing. As of December 31, 2016, the Company's off-balance sheet arrangements consisted of \$147.7 million of unfunded commitments of mortgage loan receivables held for investment, at rates to be determined at the time of funding, which was composed of \$146.3 million to provide additional first mortgage loan financing and \$1.4 million to provide additional mezzanine loan financing. Such commitments are subject to our loan borrowers' satisfaction of certain financial and nonfinancial covenants and may or may not be funded depending on a variety of circumstances including timing, credit metric hurdles, and other nonfinancial events occurring. These commitments are not reflected on the consolidated balance sheets.

*Hurricanes Harvey, Irma and Maria*

During 2017, Hurricanes Harvey, Irma and Maria inflicted damage on certain of the properties owned by the Company or securing loans held by the Company with carrying amounts of \$13.0 million, \$295.6 million and \$23.9 million, respectively, as of September 30, 2017. The damage to individual properties owned by the Company was not significant and all properties are open and operating. The Company has insurance coverage on the properties it owns and expects to fully recover amounts for necessary repairs in excess of its deductibles. The Company's loan agreements require adequate insurance to be maintained by the respective borrowers. The Company understands that the damages to the affected collateral underlying the Company's mortgage loans were not significant and that all



properties are open and operating. Accordingly, the Company does not believe it is exposed to any additional loan losses as a result of each hurricane's impact on its borrowers and the underlying property collateral.

Table of Contents**18. SEGMENT REPORTING**

The Company has determined that it has three reportable segments based on how the chief operating decision maker reviews and manages the business. These reportable segments include loans, securities, and real estate. The loans segment includes mortgage loan receivables held for investment (balance sheet loans) and mortgage loan receivables held for sale (conduit loans). The securities segment is composed of all of the Company's activities related to commercial real estate securities, which include investments in CMBS and U.S. Agency Securities. As more fully described in Note 3, the securities segment does not include securities not recognized for accounting purposes that were acquired in connection with loan transfers not considered sales. The real estate segment includes net leased properties, office buildings, a warehouse and condominium units. Corporate/other includes the Company's investments in joint ventures, other asset management activities and operating expenses.

The Company evaluates performance based on the following financial measures for each segment (\$ in thousands):

	Loans	Securities	Real Estate(1)	Corporate/Other(2)	Company Total
<b>Three months ended September 30, 2017</b>					
Interest income	\$63,417	\$9,263	\$3	\$ 80	\$72,763
Interest expense	(17,502	) (1,456	) (6,785	) (16,864	) (42,607
Net interest income (expense)	45,915	7,807	(6,782	) (16,784	) 30,156
Provision for loan losses	—	—	—	—	—
Net interest income (expense) after provision for loan losses	45,915	7,807	(6,782	) (16,784	) 30,156
Operating lease income	—	—	22,924	—	22,924
Tenant recoveries	—	—	2,382	—	2,382
Sale of loans, net	(775	) —	—	—	(775
Realized gain on securities	—	6,688	—	—	6,688
Unrealized gain (loss) on Agency interest-only securities	—	577	—	—	577
Realized gain (loss) on sale of real estate, net	(159	) —	3,387	—	3,228
Fee and other income	1,447	—	2,057	834	4,338
Net result from derivative transactions	990	(1,338	) —	—	(348
Earnings (loss) from investment in unconsolidated joint ventures	—	—	127	—	127
Total other income (expense)	1,503	5,927	30,877	834	39,141
Salaries and employee benefits	6,700	—	—	(19,955	) (13,255
Operating expenses	99	—	—	(4,889	) (4,790
Real estate operating expenses	—	—	(9,351	) —	(9,351
Fee expense	(992	) (68	) (182	) —	(1,242
Depreciation and amortization	—	—	(10,583	) (23	) (10,606
Total costs and expenses	5,807	(68	) (20,116	) (24,867	) (39,244
Income tax (expense) benefit	—	—	—	400	400
<b>Segment profit (loss)</b>	<b>\$53,225</b>	<b>\$13,666</b>	<b>\$3,979</b>	<b>\$ (40,417</b>	<b>) \$30,453</b>
<b>Total assets as of September 30, 2017</b>	<b>\$3,964,426</b>	<b>\$1,098,471</b>	<b>\$1,076,908</b>	<b>\$ 272,235</b>	<b>\$6,412,040</b>



Table of Contents

	Loans	Securities	Real Estate(1)	Corporate/Other(2)	Company Total
<b>Three months ended September 30, 2016</b>					
Interest income	\$40,639	\$19,630	\$ 4	\$ 11	\$60,284
Interest expense	(6,281 )	(2,902 )	(6,276 )	(15,226 )	(30,685 )
Net interest income (expense)	34,358	16,728	(6,272 )	(15,215 )	29,599