Section 1: 10-Q (10-Q)

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

FORM 10-Q

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

For the quarterly period ended March 31, 2019

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 000-55782

INPOINT COMMERCIAL REAL ESTATE INCOME, INC.
(Exact name of registrant as specified in its charter)

Maryland **(State or other jurisdiction of incorporation or organization)**	**32-0506267** **(I.R.S. Employer Identification No.)**
2901 Butterfield Road **Oak Brook, Illinois** **(Address of principal executive offices)**	**60523** **(Zip Code)**

Registrant's telephone number, including area code: (800) 826-8228

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

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

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

As of May 9, 2019, there were 8,126,172 shares of the Registrant's Class P Common Stock outstanding and no shares outstanding of the Registrant's Class A, Class T, Class S, Class D and Class I Common Stock.

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INPOINT COMMERCIAL REAL ESTATE INCOME, INC.

CONSOLIDATED BALANCE SHEETS

(Dollar amounts in thousands, except share data)

	March 31, 2019 (unaudited)	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 29,519	$ 27,530
Restricted cash	471	967
Real estate securities at fair value	98,122	91,218
Commercial mortgage loans at cost, net of allowance for loan loss of $0	322,222	249,573
Deferred debt finance costs	685	518
Deferred offering costs	1,323	1,201
Accrued interest receivable	1,154	994
Prepaid expenses and other assets	29	22
Total assets	$ 453,525	$ 372,023
LIABILITIES AND EQUITY		
Liabilities:		
Repurchase agreements—real estate securities	$ 71,436	$ 61,871
Repurchase agreements—commercial mortgage loans	195,463	164,333
Loan fees payable	150	100
Due to related parties	1,609	1,680
Interest payable	443	427
Distributions payable	1,189	941
Accrued expenses	852	399
Total liabilities	271,142	229,751
Stockholders' Equity:		
Class P common stock, $0.001 par value, 450,000,000 shares authorized, 7,525,008 and 5,940,744 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	8	6
Additional paid in capital (net of offering costs of $14,748 and $11,724 at March 31, 2019 and December 31, 2018, respectively)	188,309	148,650
Distributions in excess of earnings	(5,934)	(6,384)
Total stockholders' equity	182,383	142,272
Total liabilities and stockholders' equity	$ 453,525	$ 372,023

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

INPOINT COMMERCIAL REAL ESTATE INCOME, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, dollar amounts in thousands, except share data)

	Three-months ended March 31, 2019	Three-months ended March 31, 2018
Interest income:		
Interest income	$ 6,493	$ 830
Less: Interest expense	(2,755)	(103)
Net interest income	3,738	727
Operating expenses:		
Advisory fee	1,531	—
Debt finance costs	195	65
Directors compensation	21	22
Professional service fees	150	116
Other expenses	84	59
Total operating expenses	1,981	262
Other income:		
Unrealized gain in value of real estate securities	1,808	31
Realized loss on the sale of real estate securities	(43)	—
Other interest income	98	—
Total other income	1,863	31
Net income	$ 3,620	$ 496
Net income per share basic and diluted	$ 0.54	$ 0.23
Weighted average number of shares		
Basic	6,676,846	2,119,814
Diluted	6,677,279	2,119,831

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

INPOINT COMMERCIAL REAL ESTATE INCOME, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Three-months ended March 31, 2019 and 2018
(Unaudited, dollar amounts in thousands)

For the three-months ended March 31, 2019:

	Common Stock		Additional Paid in Capital	Distributions in Excess of Earnings	Total Stockholders' Equity
	Number of Shares	Par Value			
Balance as of December 31, 2018	5,940,744	$ 6	$ 148,650	$ (6,384)	$ 142,272
Proceeds from issuance of common stock	1,583,864	2	42,678	—	42,680
Offering costs	—	—	(3,024)	—	(3,024)
Net income	—	—	—	3,620	3,620
Distributions declared ($0.48 per share)	—	—	—	(3,170)	(3,170)
Equity based compensation	400	—	5	—	5
Balance as of March 31, 2019	**7,525,008**	**$ 8**	**$ 188,309**	**$ (5,934)**	**$ 182,383**

For the three-months ended March 31, 2018:

	Common Stock		Additional Paid in Capital	Distributions in Excess of Earnings	Total Stockholders' Equity
	Number of Shares	Par Value			
Balance as of December 31, 2017	1,733,392	$ 2	$ 43,428	$ (1,445)	$ 41,985
Proceeds from issuance of common stock	742,853	1	20,147	—	20,148
Offering costs	—	—	(1,575)	—	(1,575)
Net income	—	—	—	496	496
Distributions declared ($0.48 per share)	—	—	—	(1,008)	(1,008)
Equity based compensation	—	—	1	—	1
Balance as of March 31, 2018	**2,476,245**	**3**	**62,001**	**(1,957)**	**60,047**

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

INPOINT COMMERCIAL REAL ESTATE INCOME, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, dollar amounts in thousands)

	For the Three-months ended March 31,	
	2019	2018
Cash flows from operating activities		
Net income	$ 3,620	$ 496
Adjustments to reconcile net income to cash provided by operations:		
Net realized loss on real estate securities	43	—
Net unrealized gain on real estate securities	(1,808)	(31)
Amortization of equity based compensation	5	1
Amortization of debt finance costs to operating expense	195	65
Amortization of debt finance costs to interest expense	22	1
Amortization of bond discount	(177)	—
Amortization of origination fees	(268)	(27)
Amortization of deferred exit fees	(131)	—
Changes in assets and liabilities:		
Accrued interest receivable	(159)	(24)
Accrued expenses	(91)	22
Due to related parties	350	(7)
Prepaid expenses and other assets	(7)	(18)
Other liabilities	67	116
Net cash provided by operating activities	**1,661**	**594**
Cash flows from investing activities:		
Origination of commercial loans	(72,868)	(19,560)
Origination fees received on commercial loans	618	131
Purchase of real estate securities	(14,884)	(5,000)
Real estate securities sold	9,211	77
Real estate securities principal pay-down	710	—
Net cash used in investing activities	**(77,213)**	**(24,352)**
Cash flows from financing activities:		
Proceeds from issuance of common stock	42,680	20,148
Payment of offering costs	(3,024)	(1,575)
Proceeds from repurchase agreements	269,791	65,647
Principal repayments of repurchase agreements	(229,099)	(54,689)
Debt finance costs	(381)	(532)
Distributions paid	(2,922)	(882)
Net cash provided by financing activities	**77,045**	**28,117**
Net change in cash, cash equivalents and restricted cash	**1,493**	**4,359**
Cash, cash equivalents and restricted cash at beginning of period	**28,497**	**1,406**
Cash, cash equivalents and restricted cash at end of period	**$ 29,990**	**$ 5,765**
Supplemental disclosure of cash flow information:		
Change in deferred offering costs and accrued offering expenses, included in due to related parties	$ (422)	$ (157)
Interest paid	$ 2,739	$ 102
Distributions payable	$ 1,189	$ 385

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

Note 1 – Organization and Business Operations

InPoint Commercial Real Estate Income, Inc. (the "Company") was incorporated in Maryland on September 13, 2016 to originate, acquire and manage a diversified portfolio of commercial real estate ("CRE") investments primarily comprised of (i) CRE debt, including floating rate first mortgage loans, subordinate mortgage and mezzanine loans, and participations in such loans and (ii) floating rate CRE securities, such as commercial mortgage-backed securities ("CMBS"), and senior unsecured debt of publicly traded real estate investment trusts ("REITs"). The Company may also invest in select equity investments in single-tenant, net leased properties. Substantially all of the Company's business is conducted through InPoint REIT Operating Partnership, LP (the "Operating Partnership"), a Delaware limited partnership. The Company is the sole general partner and directly or indirectly holds all of the limited partner interests in the Operating Partnership. The Company has elected to be taxed as a REIT for U.S. federal income tax purposes.

The Company is externally managed by Inland InPoint Advisor, LLC (the "Advisor"), a Delaware limited liability company formed in August 2016 that is a wholly owned indirect subsidiary of Inland Real Estate Investment Corporation, a member of The Inland Real Estate Group of Companies, Inc. The Advisor is responsible for coordinating the management of the day-to-day operations and originating, acquiring and managing the Company's CRE investment portfolio, subject to the supervision of the Company's board of directors. The Advisor performs its duties and responsibilities as the Company's fiduciary pursuant to an advisory agreement dated April 29, 2019 among the Company, the Advisor and the Operating Partnership (the "Advisory Agreement").

The Advisor has delegated certain of its duties to SPCRE InPoint Advisors, LLC (the "Sub-Advisor"), a Delaware limited liability company formed in September 2016 that is a wholly owned subsidiary of Sound Point CRE Management, LP, pursuant to a sub-advisory agreement between the Advisor and the Sub-Advisor dated April 29, 2019. Among other duties, the Sub-Advisor has the authority to identify, negotiate, acquire and originate the Company's investments and provide portfolio management, disposition, property management and leasing services to the Company. Notwithstanding such delegation to the Sub-Advisor, the Advisor retains ultimate responsibility for the performance of all the matters entrusted to it under the Advisory Agreement, including those duties which the Advisor has not delegated to the Sub-Advisor such as (i) valuation of the Company's assets and calculation of the Company's net asset value; (ii) management of the Company's day-to-day operations; (iii) preparation of stockholder reports and communications and arrangement of the Company's annual stockholder meeting; and (iv) advising the Company regarding its initial qualification as a REIT for U.S. federal income tax purposes and monitoring its ongoing compliance with the REIT qualification requirements thereafter.

Note 2 – Summary of Significant Accounting Policies

Disclosures discussing all significant accounting policies are set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 (the "Annual Report"), as filed with the Securities and Exchange Commission (the "SEC") on March 12, 2019, under the heading Note 2 - Summary of Significant Accounting Policies. There have been no changes to the Company's significant accounting policies for the three-months ended March 31, 2019.

Basis of Accounting

The accompanying consolidated financial statements and related footnotes have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") and require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reported periods. Actual results could differ from such estimates.

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include funds on deposit with financial institutions, including demand deposits with financial institutions with original maturities of three months or less. The account balance may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance coverage limits and, as a result, there could be a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage limits. The Company believes that the risk will not be significant, as the Company does not anticipate the financial institutions' non-performance.

(Unaudited, dollar amounts in thousands, except share data)

Restricted cash represents cash the Company is required to hold in a segregated account. As of March 31, 2019 and December 31, 2018, the restricted cash was held as additional collateral on real estate securities repurchase agreements.

The following table provides a reconciliation of cash, cash equivalents and restricted cash in our consolidated balance sheets to the total amount shown in our consolidated statements of cash flows:

	March 31, 2019	December 31, 2018
Cash and cash equivalents	$ 29,519	$ 27,530
Restricted cash	471	967
Total cash, cash equivalents, and restricted cash	$ 29,990	$ 28,497

Accounting Pronouncements Recently Issued but Not Yet Effective

In June 2016, the Financial Accounting Standards Board issued ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"), which changes how entities measure credit losses for financial assets carried at amortized cost. ASU 2016-13 eliminates the requirement that a credit loss must be probable before it can be recognized and instead requires an entity to recognize the current estimate of all expected credit losses. ASU 2016-13 is effective for SEC filers for reporting periods beginning after December 15, 2019. The amendments may be adopted early for reporting periods beginning after December 15, 2018. The Company is currently evaluating the impact ASU 2016-13 will have on its allowance for loan losses estimate.

Note 3 – Commercial Mortgage Loans Held for Investment

The following is a summary of the Company's commercial mortgage loans held for investment as of March 31, 2019:

	Number of Loans	Principal Balance	Unamortized (fees)/costs, net	Carrying Value	Weighted Average Interest Rate	Weighted Average Years to Maturity
First mortgage loans	19	$ 314,093	$ (2,371)	$ 311,722	6.5%	2.0
Credit loans	2	10,500	—	10,500	9.2%	7.2
Total and average	21	$ 324,593	$ (2,371)	$ 322,222	6.6%	2.1

The following is a summary of the Company's commercial mortgage loans held for investment as December 31, 2018:

	Number of Loans	Principal Balance	Unamortized (fees)/costs, net	Carrying Value	Weighted Average Interest Rate	Weighted Average Years to Maturity
First mortgage loans	16	$ 241,225	$ (2,152)	$ 239,073	6.4%	2.2
Credit loans	2	10,500	—	10,500	9.2%	7.5
Total and average	18	$ 251,725	$ (2,152)	$ 249,573	6.5%	2.5

Credit Characteristics

As part of the Company's process for monitoring the credit quality of its investments, it performs a quarterly asset review of the investment portfolio and assigns risk ratings to each of its loans and CMBS. Risk factors include payment status, lien position, borrower financial resources and investment in collateral, collateral type, project economics and geographic location, as well as national and regional economic factors. To determine the likelihood of loss, the loans are rated on a 5-point scale as follows:

(Unaudited, dollar amounts in thousands, except share data)

Investment Grade	Investment Grade Definition
1	Investment exceeding fundamental performance expectations and/or capital gain expected. Trends and risk factors since time of investment are favorable.
2	Performing consistent with expectations and a full return of principal and interest expected. Trends and risk factors are neutral to favorable.
3	Performing investment requiring closer monitoring. Trends and risk factors show some deterioration. Collection of principal and interest is still expected.
4	Underperforming investment with the potential of some interest loss but still expecting a positive return on investment. Trends and risk factors are negative.
5	Underperforming investment with expected loss of interest and some principal.

All investments are assigned an initial risk rating of 2 at origination or acquisition.

As of March 31, 2019, 20 loans had a risk rating of 2 and one had a risk rating of 3. As of December 31, 2018, 17 loans had a risk rating of 2 and one had a risk rating of 3. The Company has not recorded any allowance for loan losses as the Company did not consider a loan loss to be probable.

Note 4 – Real Estate Securities

The Company classified its real estate securities as available-for-sale. These investments are reported at fair value in the consolidated balance sheets with changes in fair value recorded in other income or loss in the consolidated statements of operations.

The table below shows the Company's real estate securities as of March 31, 2019 and December 31, 2018:

March 31, 2019

Number of Positions	External Credit Rating	Collateral	Weighted Average Interest Rate	Weighted Average Years to Maturity	Par Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Realized Losses
3	AAA	Hospitality, Office	3.3%	0.7	$ 20,412	$ 20,308	$ 9	$ (46)	$ 20,271	$ (43)
1	AA-	Hospitality	3.5%	1.1	2,000	1,999	—	(11)	1,988	—
5	BB-	Retail, Hospitality	5.3%	1.3	38,445	38,383	150	(22)	38,511	—
2	Unrated	Hospitality	7.7%	1.1	37,700	36,868	484	—	37,352	—
11			5.8%	1.1	$ 98,557	$ 97,558	$ 643	$ (79)	$ 98,122	$ (43)

December 31, 2018

Number of Positions	External Credit Rating	Collateral	Weighted Average Interest Rate	Weighted Average Years to Maturity	Par Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
2	AAA	Hospitality	3.4%	0.7	$ 20,310	$ 20,310	$ —	$ (277)	$ 20,033
1	AA-	Hospitality	3.5%	1.4	2,000	1,998	—	(31)	1,967
5	BB-	Retail, Hospitality	5.3%	1.6	38,512	38,438	—	(460)	37,978
2	Unrated	Hospitality	7.7%	1.4	32,700	31,715	—	(475)	31,240
10			5.7%	1.3	$ 93,522	$ 92,461	$ —	$ (1,243)	$ 91,218

At March 31, 2019, the Company held 11 CMBS with a total carrying value of $98,122 including a total unrealized gain of $643 and a total unrealized loss of $79. As of March 31, 2019, the amortized cost was $999 less than the par value of $98,557 due to five real estate securities purchased at a discount. At December 31, 2018, the Company held 10 CMBS with a total carrying value of $91,218 including a total unrealized loss of $1,243. As of December 31, 2018, the amortized cost was $1,061 less than the par value of $93,522 due to three real estate securities purchased at a discount. As of March 31, 2019 and December 31, 2018, no position had an unrealized loss for a period greater than 12 months. During the three-months ended March 31, 2019, the Company sold real estate securities for $9,211 that resulted in realized losses of $43. The Company did not have any realized gains or losses during the year ended December 31, 2018.

(Unaudited, dollar amounts in thousands, except share data)

As of March 31, 2019 and December 31, 2018, each of the CMBS were assigned an internal risk rating of 2.

Note 5 – Repurchase Agreements

Commercial Mortgage Loans

On February 15, 2018, the Company, through a wholly owned subsidiary, entered into a master repurchase agreement (the "Repo Facility") with Column Financial, Inc. as administrative agent for certain of its affiliates. The Repo Facility had an initial advance amount of $100,000 subject to a maximum advance amount of $250,000. The Company increased the advance amount in August 2018 to $175,000, and in January 2019 to the maximum of $250,000. The initial term of the Repo Facility was 12 months and the Company extended the maturity date in February 2019 to February 2020. The Repo Facility is used to finance eligible loans and acts in the manner of a revolving credit facility that can be repaid as the Company's assets are paid off and re-drawn as advances against new assets. Advances under the Repo Facility accrue interest at a per annum rate equal to LIBOR plus 2.25%. The Repo Facility is subject to certain financial covenants. The Company was in compliance with all financial covenant requirements as of March 31, 2019 and December 31, 2018.

The details of the Repo Facility as of March 31, 2019 and December 31, 2018 are as follows:

					Weighted Average	
	Committed Financing	Amount Outstanding (1)	Accrued Interest Payable	Collateral Pledged	Interest Rate	Days to Maturity
As of March 31, 2019	$ 250,000	$ 195,536	$ 360	$ 272,093	4.73%	319
As of December 31, 2018	$ 175,000	$ 164,410	$ 299	$ 225,075	4.71%	317

(1) Excluding $73 and $77 of unamortized debt issuance costs at March 31, 2019 and December 31, 2018, respectively.

Real Estate Securities

The Company entered into two master repurchase agreements for real estate securities with separate counterparties and had the following balances outstanding as described in the table below:

				Weighted Average	
	Amount Outstanding	Accrued Interest Payable	Collateral Pledged	Interest Rate	Days to Maturity
As of March 31, 2019	$ 71,436	$ 83	$ 98,146	3.87%	16
As of December 31, 2018	$ 61,871	$ 128	$ 84,646	3.79%	9

In addition, the master repurchase agreements are subject to certain financial covenants. The Company was in compliance with all financial covenant requirements as of March 31, 2019 and December 31, 2018.

Note 6 – Stockholders' Equity

During the three-months ended March 31, 2019, pursuant to a private offering that commenced on October 25, 2016 (the "Offering"), the Company issued 1,583,864 shares of Class P common stock ("Class P Shares") at an average price of $26.94 per share with total
net proceeds of $39,656 after offering costs of $3,024. In addition, the Company incurred $112 in reimbursable deferred offering costs that are payable to the Advisor and Sub-Advisor from future stock issuances.

(Unaudited, dollar amounts in thousands, except share data)

During the three-months ended March 31, 2018, the Company issued 742,853 Class P Shares at an average price of $27.12 per share with total net proceeds of $18,572 after offering costs of $1,575. In addition, the Company incurred $122 in reimbursable deferred offering costs that are payable to the Advisor and Sub-Advisor from future stock issuance.

Distributions

The Company currently pays distributions on Class P Shares based on daily record dates, payable in arrears the following month, equal to a daily amount of 1/365th of $1.92 per share. The table below presents the distributions paid and declared during the three-months ended March 31, 2019 and 2018.

	Three-months ended March 31,	
	2019	2018
Distributions paid	$ 2,922	$ 882
Distributions declared	$ 3,170	$ 1,008

As of March 31, 2019 and December 31, 2018 distributions declared but not yet paid amounted to $1,189 and 941, respectively.

Note 7 – Net Income Per Share

Basic earnings per share ("EPS") is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income by the common shares plus common share equivalents. The Company's common share equivalents are unvested restricted shares. For the three-months ended March 31, 2019 and 2018, 433 and 17, respectively, additional shares related to restricted shares were included in the computation of diluted earnings per share, because the effect of those common share equivalents were dilutive. The Company excludes antidilutive restricted shares from the calculation of weighted-average shares for diluted earnings per share. There were no antidilutive restricted shares for the three-months ended March 31, 2019 and 2018. For further information about the Company's restricted shares, see Note 10 – "Equity-Based Compensation."

The following table is a summary of the basic and diluted net income per share computation for the three-months ended March 31, 2019 and 2018:

	Three-months ended March 31,	
	2019	2018
Net income	$ 3,620	$ 496
Weighted average shares outstanding, basic	6,676,846	2,119,814
Weighted average shares outstanding, diluted	6,677,279	2,119,831
Net income per share, basic and diluted	$ 0.54	$ 0.23

Note 8 – Commitments and Contingencies

In the ordinary course of business, the Company may become subject to litigation, claims and regulatory matters. The Company has no knowledge of material legal or regulatory proceedings pending or known to be contemplated against the Company at this time.

The Company has made a commitment to advance additional funds under certain of its CRE loans if the borrower meets certain conditions. As of March 31, 2019 and December 31, 2018, the Company had 15 and 13 CRE loans, respectively, with a total remaining future funding commitment of $26,745 and $30,343, respectively. The Company would advance future funds at its discretion if requested by the borrower and the borrower meets certain requirements as specified in individual loan agreements.

Note 9 – Transactions with Related Parties

As of March 31, 2019, the Advisor had invested $1,000 in the Company through the purchase of 40,040 Class P Shares. The purchase price per Class P Share for the Advisor's investment was $25.00 (the "Transaction Price"), with no payment of selling commissions, dealer manager fees or organization and offering expenses. The Advisor has agreed pursuant to its subscription agreement that, for so long as it or its affiliate is serving as the Advisor, (i) it will not sell or transfer at least 8,000 of the Class P Shares that it has purchased, accounting for $200 of its investment, to an unaffiliated third party; (ii) it will not be eligible to submit a request for these 40,040

(Unaudited, dollar amounts in thousands, except share data)

Class P Shares pursuant to the Company's share repurchase program prior to the fifth anniversary of the date on which such Class P Shares were purchased; and (iii) repurchase requests made for these Class P Shares will only be accepted (a) on the last business day of a calendar quarter, (b) after all repurchase requests from all other stockholders for such quarter have been accepted and (c) to the extent that such repurchases do not cause total repurchases in the quarter in which they are being repurchased to exceed that quarter's repurchase cap.

As of March 31, 2019, Sound Point Capital Management, LP ("Sound Point"), an affiliate of the Sub-Advisor, had invested $3,000 in the Company through the purchase of 120,000 Class P Shares. The purchase price per Class P Share for this investment was the Transaction Price, with no payment of selling commissions, dealer manager fees or organization and offering expenses. Sound Point has agreed pursuant to its subscription agreement that, for so long as the Sub-Advisor or its affiliate is serving as the Sub-Advisor, (i) it will not be eligible to submit a request for the repurchase of these 120,000 Class P Shares pursuant to the Company's share repurchase program prior to the fifth anniversary of the date on which such Class P Shares were purchased; and (ii) repurchase requests made for these Class P Shares will only be accepted (a) on the last business day of a calendar quarter, (b) after all repurchase requests from all other stockholders for such quarter have been accepted and (c) to the extent that such repurchases do not cause total repurchases in the quarter in which they are being repurchased to exceed that quarter's repurchase cap.

The following table summarizes the Company's related party transactions for the three-months ended March 31, 2019 and 2018 and the amount due to related parties at March 31, 2019 and December 31, 2018:

	Three-months ended March 31,		Payable as of March 31,	Payable as of December 31,
	2019	2018	2019	2018
Organization and offering expense reimbursement(1)	$ 112	$ 122	$ 76	$ 512
Selling commissions and dealer manager fee(2)	2,485	1,296	—	—
Advisory fee(3)	1,531	—	1,531	1,161
Operating expense reimbursement(4)	2	2	2	7
Total	$ 4,130	$ 1,420	$ 1,609	$ 1,680

(1) The Company reimburses the Advisor, the Sub-Advisor and their respective affiliates for costs and other expenses related to the Offering, provided that aggregate reimbursements of such costs and expenses shall not exceed the organization and offering expenses paid by investors in connection with the sale of Class P Shares in the Offering. Offering costs are offset against stockholders' equity when paid. Unpaid amounts are recorded as deferred offering costs and included in due to related parties in these consolidated balance sheets.

(2) Inland Securities Corporation, the Company's dealer manager (the "Dealer Manager") and an affiliate of the Advisor, receives selling commissions up to 5%, and a dealer manager fee up to 3%, of the Transaction Price for each Class P Share sold in the Offering, the majority of which is paid to third-party broker-dealers.

(3) The Company pays the Advisor an advisory fee comprised of (1) a fixed component and (2) a performance component. The fixed component of the advisory fee is paid quarterly in arrears in an amount equal to 1/4th of 1.5% of the average aggregate value of the Company's assets over such quarter, where the value of each asset shall be the value determined in accordance with the Company's valuation policies or, if such value has not yet been determined, the book value of the asset. The performance component of the advisory fee is calculated and paid annually with respect to the Class P Shares, such that for any year in which the Company's total return per Class P Share exceeds 7% per annum, the Advisor will receive 20% of the excess total return allocable to the Class P Shares; provided that in no event will the performance component of the advisory fee exceed 15% of the aggregate total return allocable to Class P Shares for such year. The Advisor waived the advisory fee for all periods prior to April 1, 2018. As a result, there was no advisory fee for the three-months ended March 31, 2018.

(4) The Company reimburses the Advisor or its affiliates for out-of-pocket expenses that it incurs in connection with providing services to the Company, provided that the Company does not reimburse overhead costs, including rent and utilities or personnel costs (including salaries, bonuses, benefits and severance payments).

Note 10 – Equity-Based Compensation

Under the Company's Independent Director Restricted Share Plan ("RSP"), restricted shares generally vest over a three-year vesting period from the date of the grant, subject to the specific terms of the grant. Restricted shares are included in common stock outstanding on the date of vesting. The grant-date value of the restricted shares is amortized over the vesting period representing the requisite service period. On January 7, 2019, the Company granted each of its three independent directors 400 restricted Class P Shares for a total of 1,200 Class P Shares with a total value of $30. The restricted Class P Shares will vest in equal one-third increments on January 7, 2020, 2021 and 2022. On March 1, 2018, the Company granted each of its three independent directors 400 restricted Class P Shares for a total of 1,200 Class P Shares with a total value of $30. The restricted Class P Shares will vest in equal one-third increments on March 1, 2019, 2020 and 2021.

(Unaudited, dollar amounts in thousands, except share data)

Compensation expense associated with the restricted shares issued to the independent directors was $5 and $1, in the aggregate, for the three-months ended March 31, 2019 and 2018, respectively. As of March 31, 2019, the Company had $47 of unrecognized compensation expense related to the unvested restricted shares, in the aggregate. The weighted average remaining period that compensation expense related to unvested restricted shares will be recognized is 2.34 years.

A summary table of the status of the restricted shares is presented below:

	Restricted Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at December 31, 2018	1,200	$ 30	$ 30
Granted	1,200	30	30
Vested	(400)	(10)	(10)
Converted	—	—	—
Forfeited	—	—	—
Outstanding at March 31, 2019	2,000	50	50

Note 11 – Fair Value of Financial Instruments

The following table presents the Company's financial instruments carried at fair value in the consolidated balance sheets by its level in the fair value hierarchy (see *Note 2 – Summary of Significant Accounting Policies* included in the Annual Report) as of March 31, 2019 and December 31, 2018:

	March 31, 2019				December 31, 2018			
	Total	Level I	Level II	Level III	Total	Level I	Level II	Level III
Real estate securities	$ 98,122	—	$ 98,122	—	$ 91,218	—	$ 91,218	—

The Company did not transfer any assets within fair value levels during the three-months ended March 31, 2019 or during the year ended December 31, 2018.

GAAP requires the disclosure of fair value information about financial instruments, whether or not they are recognized at fair value in the consolidated balance sheets, for which it is practicable to estimate that value. The following table details the carrying amount and estimated fair value of the Company's financial instruments at the dates below:

(Unaudited, dollar amounts in thousands, except share data)

	March 31, 2019		December 31, 2018	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial assets				
Cash and cash equivalents	$ 29,519	$ 29,519	$ 27,530	$ 27,530
Restricted cash	471	471	967	967
Commercial mortgage loans, net	322,222	326,186	249,573	250,156
Total	$ 352,212	$ 356,176	$ 278,070	$ 278,653
Financial liabilities				
Repurchase agreements - real estate securities	$ 71,436	$ 71,436	$ 61,871	$ 61,871
Repurchase agreements - commercial mortgage loans	195,463	195,463	164,333	164,333
Total	$ 266,899	$ 266,899	$ 226,204	$ 226,204

The following describes our methods for estimating the fair value for financial instruments:

- The estimated fair value of cash and cash equivalents and restricted cash was based on the bank balance and was a Level 1 fair value measurement.

- The estimated fair value of commercial mortgage loans, net is a Level 3 fair value measurement. The Sub-Advisor estimates the fair values of commercial loans by analyzing interest rate spreads on loans based on various factors including capitalization rates, occupancy rates, sponsorship, geographic concentration, collateral type, market conditions and actions of other lenders.

- The estimated fair value of repurchase agreements is a Level 3 fair value measurement based on an expected present value technique. This method discounts future estimated cash flows using rates we determined best reflect current market interest rates that would be offered for repurchase agreements with similar characteristics and credit quality.

Note 12 – Subsequent Events

The Company has evaluated subsequent events through May 10, 2019, the date the financial statements were issued, and determined that there have not been any events that have occurred that would require adjustments to disclosures in the consolidated financial statements except for the following transactions:

Initial Public Offering

On March 22, 2019, the Company filed a Registration Statement on Form S-11 (File No. 333-230465) (the “Registration Statement”) to register up to $2,350,000 in shares of common stock (the “IPO”). On May 3, 2019, the SEC declared effective the Registration Statement.

Charter Amendment and Supplement

On April 29, 2019, the Company filed Articles of Amendment with the State Department of Assessments and Taxation of the State of Maryland (the “SDAT”) (i) to modify the number of shares the Company has authority to issue under its charter from 500,000,000 to 3,050,000,000, consisting of 3,000,000,000 Class P common shares and 50,000,000 shares of preferred stock, and (ii) to modify the aggregate par value of all authorized shares of stock from $500 to $3,050.

On April 29, 2019, the Company also filed Articles Supplementary with SDAT to reclassify and designate: (i) 500,000,000 authorized but unissued Class P common shares as Class A common shares; (ii) 500,000,000 authorized but unissued Class P common shares as Class D common shares; (iii) 500,000,000 authorized but unissued Class P common shares as Class I common shares; (iv) 500,000,000 authorized but unissued Class P common shares as Class S common shares; and (v) 500,000,000 authorized but unissued Class P common shares as Class T common shares.

(Unaudited, dollar amounts in thousands, except share data)

Advisory and Sub-Advisory Agreements

On April 29, 2019, the Company and the Operating Partnership, entered into a First Amended and Restated Advisory Agreement with the Advisor, which supersedes and replaces the Advisory Agreement dated as of October 25, 2016, among the Company, the Operating Partnership and the Advisor.

On April 29, 2019, the Advisor entered into a First Amended and Restated Sub-Advisory Agreement with the Sub-Advisor, which supersedes and replaces the Sub-Advisory Agreement dated as of October 25, 2016, between the Advisor and the Sub-Advisor.

Dealer Manager Agreement

On April 29, 2019, the Company entered into a Dealer Manager Agreement with the Dealer Manager pursuant to which the Dealer Manger will serve as the exclusive dealer manager for the IPO on a best efforts basis.

JP Morgan Line

On May 6, 2019, the Company's wholly owned subsidiary entered into an Uncommitted Master Repurchase Agreement (the "JPM Repo Facility") with JPMorgan Chase Bank, National Association. The JPM Repo Facility provides up to $150.0 million in advances that the Company expects to use to finance the acquisition or origination of eligible loans and participation interests therein. The JPM Repo Facility acts in the manner of a revolving credit facility that can be repaid as the Company's assets are paid off and re-drawn as advances against new assets. Advances under the JPM Repo Facility accrue interest at per annum rates equal to the sum of (i) the applicable LIBOR index rate plus (ii) a margin of between 1.75% to 2.25%, depending on the attributes of the purchased assets. The initial maturity date of the JPM Repo Facility is May 6, 2021, with two successive one-year extensions the Company's option, which may be exercised upon the satisfaction of certain conditions.

Sale of Common Stock

As of May 9, 2019, the Company had 8,126,172 shares of common stock outstanding and from April 1, 2019 through May 9, 2019, the Company raised proceeds from the Offering as follows:

Source of Capital	April 1, 2019 through May 9, 2018	Total
Class P Shares	$ 16,248	$ 219,356

Distributions

The Company's board of directors declared distributions payable to stockholders of record of Class P Shares each day beginning on the close of business April 1, 2019 through the close of business July 31, 2019. Through that date distributions were declared in a daily amount equal to 1/365th of $1.92 per share.

The table below sets forth the distributions paid in cash monthly in arrears:

Distribution Period	Month Distribution Paid	Distribution Amount
March 2019	April 2019	$ 1,189
April 2019	May 2019	$ 1,228

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

Certain statements in this Quarterly Report on Form 10-Q constitute "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"). Words such as "may," "could," "should," "expect," "intend," "plan," "goal," "seek," "anticipate," "believe," "estimate," "predict," "variables," "potential," "continue," "expand," "maintain," "create," "strategies," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions, are intended to identify forward-looking statements.

These forward-looking statements are not historical facts but reflect the intent, belief or current expectations of the management of InPoint Commercial Real Estate Income, Inc. (which we refer to herein as the "Company," "we," "our" or "us") based on their knowledge and understanding of the business and industry, the economy and other future conditions. These statements are not guarantees of future performance, and we caution stockholders not to place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or forecasted in the forward-looking statements due to a variety of risks, uncertainties and other factors, including but not limited to the factors described below:

- *Market disruptions may adversely impact many aspects of our operating results and operating condition;*
- *If we cannot generate sufficient cash flow from operations to fully fund distributions, some or all of our distributions may be paid from other sources, including from the proceeds from sales of our Class P common stock (our "Class P Shares"), which will reduce the amount of cash we ultimately have to invest in assets;*
- *There is no current public trading market for our Class P Shares, and we do not expect that such a market will ever develop. Therefore, repurchase of shares by us will likely be the only way for stockholders to dispose of their shares and even if our stockholders are able to sell their shares by our share repurchase program, or otherwise, they may not be able to recover the amount of their investment in our shares;*
- *Our charter generally limits the total amount we may borrow to 300% of our net assets, equivalent to 75% of the costs of our assets;*
- *Inland InPoint Advisor, LLC (our "Advisor") and SPCRE InPoint Advisors, LLC (our "Sub-Advisor") may face conflicts of interest in allocating personnel and resources between their affiliates;*
- *We do not have arm's-length agreements with our Advisor, our Sub-Advisor or any affiliates of our Advisor or Sub-Advisor; and*
- *If we fail to continue to qualify as a real estate investment trust ("REIT"), our operations and distributions to stockholders will be adversely affected.*

Forward-looking statements in this Quarterly Report on Form 10-Q reflect our management's view only as of the date of this Quarterly Report, and may ultimately prove to be incorrect or false. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results except as required by applicable law. We intend for these forward-looking statements to be covered by the applicable safe harbor provisions created by Section 27A of the Securities Act and Section 21E of the Exchange Act.

The following discussion and analysis relates to the three-months ended March 31, 2019 and 2018 and as of March 31, 2019 and December 31, 2018. You should read the following discussion and analysis along with our consolidated financial statements and the related notes included in this Quarterly Report on Form 10-Q. All dollar amounts are stated in thousands, except share data.

Overview

We are a Maryland corporation formed on September 13, 2016 to originate, acquire and manage an investment portfolio of commercial real estate ("CRE") investments primarily comprised of (i) CRE debt, including floating rate first mortgage loans, subordinate mortgage and mezzanine loans, and participations in such loans and (ii) floating rate CRE securities such as commercial mortgage-backed securities ("CMBS") and senior unsecured debt of publicly traded REITs. We may also invest in select equity investments in single-tenant, net leased properties. Substantially all of our business is conducted through InPoint Operating Partnership, LP (our "Operating Partnership"), of which we are the sole general partner. We are externally managed by our Advisor, an indirect subsidiary of Inland Real Estate Investment Corporation. Our Advisor has engaged the Sub-Advisor, a subsidiary of Sound Point CRE Management, LP, to perform certain services on behalf of the Advisor for us.

We operate in a manner that allows us to qualify as a REIT for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2017. Among other requirements, REITs are required to distribute to stockholders at least 90% of their annual REIT taxable income (computed without regard to the dividends-paid deduction and excluding net capital gain).

We are conducting a private offering that commenced on October 25, 2016 (the "Offering") of up to $500,000 in Class P Shares pursuant to a private placement memorandum dated October 25, 2016. The purchase price per Class P Share currently equals $25.00 plus applicable selling commissions, dealer manager fees and organization and offering expenses, resulting in a total purchase price of $27.38 per Class P Share if maximum selling commissions, dealer manager fees and organization and offering expenses are paid. Inland Securities Corporation, an affiliate of our Advisor, is our dealer manager for the Offering. As of May 9, 2019, we had received and accepted investors' subscriptions for and issued 8,129,184 Class P Shares in the Offering, resulting in gross proceeds of $219,356. As of May 9, 2019, $280,719 of Class P Shares remained to be sold in the Offering.

Significant Accounting Policies and Use of Estimates

Disclosures discussing all significant accounting policies are set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 (the "Annual Report"), as filed with the Securities and Exchange Commission (the "SEC") on March 12, 2019, under the heading "Note 2 – Summary of Significant Accounting Policies." There have been no changes to the Company's significant accounting policies for the three-months ended March 31, 2019.

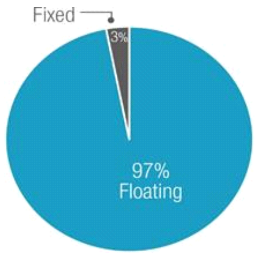
Portfolio

We began operations in October 2016 and our objective is to originate, acquire and manage an investment portfolio of CRE debt and CRE securities that is primarily floating rate and diversified based on the type and location of collateral securing the underlying CRE debt and CRE securities. We anticipate our investment portfolio will be less diversified and have higher concentrations in asset class, collateral type and geographic location until our capital raise reaches levels that will allow for greater diversification.

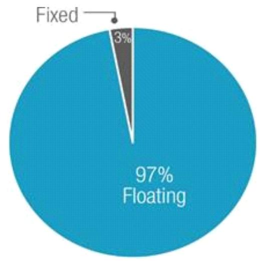
The charts below summarize our portfolio as a percentage of par value by type of rate, loan type, collateral type and geographical region as of March 31, 2019 and December 31, 2018:

Floating vs. Fixed Rate:

March 31, 2019

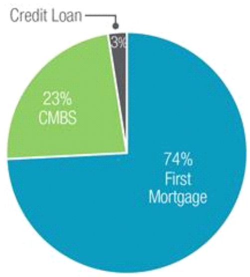


December 31, 2018

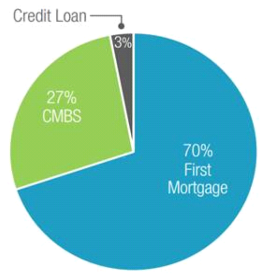


Investments by Loan Type:

March 31, 2019

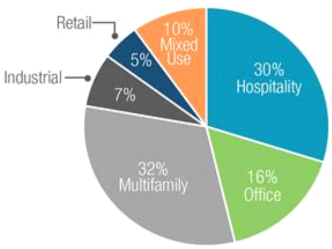


December 31, 2018

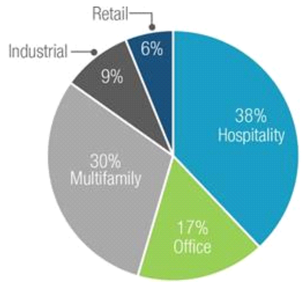


Investments by Property Type:

March 31, 2019

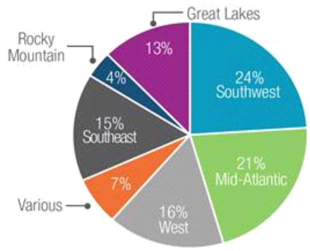


December 31, 2018

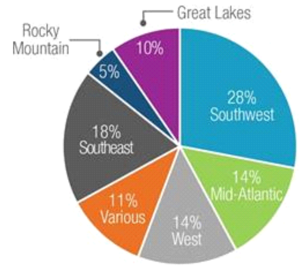


Investments by Region:

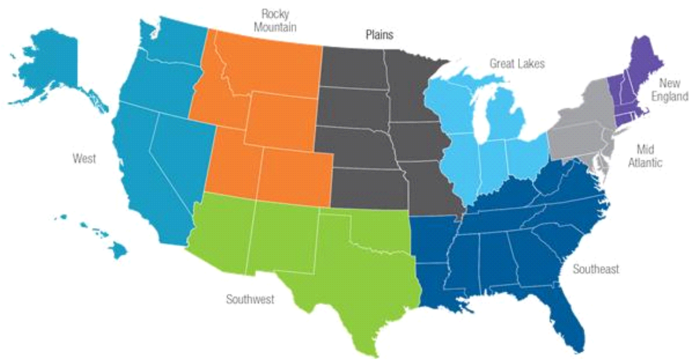
March 31, 2019



December 31, 2018



An investment's region is defined according to the below map based on the location of underlying property.



The changes in our portfolio as of March 31, 2019 compared to December 31, 2018 were primarily due to the new loans originated and real estate securities purchased during the period. Due to the small number of investments in our portfolio, the changes in the portfolio composition may be significant. We anticipate that these changes will become less significant as our portfolio increases in size.

Commercial Mortgage Loans Held for Investment

	As of March 31, 2019	As of December 31, 2018
Principal balance of first mortgage loans	$ 314,093	$ 241,225
Number of first mortgage loans	19	16
Principal balance of credit loans	$ 10,500	$ 10,500
Number of credit loans	2	2
Total balance of loans	$ 324,593	$ 251,725
Total number of loans	21	18
Weighted average interest rate (1)	6.6%	6.5%
Weighted average yield (1)	6.6%	6.6%

(1) Interest rate is the stated rate on the loan. Yield is the present value of all future principal and interest payments on the loan and does not include any origination fees or deferred commitment fees.

The increase in the size of our portfolio is due to investing capital received from the Offering and from increased leverage as we executed on our business strategy. The change in weighted average interest rate was due to change in portfolio composition through the additional loans originated. Due to the small number of loans in our portfolio, the weighted average interest rate may change significantly as we continue to originate loans in the future.

The table below presents information for each of our commercial mortgage loans as of March 31, 2019:

	Origination Date	Loan Type (1)	Principal Balance	Interest Rate (2)	Yield (2)	Original Maturity (3)	Maximum Maturity (3)	State	Property Type	LTV (4)	Risk Rating (5)
1	12/12/17	First mortgage	$ 14,385	L+4.70%	7.2%	1/9/21	1/9/23	HI	Office	67%	2
2	12/13/17	First mortgage	14,395	L+4.50%	7.0%	12/9/20	12/9/22	VA	Office	55%	2
3	3/22/18	First mortgage	16,204	L+3.75%	6.2%	4/9/21	4/9/23	CO	Retail	74%	3
4	4/10/18	First mortgage	6,635	L+3.50%	6.0%	4/9/21	4/9/23	OR	Multifamily	73%	2
5	5/4/18	First mortgage	31,000	L+4.00%	6.5%	5/9/21	5/9/23	PA	Industrial	64%	2
6	5/17/18	First mortgage	6,440	L+4.50%	7.0%	6/9/21	6/9/23	NC	Multifamily	54%	2
7	6/26/18	First mortgage	21,203	L+3.10%	5.6%	7/9/20	7/9/23	TX	Multifamily	60%	2
8	8/21/18	First mortgage	13,617	L+3.65%	6.1%	9/9/21	9/9/23	AZ	Multifamily	80%	2
9	9/7/18	First mortgage	23,255	L+3.75%	6.2%	9/9/21	9/9/23	TX	Office	73%	2
10	9/19/18	First mortgage	8,197	L+3.70%	6.2%	10/9/21	10/9/23	TX	Multifamily	68%	2
11	10/12/18	First mortgage	16,791	L+4.00%	6.5%	10/9/20	10/9/23	TX	Multifamily	76%	2
12	10/30/18	First mortgage	6,509	L+3.85%	6.3%	11/9/21	11/9/23	TX	Multifamily	76%	2
13	11/16/18	First mortgage	5,200	L+3.90%	6.4%	12/9/21	12/9/23	CA	Multifamily	64%	2
14	11/20/18	First mortgage	25,245	L+3.30%	5.8%	12/9/20	12/9/23	FL	Multifamily	78%	2
15	12/13/18	First mortgage	23,500	L+5.05% (6)	7.5%	12/9/20	12/9/21	IL	Hospitality	72%	2
16	12/20/18	First mortgage	16,150	L+4.20%	6.7%	1/9/22	1/9/24	AL	Hospitality	64%	2
17	1/24/19	First mortgage	14,200	L+3.40%	5.9%	2/9/22	2/9/24	NV	Multifamily	76%	2
18	1/25/19	First mortgage	9,167	L+3.45%	5.9%	2/9/22	2/9/24	IL	Multifamily	78%	2
19	3/22/19	First mortgage	42,000	L+4.60%	7.0%	7/9/20	1/1/21	NY	Mixed Use	33%	2
20	9/29/17	Credit	7,500	9.20%	9.2%	10/11/27	10/11/27	NJ	Office	80%	2
21	3/27/18	Credit	3,000	9.35%	9.3%	4/1/23	4/1/23	FL	Hospitality	68%	2
			$ 324,593		6.6%					65%	2

(1) First mortgage loans are first position mortgage loans and credit loans are mezzanine and subordinated loans.

(2) Interest rate is the stated rate on the loan. Yield is the present value of all future principal and interest payments on the loan and does not include any origination fees or deferred commitment fees. The total is the weighted average rate as of March 31, 2019 using LIBOR of 2.49450%.

(3) Original maturity is the first maturity on the loan and the maximum maturity assumes all extension options are exercised.

(4) Loan-to-value ("LTV") was determined at loan origination and is not updated for subsequent property valuations or loan modifications. The total is the weighted average LTV.

(5) Risk rating is the internal risk rating assigned by the Sub-Advisor. The total is the average rating for the portfolio. See Note 3 – "Commercial Mortgage Loans Held for Investment" which is included in our notes to consolidated financial statements included in this Quarterly Report on Form 10-Q.

(6) Interest rate increases to L+5.30% on the payment date in January 2020.

Real Estate Securities

The table below provides a summary of our real estate securities portfolio:

	As of March 31, 2019	As of December 31, 2018
Outstanding balance (fair market value)	$ 98,122	$ 91,218
Number of real estate securities	11	10
Weighted average interest rate (1)	5.8%	5.7%
Average years to maturity	1.1	1.3
Weighted average yield (2)	6.5%	5.6%
Portfolio ratings % of total outstanding:		
AAA	21.0%	22.0%
AA-	2.0%	2.0%
BB-	39.0%	41.0%
Unrated	38.0%	35.0%

(1) The weighted average interest rate is based off the balance of the bonds outstanding and the applicable rates.
(2) The weighted average yield is calculated as interest income divided by the average carrying value.

We entered into master repurchase agreements to fund our investment portfolio. As of March 31, 2019 and December 31, 2018, we had total borrowings of $266,899 (which is net of $73 of unamortized debt issuance costs) and $226,204 (which is net of $77 of unamortized debt issuance costs), respectively. During the three-months ended March 31, 2019 and the year ended December 31, 2018, we had weighted average borrowings of $243,698 and $99,221 and weighted average borrowing costs of 4.5% and 4.1%, respectively. The increase in borrowings combined with the proceeds from the Offering were used to fund the growth in our investment portfolio.

The increase in the size of our portfolio is due to investing the proceeds of the Offering on a levered basis to purchase additional real estate securities. The change in weighted average interest rate, weighted average yield and average years to maturity were due to the change in the portfolio composition.

The change in the ratings of our real estate securities was due to the change in the composition of our assets as we invested the capital from the Offering. Our credit process evaluates the underlying quality of the loans securing the CMBS at the time of purchase and we continually review the credit performance while we own the CMBS. Our Sub-Advisor performs a quarterly asset review of all our investments and assigns an internal risk rating to each. Each real estate security had a credit rating of 2 as of March 31, 2019. While quarterly reviews were performed for real estate securities, an internal risk rating was not assigned prior to December 31, 2018. See Note 4 – "Real Estate Securities" which is included in our notes to consolidated financial statements included in this Quarterly Report on Form 10-Q for further information. Ratings by national rating agencies are subject to change and may not be continuously updated, and therefore we do not place reliance on these ratings.

Results of Operations

Comparison of the Three-Months Ended March 31, 2019 to the Three-Months Ended March 31, 2018

Net Interest Income

Net interest income is generated on our interest-earning assets less related interest-bearing liabilities. The following table presents the average balance of interest-earning assets less related interest-bearing liabilities, associated interest income and expense and corresponding yield earned and incurred for the periods indicated.

	Three-Months Ended March 31,					
	2019			2018		
	Average Carrying Value (1)	Interest Income/ Expense (2)	Weighted Average Yield/Financing Cost (3)	Average Carrying Value (1)	Interest Income/ Expense (2)	Weighted Average Yield/Financing Cost (3)
Interest-earning assets:						
Real estate securities	$ 95,942	$ 1,553	6.5%	$ 27,698	$ 216	3.1%
Commercial mortgage loans	278,112	4,940	7.1%	34,545	614	7.1%
Total/Weighted Average	$ 374,054	$ 6,493	6.9%	$ 62,243	$ 830	5.3%
Interest-bearing liabilities:						
Repurchase agreements—securities	$ 67,179	$ 642	3.8%	$ 15,173	$ 89	2.4%
Repurchase agreements—commercial mortgage loans	176,519	2,113	4.8%	1,343	14	4.1%
Total/Weighted Average	$ 243,698	$ 2,755	4.5%	$ 16,516	$ 103	2.5%
Net interest income/spread		$ 3,738	2.4%		$ 727	2.8%
Average leverage %(4)	186.9%			36.1%		
Weighted average levered yield(5)			11.5%			6.4%

(1) Based on amortized cost for real estate securities and principal amount for repurchase agreements. Amounts are calculated based on the average daily balance.

(2) Includes the effect of amortization of premium or accretion of discount.

(3) Calculated as interest income or expense divided by average carrying value.

(4) Calculated by dividing total average interest-bearing liabilities by total average equity (total average interest-earning assets less total average liabilities).

(5) Calculated by taking the sum of (i) the net interest spread multiplied by the average leverage and (ii) the weighted average yield on interest-earning assets.

The increase in our weighted average interest-earning assets and interest-bearing liabilities was due to the investment of proceeds from the Offering and through increased leverage as we executed our business strategy. The change in the weighted average yield and finance cost was due to the change in the portfolio composition as we invest the proceeds from the Offering.

Operating Expenses

Operating expenses for the three-months ended March 31, 2019 and 2018 consisted of the following:

	Three-Months Ended March 31,	
	2019	2018
Advisory fee	$ 1,531	$ —
Debt finance costs	195	65
Directors compensation	21	22
Professional service fees	150	116
Other expenses	84	59
Total operating expenses	$ 1,981	$ 262

Total operating expenses for the three-months ended March 31, 2019 and 2018 were $1,981 and $262, respectively. The increase in the advisory fee during the three-months ended March 31, 2019, compared to the three-months ended March 31, 2018 was due to the Advisor waiving the fee for all periods prior to April 1, 2018. During 2018, we, through our wholly owned subsidiary, entered into a master repurchase agreement with Column Financial, Inc. as administrative agent for certain of its affiliates (the "Repo Facility") and incurred costs which are deferred over the term of the Repo Facility. The increase in debt finance costs was due to additional fees incurred to increase the maximum advance amount and extend the term.

Other Income

For the three-months ended March 31, 2019 and 2018, other income was $1,863 and $31, respectively. Our real estate securities created net gains of $1,765 and $31, respectively, during the three-months ended March 31, 2019 and 2018. The net gains were due to an unrealized gain of $1,808 and a realized loss of $43 during the three-months ended March 31, 2019 and an unrealized gain of $31 during the three-months ended March 31, 2018. The changes were the result of the changes in market conditions that affected the price of our securities. Other interest income increased $98 from an investment in U.S. Treasury bills during the three-months ended March 31, 2019. We did not have any investments in U.S. Treasury bills during the three-months ended March 31, 2018.

Net Income

For the three-months ended March 31, 2019 and 2018, our net income was $3,620 and $496, or $0.54 and $0.23 per share (basic and diluted), respectively. The increase in net income was primarily due to the increase in net interest income as our investment portfolio increased due to investing the proceeds from the Offering and borrowings.

Non-GAAP Financial Measures

Funds from Operations and Modified Funds from Operations

We use Funds from Operations ("FFO"), a widely accepted metric, to evaluate our performance. FFO provides a supplemental measure to compare our performance and operations to other REITs. Due to certain unique operating characteristics of real estate companies, the National Association of Real Estate Investment Trusts ("NAREIT") has promulgated a standard known as FFO, which it believes more accurately reflects the operating performance of a REIT. As defined by NAREIT, FFO means net income computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains (or losses) from sales of operating property, plus depreciation and amortization and after adjustments for unconsolidated entities. In addition, NAREIT has further clarified the FFO definition to add-back impairment write-downs of depreciable real estate or of investments in unconsolidated entities that are driven by measurable decreases in the fair value of depreciable real estate and to exclude the earnings impacts of cumulative effects of accounting changes. We have adopted the NAREIT definition for computing FFO.

Our business plan is to operate as a mortgage REIT with our portfolio consisting of CRE debt and CRE securities. We will typically have no FFO adjustments to our net income or loss computed in accordance with GAAP. Although we have the ability to acquire real property, we have not acquired any at this time and as such have not had any FFO adjustments to our net income or loss computed in accordance with GAAP.

Due to the unique features of publicly registered, non-listed REITs, the Institute for Portfolio Alternatives ("IPA"), an industry trade group, published a standardized measure known as Modified Funds from Operations ("MFFO"), which the IPA has promulgated as a supplemental measure for publicly registered non-listed REITs and which may be another appropriate supplemental measure to reflect the operating performance of a non-listed REIT.

The IPA defines MFFO as FFO adjusted for acquisition fees and expenses, amounts relating to straight line rents and amortization of premiums on debt investments, non-recurring impairments of real estate-related investments, mark-to-market adjustments included in net income, non-recurring gains or losses included in net income from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan, unrealized gains or losses resulting from consolidation from, or deconsolidation to, equity accounting, and after adjustments for consolidated and unconsolidated partnerships and joint ventures.

We define MFFO in accordance with the concepts established by the IPA and adjust FFO for certain items, such as amortization of premium and discounts on real estate securities. We purchase real estate securities at a premium or discount to par value, and in accordance with GAAP, record the amortization of premium/accretion of the discount to interest income. We believe that excluding the amortization of premiums and discounts provides better insight to the expected contractual cash flows. In addition, we adjust FFO for unrealized gains or losses on real estate securities. Any mark-to-market or fair value adjustments are based on general market or overall industry conditions and may be temporary in nature.

Because MFFO may be a recognized measure of operating performance within the non-listed REIT industry, MFFO and the adjustments used to calculate it may be useful in order to evaluate our performance against other non-listed REITs. Like FFO, MFFO is not equivalent to our net income or loss as determined under GAAP, as detailed in the table below, and MFFO may not be a useful measure of the impact of long-term operating performance on value if we continue to acquire a significant amount of investments.

Our presentation of FFO and MFFO may not be comparable to other similarly titled measures presented by other REITs. We believe that the use of FFO and MFFO provides a more complete understanding of our operating performance to stockholders and to management, and when compared year over year, reflects the impact on our operations from trends in operating costs, general and administrative expenses, and interest costs. Neither FFO nor MFFO is intended to be an alternative to “net income” or to “cash flows from operating activities” as determined by GAAP as a measure of our capacity to pay distributions. Management uses FFO and MFFO to compare our operating performance to that of other REITs and to assess our operating performance.

Neither the SEC, any other regulatory body nor NAREIT has passed judgment on the acceptability of the adjustments that we use to calculate FFO or MFFO. In the future, the SEC, another regulatory body or NAREIT may decide to standardize the allowable adjustments across the non-listed REIT industry and we would have to adjust our calculation and characterization of FFO or MFFO.

Our FFO and MFFO are calculated as follows:

	Three-months ended March,	
	2019	2018
GAAP net income	$ 3,620	$ 496
Funds from operations	$ 3,620	$ 496
Amortization of (discount) premium on real estate securities	(177)	—
Unrealized gain on real estate securities	(1,808)	(31)
Amortization of debt financing costs	195	65
Modified funds from operations	$ 1,830	$ 530

Liquidity and Capital Resources

Liquidity is a measurement of our ability to meet potential cash requirements, including ongoing commitments to pay distributions to our stockholders, fund investments, originate loans, repay borrowings, and other general business needs including the payment of our operating and administrative expenses. Our primary sources of funds for liquidity consist of the net proceeds from the Offering, net cash provided by operating activities, proceeds from repurchase agreements and other financing arrangements and future issuances of equity and/or debt securities.

We currently believe that we have sufficient liquidity and capital resources available for all anticipated uses, including the acquisition of additional investments, required debt service and the payment of distributions to stockholders.

Cash Flow Analysis

	Three-months Ended March 31,		Change
	2019	2018	2019 vs. 2018
Net cash provided by operating activities	$ 1,661	$ 594	$ 1,067
Net cash used in investing activities	$ (77,213)	$ (24,352)	$ (52,861)
Net cash provided by financing activities	$ 77,045	$ 28,117	$ 48,928

We held cash, cash equivalents and restricted cash of $29,990 and $28,497 as of March 31, 2019 and December 31, 2018, respectively. Our cash, cash equivalents and restricted cash increased due to normal fluctuations and were primarily related to the net proceeds from the Offering and from the net proceeds from our repurchase agreements that were not used to purchase investments.

Our operating activities generated net cash of $1,661 and $594 for the three-months ended March 31, 2019 and 2018, respectively. The increase in cash from operating activities was due to the increase in the size of our investment portfolio.

Our investing activities used net cash of $77,213 and $24,352 for the three-months ended March 31, 2019 and 2018, respectively. The primary driver of the change was due to the origination of mortgage loans and purchase of real estate securities as we invested the proceeds of the Offering on a levered basis.

Our financing activities provided net cash of $77,045 and $28,117 for the three-months ended March 31, 2019 and 2018, respectively. The contributions came from $40,692 in net proceeds from our repurchase agreement financing and $39,656 in net proceeds from the issuance of our common stock for the three-months ended March 31, 2019. For the three-months ended March 31, 2018, the contributions came from $10,958 in net proceeds from our repurchase agreement financing and $18,573 in net proceeds from the issuance of our common stock.

Repurchase Agreements

Commercial Mortgage Loans

On February 15, 2018, we, through our wholly owned subsidiary, entered into the Repo Facility. The Repo Facility had an initial advance amount of $100,000 subject to a maximum advance amount of $250,000. We increased the advance amount in August 2018 to $175,000, and in January 2019 to the maximum of $250,000. The initial term of the Repo Facility was 12 months and we extended the maturity date in February 2019 to February 2020. The Repo Facility is used to finance eligible loans and acts in the manner of a revolving credit facility that can be repaid as our assets are paid off and re-drawn as advances against new assets. Advances under the Repo Facility accrue interest at a per annum rate equal to LIBOR plus 2.25%. The Repo Facility is generally subject to certain financial covenants. We were in compliance with all financial covenant requirements as of March 31, 2019 and December 31, 2018.

The details of the Repo Facility as of March 31, 2019 and December 31, 2018 are as follows:

	Committed Financing	Amount Outstanding (1)	Accrued Interest Payable	Collateral Pledged	Weighted Average Interest Rate	Weighted Average Days to Maturity
As of March 31, 2019	$ 250,000	$ 195,536	$ 360	$ 272,093	4.73%	319
As of December 31, 2018	$ 175,000	$ 164,410	$ 299	$ 225,075	4.71%	317

(1) Excluding $73 and $77 of unamortized debt issuance costs at March 31, 2019 and December 31, 2018, respectively.

Real Estate Securities

As of March 31, 2019 and December 31, 2018, we had entered into two master repurchase agreements for real estate securities with separate counterparties and had the following balances outstanding as described in the table below:

	Amount Outstanding	Accrued Interest Payable	Collateral Pledged	Weighted Average Interest Rate	Weighted Average Days to Maturity
As of March 31, 2019	$ 71,436	$ 83	$ 98,146	3.87%	16
As of December 31, 2018	$ 61,871	$ 128	$ 84,646	3.79%	9

Distributions

We currently pay distributions on Class P Shares based on daily record dates, payable in arrears the following month, equal to a daily amount of 1/365th of $1.92 per share. The table below presents the distributions paid and declared during the three-months ended March 31, 2019 and 2018.

Year	Distributions Paid (1)	Distributions Declared	Cash Flow From Operations
2019	$ 2,922	$ 3,170	$ 1,661
2018	$ 882	$ 1,008	$ 594

(1) For the three-months ended March 31, 2019 and 2018, 43.1% and 32.6% of distributions were paid from the net proceeds of our Offering, respectively.

Contractual Obligations and Commitments

Our contractual obligations, excluding expected interest payments, as of March 31, 2019 and December 31, 2018 are summarized as follows:

As of March 31, 2019	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
Borrowings under repurchase agreements - real estate securities	$ 71,436	—	—	—	$ 71,436
Borrowings under repurchase agreements - commercial mortgage loans (1)	195,536	—	—	—	195,536
Total	$ 266,972	—	—	—	$ 266,972
As of December 31, 2018					
Borrowings under repurchase agreements - real estate securities	$ 61,871	—	—	—	$ 61,871
Borrowings under repurchase agreements - commercial mortgage loans (1)	164,410	—	—	—	164,410
Total	$ 226,281	—	—	—	$ 226,281

(1) Excluding $73 and $77 of unamortized debt issuance costs at March 31, 2019 and December 31, 2018, respectively.

We have made a commitment to advance additional funds under certain of our CRE loans if the borrower meets certain conditions. As of March 31, 2019 and December 31, 2018, we had 15 and 13 CRE loans, respectively, with a total remaining future funding commitment of $26,745 and $30,343, respectively. The future funding commitments are advanced at our discretion if the borrower has requested the advance and has met certain loan specific requirements.

Critical Accounting Policies

Disclosures discussing all critical accounting policies are set forth in our Annual Report under the heading “Summary of Critical Accounting Policies.” There have been no changes to our critical accounting policies during the three-months ended March 31, 2019.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Subsequent Events

For information related to subsequent events, reference is made to Note 12 – “Subsequent Events” which is included in our notes to consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Credit Risk

Our investments are subject to a high degree of credit risk. Credit risk is the exposure to loss from loan defaults. Default rates are subject to a wide variety of factors, including, but not limited to, borrower financial condition, property performance, property management, supply/demand factors, construction trends, consumer behavior, regional economics, interest rates, the strength of the U.S. economy, and other factors beyond our control. All loans are subject to a certain probability of default. We manage credit risk through the underwriting and investment structuring process, acquiring our investments at the appropriate discount to face value, if any, and establishing loss assumptions. We also carefully monitor the performance of the loans, as well as external factors that may affect their value.

Interest Rate Risk

Our market risk arises primarily from interest rate risk relating to interest rate fluctuations. Many factors including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control contribute to interest rate risk. To meet our short and long-term liquidity requirements, we may borrow funds at fixed and variable rates. Our interest rate risk management objectives are to limit the impact of interest rate changes in earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, collars and treasury lock agreements in order to mitigate our interest rate risk with respect to various debt instruments. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in benefits of lower interest rates with respect to our portfolio of investments with fixed interest rates. During the three-months ended March 31, 2019 and 2018, we did not engage in interest rate hedging activities. We do not hold or issue derivative contracts for trading or speculative purposes. We do not have any foreign denominated investments, and thus, we are not exposed to foreign currency fluctuations.

As of March 31, 2019, and December 31, 2018, our investment portfolio was 97% variable rate investments based on LIBOR for various terms. Borrowings under our master services agreements were short-term and at a variable rate. The following table quantifies the potential changes in interest income net of interest expense should interest rates increase by 50 or 100 basis points or decrease by 25 basis points, assuming that our current balance sheet was to remain constant and no actions were taken to alter our existing interest rate sensitivity:

	Estimated Percentage Change in Interest Income Net of Interest Expense	
Change in Rates	March 31, 2019	December 31, 2018
(-) 50 Basis Points	(2.71)%	(3.98)%
(-) 25 Basis Points	(1.79)%	(2.32)%
Base Interest Rate	0.00%	0.00%
(+) 25 Basis Points	2.42%	2.32%
(+) 50 Basis Points	4.84%	4.64%

Item 4. Controls and Procedures

Controls and Procedures

Our management has evaluated, with the participation of our principal executive and principal financial officers, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the principal executive and principal financial officers have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) or Rule 15d-15(f)) during the three-months ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

In the ordinary course of business, we may become subject to litigation. We have no knowledge of material legal proceedings pending or known to be contemplated against us at this time.

Item 1A. Risk Factors

Not applicable as we are a smaller reporting company.

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

Recent Sales of Unregistered Equity Securities (Dollar amounts in thousands)

On October 25, 2016, we commenced the Offering of up to $500,000 in our Class P Shares. The Class P Shares are being offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506 (b) of Regulation D, and in compliance with any applicable state securities laws. During the three-months ended March 31, 2019, we received and accepted investors' subscriptions for and issued 1,583,864 Class P Shares in the Offering resulting in gross offering proceeds of $42,680. During the period from March 31, 2019 to May 9, 2019, we received and accepted investors' subscriptions for and issued 602,350 Class P Shares in the Offering resulting in gross offering proceeds of $16,248. As of May 9, 2019, we have issued 8,129,184 Class P Shares resulting in gross offering proceeds of $219,356 and had $280,719 of Class P Shares remaining to be sold in the Offering.

Except as set forth above, we have not sold any securities which were not registered under the Securities Act during the period covered by this report.

Repurchases of Common Stock

During the three months ended March 31, 2019, we did not repurchase any shares of our common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits

The representations, warranties and covenants made by us in any agreement filed as an exhibit to this Quarterly Report on Form 10-Q are made solely for the benefit of the parties to the agreement, including, in some cases, for the purpose of allocating risk among the parties to the agreement, and should not be deemed to be representations, warranties or covenants to, or with, you. Moreover, these representations, warranties and covenants should not be relied upon as accurately describing or reflecting the current state of our affairs.

The exhibits filed in response to Item 601 of Regulation S-K are listed on the Exhibit Index attached hereto and are incorporated herein by reference.

Exhibit No.	Description
3.1	Articles of Amendment and Restatement of InPoint Commercial Real Estate Income, Inc. (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form 10 (File No. 000-55782) filed on May 2, 2017 (the “Form 10”))
3.2	Bylaws of InPoint Commercial Real Estate Income, Inc. (incorporated by reference to Exhibit 3.2 to the Form 10)
31.1*	Certification of the Principal Executive Officer of the Company, pursuant to Securities Exchange Act Rule 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Principal Financial Officer of the Company, pursuant to Securities Exchange Act Rule 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of the Principal Executive Officer of the Company pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of the Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from our Quarterly Report on Form 10-Q for the period ended March 31, 2019, filed with the Securities and Exchange Commission on May 10, 2019 is formatted in Extensible Business Reporting Language (“XBRL”): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Changes in Stockholders’ Equity; (iv) Consolidated Statements of Cash Flows; and (v) Notes to Consolidated Financial Statements (tagged as blocks of text)

* Filed as part of this Quarterly Report on Form 10-Q

SIGNATURES

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

INPOINT COMMERCIAL REAL ESTATE INCOME, INC.

By:	/s/ Mitchell A. Sabshon
Name:	Mitchell A. Sabshon
Title:	Chief Executive Officer and Chairman (principal executive officer)
Date:	May 10, 2019

By:	/s/ Catherine L. Lynch
Name:	Catherine L. Lynch
Title:	Chief Financial Officer (principal financial officer)
Date:	May 10, 2019

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Section 2: EX-31.1 (EX-31.1)

EXHIBIT 31.1

Certification of Principal Executive Officer

I, Mitchell A. Sabshon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of InPoint Commercial Real Estate Income, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

By:	/s/ Mitchell A. Sabshon
Name:	Mitchell A. Sabshon
Title:	Chief Executive Officer and Chairman
Date:	May 10, 2019

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Section 3: EX-31.2 (EX-31.2)

EXHIBIT 31.2

Certification of Principal Financial Officer

I, Catherine L. Lynch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of InPoint Commercial Real Estate Income, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

By:	/s/ Catherine L. Lynch
Name:	Catherine L. Lynch
Title:	Chief Financial Officer
Date:	May 10, 2019

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Section 4: EX-32.1 (EX-32.1)

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of InPoint Commercial Real Estate Income, Inc. (the "Company") for the quarterly period ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mitchell A. Sabshon, Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:	/s/ Mitchell A. Sabshon
Name:	Mitchell A. Sabshon
Title:	Chief Executive Officer and Chairman
Date:	May 10, 2019

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Section 5: EX-32.2 (EX-32.2)

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q of InPoint Commercial Real Estate Income, Inc. (the "Company") for the quarterly period ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Catherine L. Lynch, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of her knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:	/s/ Catherine L. Lynch
Name:	Catherine L. Lynch
Title:	Chief Financial Officer
Date:	May 10, 2019

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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