AI CREDIT® TRIALS 2020-2023

Toronto, Ontario • Los Angeles, California

April 2024

Introduction

Over the past four years our eclectic team of indie student developers and financing professionals conducted **nine (9) trials on 145 funded credit transactions totaling $150 million USD**, each trial designed to decipher and harness the potential of AI in conjunction with human workflow and insight. Initially focused on automating traditional tasks, our approach evolved significantly through these trials. By the time we reached trials seven through nine, our focus had shifted from automation to augmentation - pairing skilled professionals with AI not as a replacement but as a multiplier of their abilities. This transformation wasn't just about adopting highest-best use AI technology into the enterprise; it was about reimagining the role of skilled human expertise in a digitized, AI-driven landscape.
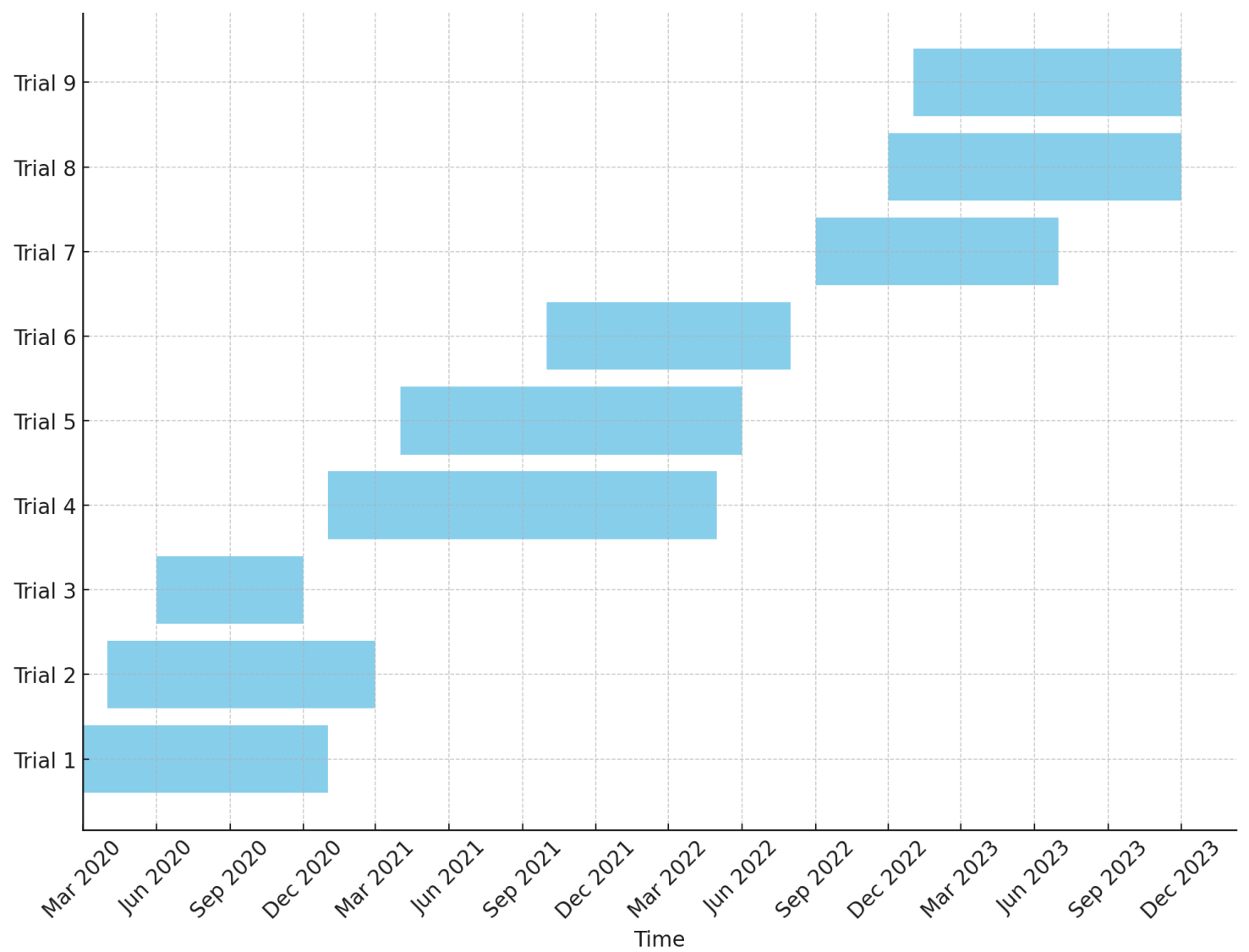
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AI-Credit Trials 2020-2023

Trial #	Time Period	Trial Description
1	Mar-2020 to Jan-2021	AI-Powered Risk Assessment Simulator
2	Apr-2020 to Mar-2021	Machine Learning-Driven Credit Risk Management
3	Jun-2020 to Dec-2020	AI-Enabled Credit-Application Fraud Detection System
4	Jan-2021 to May-2022	Predictive Risk Analytics for Credit Default Detection
5	Apr-2021 to Jun-2022	Robotic Process Automation for Credit Data
6	Oct-2021 to Aug-2022	Blockchain-Based Smart Contract for Immutable Custody
7	Sep-2022 to Jul-2023	Natural Language Processing for Document Analysis
8	Dec-2022 to Dec-2023	Generative AI for Credit Data and Loan Documents
9	Jan-2023 to Dec-2023	AI Analyst with Generative/LLM for Data Q&A

AI-Credit Trials Summary 2020-2023

Trial #	Trial Name	Objective	Trial Setup	AI Technologies
1	AI-Powered Risk Assessment Simulator	Test the accuracy, efficiency and process of a machine learning model in assessing the credit risk profiles of selected commercial borrowers in the USA. Secured collateral: SBA 504 CRE, comm equipment.	Select a subset of new credit applications and assess risk using both the AI model and traditional methods. Evaluate the process and outcomes in terms of accuracy, predicting defaults, and overall assessment time.	Machine learning algorithms including logistic regression and decision trees. *Note* The heavy mathematics blew wheels off the finance pros*
2	Machine Learning-Driven Credit Portfolio Risk Management	Test a machine learning system's ability to manage and optimize credit portfolio risk dynamically. Process map interface and decisioning with AI and human managers.	Use AI/ML algorithms to analyze the credit portfolio and indicate reallocation strategies i.e. hold or sell. Perform a simulated portfolio adjustment and track performance.	Advanced analytics and predictive modeling tools. *Tableau, Python, TensorFlow, Excel, Google, RapidMiner*
3	AI-Enhanced Fraud Detection System	Determine the efficacy of an AI system in detecting and preventing fraud in credit applications in parallel with credit officer review. Inclusive of vendors, 3rd party reports.	Deploy an AI system designed to analyze patterns and anomalies that may indicate fraudulent activities across credit applications. Measure detection rates and compare to existing mechanisms.	Deep learning and anomaly detection algorithms. *Python, PyOD, TensorFlow, open source models/vendors*
4	Predictive Risk Analytics for Credit Default	Validate the effectiveness of predictive risk analytics in identifying early signs of default before traditional indicators become apparent.	Implement a predictive model using historical data on credit performance, industry metrics to predict potential defaults. Compare predictions with actual outcomes.	Predictive analytics tools and time-series analysis. *Python, PyOD, TensorFlow, Tableau*
5	Robotic Process Automation (RPA) for Credit Processing Efficiency	Evaluate the impact of RPA on the efficiency and accuracy of the credit processing workflow. Process map credit files, workflow.	Integrate RPA bots to handle repetitive tasks such as data entry, document verification, and initial credit checks. Compare processing times and error rates before and after implementation.	RPA software platforms. *Taskt, Open RPA, Snowflake intro*

AI-Credit Trials Summary 2020-2023

| Trial #	Trial Name	Objective	Trial Setup	AI Technologies
6	Private Blockchain-Based Smart Contract for Custody of Loan and Lease Documents and Credit Data (Credit Analysis and Underwriting Data)	Test the reliability and efficiency of using blockchain technology, an immutable ledger, for tracking credit data, documents. Test the application for Lender and secondary market.	Set up a blockchain platform where credit agreements are tagged in a blockchain upon meeting predefined conditions. Set up tracking for doc-servicing process map, data type needed, advanced database needed. Manage to potential issues.	Blockchain technology and smart contracts. *Smart contract platforms: Cardano, Ethereum*
7	Natural Language Processing (NLP) for Credit Data and Document Analysis	Use NLP to extract and interpret information from borrower documents such as bank statements, tax returns, audited financial statements, loan lease credit documents.	Architect an NLP system to accurately identify and summarize credit documentation compared to manual processing by credit officers.	NLP tools and frameworks. *NLTK, spaCy, Google, Amazon*
8	Generative AI for Credit Documents and Loan Documents	Test generative AI's capability in creating customized credit analysis memorandum documents based on a cloud-based credit data warehouse.	Deploy generative AI to create complex, data-driven credit documents that summarize borrower's profile and creditworthiness, extracting key points from structured and unstructured sources.	Generative AI models capable of synthesizing and generating documents. *Open AI GPT-3/4, Langchain, Python, SQL NoSQL*
9	Interactive AI Advisor with Generative AI and LLM for Data-Driven Decision Support	Demonstrate how an advanced Interactive AI Advisor, integrating Generative AI and LLMs, can assist credit officers by enabling conversational interaction with data.	Integrate a robust LLM with Generative AI capabilities into the credit department's existing IT infrastructure. Ensure real-time interaction and instant data-driven responses for credit officers.	LLMs and Generative AI for natural language understanding, generation, Q&A *Open AI, Llama, Langchain, Python, private vendors, developers*

AI-Credit Trials R&D Credit Portfolio 2020-2023

Group 1: SBA 504 Commercial Mortgage Credit Portfolio

Loan ID	Note Date	Year	Loan Type	Loan Purpose	Collateral Type	Collateral Detail	Collateral City	State	Original Principal Funded	LTV	Note Rate	Amort	Term	NAICS Sector - Operating Company	NAICS	DSCR	Guarantor FICO	FICO Comment	Credit Portfolio Status	AI Credit Trial(s)
200005001	26-Dec-2019	2019	Mortgage Loan SBA (504)	Purchase	CRE	Owner Occupied Industrial Property	Corona	CA	$ 1,052,106	51%	6.75%	300	120	Sector 31 – 33 – Manufacturing	339112	2.28x	770	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
539001001	31-Dec-2019	2019	Mortgage Loan Conv	RefiRateTerm	CRE	Skating rink in Decatur GA	Decatur	GA	$ 1,300,000	69%	8.25%	12	12	Sector 71 – Arts, Entertainment and Recreation	713940	N/A	N/A	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
200007001	31-Jan-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Industrial property in Simi Valley	Simi Valley	CA	$ 1,838,950	52%	6.75%	300	300	Sector 23 – Construction	238910	3.77x	710	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
200001001	4-Feb-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Commercial building in North Hollywood	North Hollywood	CA	$ 985,151	51%	6.75%	300	120	Sector 51 – Information	512290	2.48x	698	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
200006001	18-Mar-2020	2020	Mortgage Loan Conv	RefiRateTerm	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 1,085,500	65%	6.75%	300	120	Sector 56 – Administrative and Support, Waste Management	561311	9.62x	746	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
494020002	31-Mar-2020	2020	Bridge Mortgage	RefiRateTerm	CRE	Construction note for storage facility	Northbrook	IL	$ 150,000	N/A	4.75%	N/A	116	Sector 53 – Real Estate and Rental/Leasing	531130	N/A	N/A	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
200020001	7-May-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Office Building in Downey CA	Downey	CA	$ 1,102,679	53%	6.75%	300	300	Sector 56 – Administrative and Support, Waste Management	561311	7.35x	758	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200021001	21-May-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Industrial Property in Riverside, CA	Riverside	CA	$ 986,130	51%	5.85%	300	300	Sector 23 – Construction	238210	8.09x	784	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
200016001	1-Jun-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Industrial Property in Oakland CA	Oakland	CA	$ 1,214,705	51%	6.75%	300	300	Sector 23 – Construction	236220	1.58x	721	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200025001	21-Aug-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Office Condo in Irvine CA	Irvine	CA	$ 431,897	52%	6.75%	300	300	Sector 44 - 45 – Retail Trade	458110	1.04x	703	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
200032001	7-Oct-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Self-storage facility in Van Nuys	Van Nuys	CA	$ 1,023,659	51%	6.50%	300	300	Sector 48 - 49 – Transportation and Warehousing	484210	3.61x	727	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200033001	6-Nov-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Industrial property in Costa Mesa	Costa Mesa	CA	$ 905,000	52%	6.50%	300	300	Sector 23 – Construction	238290	2.24x	744	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200059001	19-Nov-2020	2020	Mortgage Loan SBA (504)	Purchase	CRE	Industrial Property in Chatsworth	Chatsworth	CA	$ 3,293,495	51%	5.85%	300	300	Sector 31 – 33 – Manufacturing	325620	1.49x	726	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200060001	23-Dec-2020	2020	Structured Mortgage Debt	Purchase	CRE	2 Restaurants in Palm City FL	Palm Beach City	FL	$ 630,750	41%	6.25%	120	300	Sector 72 – Accommodation and FoodServices	722511	3.03x	736	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200030001	27-Jan-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commercial Property In LB	Long Beach	CA	$ 217,160	52%	6.50%	300	300	Sector 23 – Construction	236118	5.17x	769	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200067001	23-Mar-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Industrial Building in Pomona	Pomona	CA	$ 682,500	52%	6.18%	300	300	Sector 31 – 33 – Manufacturing	311919	2.24x	696	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
200062002	20-Apr-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commercial Property in Hisperia	Hisperia	CA	$ 680,000	52%	6.25%	300	300	Sector 44 - 45 – Retail Trade	441120	5.98x	746	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200085001	4-Jun-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Industrial Building in Victorville	Victorville	CA	$ 425,000	52%	5.75%	300	300	Sector 42 – Wholesale Trade	423990	2.19x	796	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
200085002	4-Jun-2021	2021	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial Property in Victorville	Victorville	CA	$ 334,000	41%	7.00%	I/O	3	Sector 42 – Wholesale Trade	423990	2.19x	796	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
200087001	11-Jun-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commerical Property in Chandler AZ	Chandler	AZ	$ 1,272,050	51%	6.25%	300	300	Sector 31 – 33 – Manufacturing	311920	3.50x	766	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200087002	11-Jun-2021	2021	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial office in AZ	Chandler	AZ	$ 1,017,640	41%	7.00%	I/O	3	Sector 31 – 33 – Manufacturing	311920	3.50x	766	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
200094001	20-Aug-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commerical Property in Moreno Valley	Moreno Valley	CA	$ 1,373,152	51%	5.85%	300	300	Sector 42 – Wholesale Trade	423930	1.39x	778	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
200095001	23-Aug-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commerical property in Van Nuys	Van Nuys	CA	$ 515,000	52%	5.85%	300	300	Sector 62 – Health Care and Social Assistance	621610	2.67x	699	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
200095002	23-Aug-2021	2021	Mortgage Loan 504 Bridge	Purchase	CRE	Commerical Propety in Van Nuys	Van Nuys	CA	$ 412,000	41%	7.00%	I/O	3	Sector 62 – Health Care and Social Assistance	621610	2.67x	699	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
200078001	8-Sep-2021	2021	Mortgage Loan Conv	RefiRateTerm	CRE	Retail Property in Van Nuys	Van Nuys	CA	$ 1,400,000	65%	5.00%	300	120	Sector 62 – Health Care and Social Assistance	623110	3.05x	712	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
240009001	6-Dec-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Irvine	Irvine	CA	$ 665,000	50%	5.125%	300	300	Sector 44 - 45 – Retail Trade	449210	2.19x	782	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
240009002	6-Dec-2021	2021	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Irvine	Irvine	CA	$ 589,100	44%	7.00%	I/O	4	Sector 44 - 45 – Retail Trade	449210	2.19x	782	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240006001	13-Dec-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in San Jacinto	San Jacinto	CA	$ 347,500	51%	4.75%	300	300	Sector 54 – Professional, Scientific and TechnicalServices	541990	5.75x	728	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240006002	13-Dec-2021	2021	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in San Jacinto	San Jacinto	CA	$ 278,000	41%	7.00%	I/O	4	Sector 54 – Professional, Scientific and TechnicalServices	541990	5.75x	728	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240013001	15-Dec-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Santa Ana	Santa Ana	CA	$ 2,750,000	36%	5.45%	300	300	Sector 62 – Health Care and Social Assistance	621111	7.19x	653	Fair	Sold-Bank	1,2,3,4,5,6,7,8,9
240013002	15-Dec-2021	2021	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Santa Ana	Santa Ana	CA	$ 2,200,000	29%	7.50%	I/O	4	Sector 62 – Health Care and Social Assistance	621111	7.19x	653	Fair	Sold-Bank	1,2,3,4,5,6,7,8,9
200097001	23-Dec-2021	2021	Mortgage Loan SBA (504)	RefiRateTerm	CRE	Industrial Property in Santa Ana	Santa Ana	CA	$ 320,000	17%	5.95%	300	300	Sector 31 – 33 – Manufacturing	336999	4.94x	694	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
200097002	23-Dec-2021	2021	Mortgage Loan 504 Bridge	RefiRateTerm	CRE	Industrial Property in Santa Ana	Santa Ana	CA	$ 287,624	15%	7.00%	I/O	4	Sector 31 – 33 – Manufacturing	336999	4.94x	694	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
210001001	23-Dec-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 1,000,271	51%	6.80%	300	120	Sector 54 – Professional, Scientific and TechnicalServices	541410	1.61x	678	Fair	Sold-Bank	1,2,3,4,5,6,7,8,9
210001002	23-Dec-2021	2021	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 800,174	41%	7.50%	I/O	4	Sector 54 – Professional, Scientific and TechnicalServices	541410	1.61x	678	Fair	Sold-Bank	1,2,3,4,5,6,7,8,9
210002001	30-Dec-2021	2021	Mortgage Loan SBA (504)	Purchase	CRE	Retail center in El Cajon	El Cajon	CA	$ 1,777,500	51%	5.95%	300	300	Sector 44 - 45 – Retail Trade	457110	1.84x	770	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
210002002	30-Dec-2021	2021	Mortgage Loan 504 Bridge	Purchase	CRE	Retail center in El Cajon	El Cajon	CA	$ 1,244,250	36%	7.00%	I/O	4	Sector 44 - 45 – Retail Trade	457110	1.84x	770	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
201003001	5-Jan-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Long Beach	Long Beach	CA	$ 1,281,500	51%	6.50%	300	300	Sector 42 – Wholesale Trade	423920	1.16x	723	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
201003002	5-Jan-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Long Beach	Long Beach	CA	$ 1,025,200	41%	7.00%	I/O	4	Sector 42 – Wholesale Trade	423920	1.16x	723	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240004001	11-Jan-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial Property in Murrieta	Murrieta	CA	$ 485,000	50%	5.95%	300	300	Sector 54 – Professional, Scientific and TechnicalServices	541519	3.09x	749	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240004002	11-Jan-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial Property in Murrieta	Murrieta	CA	$ 339,500	35%	7.00%	I/O	4	Sector 54 – Professional, Scientific and TechnicalServices	541519	3.09x	749	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240010001	24-Jan-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Murrieta	Murrieta	CA	$ 621,944	49%	4.95%	300	300	Sector 52 – Finance and Insurance	524210	3.43x	689	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
240010002	24-Jan-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Murrieta	Murrieta	CA	$ 497,555	39%	7.00%	I/O	4	Sector 52 – Finance and Insurance	524210	3.43x	689	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
201007001	26-Jan-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Gardena	Gardena	CA	$ 770,000	51%	4.75%	300	300	Sector 54 – Professional, Scientific and TechnicalServices	541330	9.72x	768	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
201007002	26-Jan-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Gardena	Gardena	CA	$ 616,000	40%	7.00%	I/O	4	Sector 54 – Professional, Scientific and TechnicalServices	541330	9.72x	768	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240012001	27-Jan-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 652,450	51%	5.50%	300	300	Sector 52 – Finance and Insurance	524210	8.60x	885	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
240012002	27-Jan-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 521,960	41%	7.00%	I/O	4	Sector 52 – Finance and Insurance	524210	8.60x	885	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
201002001	31-Jan-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 669,763	50%	5.95%	300	300	Sector 54 – Professional, Scientific and TechnicalServices	541310	2.27x	764	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
201002002	31-Jan-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 468,834	35%	7.00%	I/O	4	Sector 54 – Professional, Scientific and TechnicalServices	541310	2.27x	764	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
201005001	14-Feb-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Anaheim	Anaheim	CA	$ 1,146,500	51%	5.78%	300	300	Sector 23 – Construction	238990	3.22x	726	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
201005002	14-Feb-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Anaheim	Anaheim	CA	$ 917,200	41%	7.00%	I/O	4	Sector 23 – Construction	238990	3.22x	726	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
201005003	14-Feb-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Anaheim	Anaheim	CA	$ 1,108,500	51%	5.78%	300	300	Sector 23 – Construction	238990	3.22x	726	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
201005004	14-Feb-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Anaheim	Anaheim	CA	$ 886,800	41%	7.00%	I/O	4	Sector 23 – Construction	238990	3.22x	726	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
260001001	17-Feb-2022	2022	Mortgage Loan SBA (504)	RefiRateTerm	CRE	Extended Stay Hotel in Spartanburg	Spartanburg	SC	$ 1,651,412	29%	5.73%	300	300	Sector 72 – Accommodation and FoodServices	721110	3.09x	793	Excellent	Portfolio	1,2,3,4,5,6,7,8,9
260001002	17-Feb-2022	2022	Mortgage Loan 504 Bridge	RefiRateTerm	CRE	Extended Stay Hotel in Spartanburg	Spartanburg	SC	$ 1,651,412	29%	7.00%	I/O	4	Sector 72 – Accommodation and FoodServices	721110	3.09x	793	Excellent	Portfolio	1,2,3,4,5,6,7,8,9
512044001	4-Mar-2022	2022	Mortgage Loan Conv	Purchase	CRE	Industrial Cold Storage	Delano	CA	$ 2,400,000	80%	8.83%	48	48	Sector 48 - 49 – Transportation and Warehousing	493120	1.46x	663	Fair	Portfolio	1,2,3,4,5,6,7,8,9
210003001	10-Mar-2022	2022	Mortgage Loan SBA (504)	RefiRateTerm	CRE	Commercial property in Mendota	Mendota	CA	$ 820,000	36%	6.00%	300	300	Sector 44 - 45 – Retail Trade	445110	1.38x	647	Min Accept	Sold-Bank	1,2,3,4,5,6,7,8,9
210003002	10-Mar-2022	2022	Mortgage Loan 504 Bridge	RefiRateTerm	CRE	Commercial property in Mendota	Mendota	CA	$ 820,000	36%	7.00%	I/O	4	Sector 44 - 45 – Retail Trade	445110	1.38x	647	Min Accept	Sold-Bank	1,2,3,4,5,6,7,8,9
601039001	11-Mar-2022	2022	Bridge Mortgage	Purchase	CRE	Commercial property in Ontario	Ontario	CA	$ 1,575,000	50%	8.00%	I/O	6	Sector 23 – Construction	236220	1.48x	753	Great	Portfolio	1,2,3,4,5,6,7,8,9
210005001	19-Apr-2022	2022	Mortgage Loan SBA (504)	RefiRateTerm	CRE	Commercial property in Whittier	Whittier	CA	$ 1,061,500	22%	6.15%	300	300	Sector 81 – OtherServices	811121	3.02x	790	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
210005002	19-Apr-2022	2022	Mortgage Loan 504 Bridge	RefiRateTerm	CRE	Commercial property in Whittier	Whittier	CA	$ 1,061,500	22%	7.99%	I/O	4	Sector 81 – OtherServices	811121	3.02x	790	Excellent	Sold-Bank	1,2,3,4,5,6,7,8,9
210008001	21-Apr-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial propety in Hemet	Hemet	CA	$ 1,129,327	50%	7.01%	300	300	Sector 44 - 45 – Retail Trade	444240	2.84x	734	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
210008002	21-Apr-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Hemet	Hemet	CA	$ 903,461	41%	8.00%	I/O	4	Sector 44 - 45 – Retail Trade	444240	2.84x	734	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240014001	27-May-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Ontario	Ontario	CA	$ 642,012	37%	6.10%	300	300	Sector 23 – Construction	236220	2.07x	753	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240014002	27-May-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Ontario	Ontario	CA	$ 642,012	37%	8.00%	I/O	4	Sector 23 – Construction	236220	2.07x	753	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240015001	31-May-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Fontana	Fontana	CA	$ 324,112	52%	6.91%	300	300	Sector 61 – EducationalServices	611620	2.89x	693	Good	Portfolio	1,2,3,4,5,6,7,8,9
240015002	31-May-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Fontana	Fontana	CA	$ 259,290	42%	8.00%	I/O	4	Sector 61 – EducationalServices	611620	2.89x	693	Good	Portfolio	1,2,3,4,5,6,7,8,9
230003001	13-Jun-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Bellflower	Bellflower	CA	$ 324,748	52%	7.19%	300	300	Sector 48 - 49 – Transportation and Warehousing	484110	9.93x	716	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
230003002	13-Jun-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Bellflower	Bellflower	CA	$ 259,798	42%	8.00%	I/O	4	Sector 48 - 49 – Transportation and Warehousing	484110	9.93x	716	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
240012003	30-Jun-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in La Puente	La Puente	CA	$ 615,649	51%	7.07%	300	300	Sector 52 – Finance and Insurance	524210	1.05x	754	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
240012004	30-Jun-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in La Puente	La Puente	CA	$ 492,519	41%	8.00%	I/O	4	Sector 52 – Finance and Insurance	524210	1.05x	754	Great	Sold-Bank	1,2,3,4,5,6,7,8,9
210010001	20-Jul-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in La Mirada	La Mirada	CA	$ 2,852,150	52%	6.85%	300	300	Sector 23 – Construction	238910	6.09x	707	Great	Portfolio	1,2,3,4,5,6,7,8,9
210010002	20-Jul-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in La Mirada	La Mirada	CA	$ 2,281,720	42%	8.00%	I/O	4	Sector 23 – Construction	238910	6.09x	707	Great	Portfolio	1,2,3,4,5,6,7,8,9
240017001	28-Jul-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in El Monte	El Monte	CA	$ 356,282	52%	6.65%	300	300	Sector 44 - 45 – Retail Trade	441340	2.14x	674	Fair	Sold-Bank	1,2,3,4,5,6,7,8,9
240017002	28-Jul-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in El Monte	El Monte	CA	$ 285,024	41%	8.00%	I/O	3	Sector 44 - 45 – Retail Trade	441340	2.14x	674	Fair	Sold-Bank	1,2,3,4,5,6,7,8,9
240016001	18-Aug-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 3,417,750	51%	7.95%	360	360	Sector 44 - 45 – Retail Trade	449110	2.54x	664	Fair	Portfolio	1,2,3,4,5,6,7,8,9
240016002	18-Aug-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Commercial property in Los Angeles	Los Angeles	CA	$ 2,734,200	41%	8.00%	I/O	7	Sector 44 - 45 – Retail Trade	449110	2.54x	664	Fair	Portfolio	1,2,3,4,5,6,7,8,9
210004001	23-Sep-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Industrial Warehouse in Niles IL	Niles	IL	$ 1,400,009	51%	7.79%	300	300	Sector 48 - 49 – Transportation and Warehousing	484110	2.98x	756	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
210004002	23-Sep-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Industrial Warehouse in Niles IL	Niles	IL	$ 1,120,007	41%	9.79%	I/O	4	Sector 48 - 49 – Transportation and Warehousing	484110	2.98x	756	Good	Sold-Bank	1,2,3,4,5,6,7,8,9
210015001	30-Sep-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Gas Station in Mettler	Mettler	CA	$ 4,106,049	52%	8.00%	300	300	Sector 44 - 45 – Retail Trade	457110	4.33x	754	Great	Portfolio	1,2,3,4,5,6,7,8,9
201014001	14-Oct-2022	2022	Mortgage Loan SBA (504)	Purchase	CRE	Restaurant in Downey	Downey	CA	$ 2,099,368	57%	8.39%	300	300	Sector 72 – Accommodation and FoodServices	722511	7.83x	738	Good	Portfolio	1,2,3,4,5,6,7,8,9
201014002	14-Oct-2022	2022	Mortgage Loan 504 Bridge	Purchase	CRE	Restaurant in Downey	Downey	CA	$ 1,679,455	46%	9.25%	I/O	4	Sector 72 – Accommodation and FoodServices	722511	7.83x	738	Good	Portfolio	1,2,3,4,5,6,7,8,9
201012001	25-Jan-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Industrial Building in Carlsbad	Carlsbad	CA	$ 1,085,000	51%	9.50%	300	300	Sector 42 – Wholesale Trade	423920	1.82x	735	Good	Portfolio	1,2,3,4,5,6,7,8,9
201012002	25-Jan-2023	2023	Mortgage Loan 504 Bridge	Purchase	CRE	Industrial Building in Carlsbad	Carlsbad	CA	$ 868,000	40%	10.50%	I/O	3	Sector 42 – Wholesale Trade	423920	1.82x	735	Good	Portfolio	1,2,3,4,5,6,7,8,9
230006001	3-Feb-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Restaurant in Upland	Upland	CA	$ 618,325	52%	10.00%	300	300	Sector 72 – Accommodation and FoodServices	722513	1.29x	722	Great	Portfolio	1,2,3,4,5,6,7,8,9
230006002	3-Feb-2023	2023	Mortgage Loan 504 Bridge	Purchase	CRE	Restaurant in Upland	Upland	CA	$ 494,660	41%	10.25%	I/O	4	Sector 72 – Accommodation and FoodServices	722513	1.29x	722	Great	Portfolio	1,2,3,4,5,6,7,8,9
201013001	23-Feb-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Grocery Retail Building in Lynwood	Lynwood	CA	$ 645,000	52%	9.70%	300	300	Sector 44 - 45 – Retail Trade	445110	1.95x	738	Good	Portfolio	1,2,3,4,5,6,7,8,9
201013002	23-Feb-2023	2023	Mortgage Loan 504 Bridge	Purchase	CRE	Grocery Retail Building in Lynwood	Lynwood	CA	$ 516,000	41%	10.50%	I/O	3	Sector 44 - 45 – Retail Trade	445110	1.95x	738	Good	Portfolio	1,2,3,4,5,6,7,8,9
230005001	23-Feb-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Auto Repair Shop in Bakersfield	Bakersfield	CA	$ 313,777	52%	10.00%	300	300	Sector 81 – OtherServices	811111	2.38x	733	Great	Portfolio	1,2,3,4,5,6,7,8,9
230005002	23-Feb-2023	2023	Mortgage Loan 504 Bridge	Purchase	CRE	Auto Repair Shop in Bakersfield	Bakersfield	CA	$ 251,020	42%	10.25%	I/O	4	Sector 81 – OtherServices	811111	2.38x	733	Great	Portfolio	1,2,3,4,5,6,7,8,9
230002001	12-Apr-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Restaurant in PA	Rieglesville	PA	$ 412,500	43%	10.00%	300	300	Sector 72 – Accommodation and FoodServices	722511	1.35x	673	Fair	Portfolio	1,2,3,4,5,6,7,8,9
230002002	12-Apr-2023	2023	Mortgage Loan 504 Bridge	Purchase	CRE	Restaurant in PA	Rieglesville	PA	$ 288,750	30%	10.00%	I/O	3	Sector 72 – Accommodation and FoodServices	722511	1.35x	673	Fair	Portfolio	1,2,3,4,5,6,7,8,9
230008001	22-Aug-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Restaurant in Garden Grove	Garden Grove	CA	$ 636,000	51%	9.74%	300	300	Sector 72 – Accommodation and FoodServices	722511	8.12x	660	Fair	Portfolio	1,2,3,4,5,6,7,8,9
210025001	22-Sep-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Dental Office in Phoenix AZ	Phoenix	AZ	$ 379,741	51%	8.70%	300	300	Sector 62 – Health Care and Social Assistance	621210	1.54x	743	Great	Portfolio	1,2,3,4,5,6,7,8,9
240012005	25-Sep-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Retail Property in La Puente	La Puente	CA	$ 490,367	52%	8.75%	300	300	Sector 52 – Finance and Insurance	524210	3.45x	782	Excellent	Portfolio	1,2,3,4,5,6,7,8,9
210028001	4-Dec-2023	2023	Mortgage Loan SBA (504)	Purchase	CRE	Fast Food Restaurant in Porterville	Porterville	CA	$ 1,045,980	52%	9.25%	300	120	Sector 72 – Accommodation and FoodServices	722513	1.02x	781	Excellent	Portfolio	1,2,3,4,5,6,7,8,9
210022001	15-Dec-2023	2023	Mortgage Loan 504 Bridge	Purchase	CRE	Industrial Warehouse in Los Angeles	Los Angeles	CA	$ 1,235,000	51%	11.00%	I/O	4	Sector 54 – Professional, Scientific and TechnicalServices	541420	2.69x	745	Great	Portfolio	1,2,3,4,5,6,7,8,9
210033001	4-Jan-2024	2024	Mortgage Loan SBA (504)	Purchase	CRE	Retail Property in San Bernardino	San Bernardino	CA	$ 1,099,250	51%	8.60%	300	120	Sector 44 - 45 – Retail Trade	449110	2.33x	724	Great	Portfolio	1,2,3,4,5,6,7,8,9
250002001	23-Jan-2024	2024	Mortgage Loan Conv	Purchase	CRE	Retail Grocery Store in Gridley	Gridley	CA	$ 1,040,000	67%	10.25%	300	300	Sector 44 - 45 – Retail Trade	445110	13.49x	796	Excellent	Portfolio	1,2,3,4,5,6,7,8,9
250001001	31-Jan-2024	2024	Mortgage Loan SBA (504)	Purchase	CRE	Commercial condominium in Torrance	Torrance	CA	$ 1,040,000	51%	10.25%	300	120	Sector 62 – Health Care and Social Assistance	621399	1.10x	808	Excellent	Portfolio	1,2,3,4,5,6,7,8,9
201015003	22-Feb-2024	2024	Mortgage Loan 504 Bridge	Purchase	CRE	Garage Building in Lomita	Lomita	CA	$ 225,165	53%	9.30%	I/O	4	Sector 23 – Construction	238210	6.48x	769	Great	Portfolio	1,2,3,4,5,6,7,8,9
201015004	22-Feb-2024	2024	Mortgage Loan 504 Bridge	Purchase	CRE	Garage Building in Lomita	Lomita	CA	$ 180,132	42%	10.50%	I/O	3	Sector 23 – Construction	238210	6.48x	769	Great	Portfolio	1,2,3,4,5,6,7,8,9
201018001	5-Mar-2024	2024	Mortgage Loan SBA (504)	Purchase	CRE	Industrial Building in Fontana	Fontana	CA	$ 1,715,000	51%	10.25%	300	120	Sector 42 – Wholesale Trade	424990	1.10x	683	Good	Portfolio	1,2,3,4,5,6,7,8,9
									$ 102,374,812											

Note: Table data can be viewed by enlarging, transferring to excel or using a generative AI talk-to-data system

Group 1: SBA 504 Commercial Mortgage Credit Portfolio Summary

Figure(s): AI-Credit Sector-Industry Breakdown by Principal Balance Funded - SBA 504 CRE Mortgage
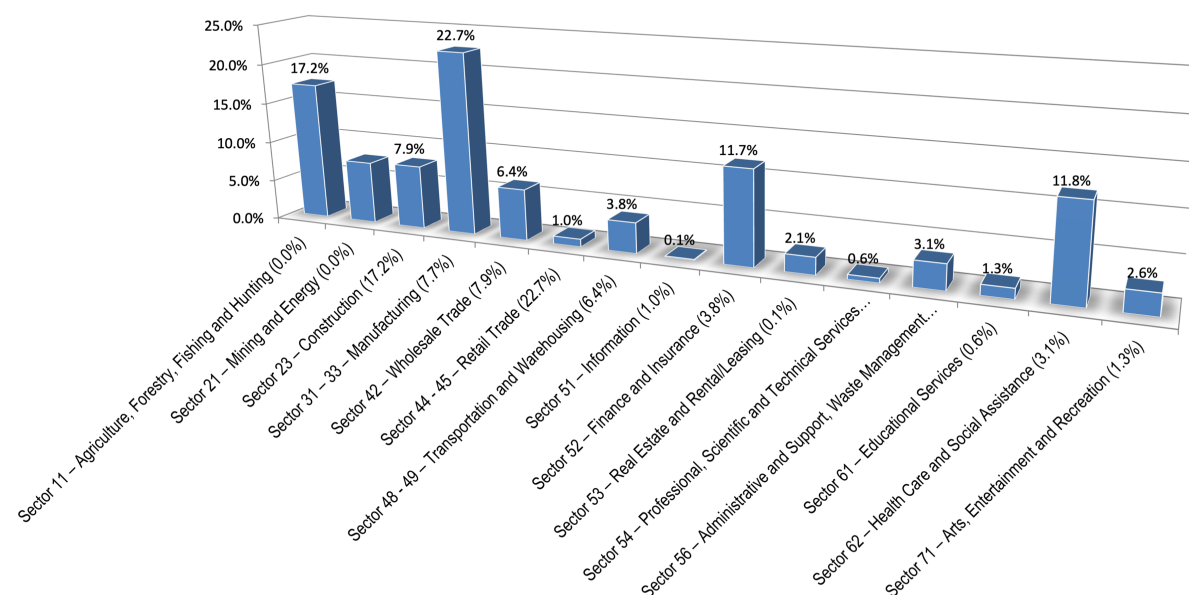
Industry	Amount Funded	%
Sector 11 – Agriculture, Forestry, Fishing and Hunting	$ -	0.0%
Sector 21 – Mining and Energy	$ -	0.0%
Sector 23 – Construction	$ 17,619,136	17.2%
Sector 31 – 33 – Manufacturing	$ 7,925,415	7.7%
Sector 42 – Wholesale Trade	$ 8,106,852	7.9%
Sector 44 - 45 – Retail Trade	$ 23,195,590	22.7%
Sector 48 - 49 – Transportation and Warehousing	$ 6,528,221	6.4%
Sector 51 – Information	$ 985,151	1.0%
Sector 52 – Finance and Insurance	$ 3,892,444	3.8%
Sector 53 – Real Estate and Rental/Leasing	$ 150,000	0.1%
Sector 54 – Professional, Scientific and Technical Services	$ 11,959,988	11.7%
Sector 56 – Administrative and Support, Waste Management and Remediation Services	$ 2,188,179	2.1%
Sector 61 – Educational Services	$ 583,402	0.6%
Sector 62 – Health Care and Social Assistance	$ 3,207,241	3.1%
Sector 71 – Arts, Entertainment and Recreation	$ 1,300,000	1.3%
Sector 72 – Accommodation and Food Services	$ 12,045,396	11.8%
Sector 81 – Other Services	$ 2,687,797	2.6%
Total	**102,374,812**	**100.0%**

Group 1:	US SBA 504 Commercial Mortgage Credit Portfolio Summary
Collateral:	Owner/Occupied Commercial/Industrial Real Estate in the United States
Loan Type:	US SBA 504 Commercial Mortgage Loans (1st TD and 2nd TD Bridge) https://www.sba.gov/funding-programs/loans/504-loans
Number of Transactions:	104
Funded Amount:	$102,374,812
Trials:	Yes - Trials 1 through 9

AI-Credit Trials R&D Credit Portfolio 2020-2023

Group 2: Commercial Equipment Financing Credit Portfolio

Credit ID	Funding Date	Year	Product Type	Credit Purpose	Collateral Type	Principal Balance	2022 NAICS Sector	2022 NAICS	Credit Portfolio	AI Credit Trial(s)
478007001	24-Feb-2018	2018	Equipment Tax Lease	New Equipment Purchase	C&I Equipment	$ 1,094,599	Sector 53 – Real Estate and Rental/Leasing	532412	Sold-Bank	1,2,3,4,5,6,7,8,9
478007002	26-Jul-2018	2018	Equipment Tax Lease	New Equipment Purchase	C&I Equipment	$ 1,047,011	Sector 53 – Real Estate and Rental/Leasing	532412	Sold-Bank	1,2,3,4,5,6,7,8,9
501001002	5-Oct-2018	2018	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,133,011	Sector 48 - 49 – Transportation and Warehousing	488510	Sold-Bank	1,2,3,4,5,6,7,8,9
478022001	24-Oct-2018	2018	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 2,220,771	Sector 23 – Construction	238910	Sold-Bank	1,2,3,4,5,6,7,8,9
512001001	19-Nov-2018	2018	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 697,540	Sector 23 – Construction	238910	Sold-Bank	1,2,3,4,5,6,7,8,9
512006001	20-Nov-2018	2018	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 2,220,771	Sector 31 – 33 – Manufacturing	333517	Sold-Bank	1,2,3,4,5,6,7,8,9
526001001	7-Dec-2018	2018	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 247,500	Sector 21 – Mining and Energy	213112	Sold-Bank	1,2,3,4,5,6,7,8,9
478018001	24-Dec-2018	2018	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,323,088	Sector 44 - 45 – Retail Trade	444180	Sold-Bank	1,2,3,4,5,6,7,8,9
512013001	28-Dec-2018	2018	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,649,579	Sector 48 - 49 – Transportation and Warehousing	484121	Sold-Bank	1,2,3,4,5,6,7,8,9
512022001	31-May-2019	2019	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 2,390,346	Sector 31 – 33 – Manufacturing	336413	Sold-Bank	1,2,3,4,5,6,7,8,9
478032001	20-Dec-2019	2019	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 847,364	Sector 31 – 33 – Manufacturing	325220	Sold-Bank	1,2,3,4,5,6,7,8,9
512027001	26-Dec-2019	2019	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,277,715	Sector 48 - 49 – Transportation and Warehousing	484121	Sold-Bank	1,2,3,4,5,6,7,8,9
478054001	17-Dec-2020	2020	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,515,848	Sector 31 – 33 – Manufacturing	331110	Sold-Bank	1,2,3,4,5,6,7,8,9
478058001	22-Dec-2020	2020	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 463,584	Sector 31 – 33 – Manufacturing	332994	Sold-Bank	1,2,3,4,5,6,7,8,9
478054002	26-Feb-2021	2021	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 714,009	Sector 31 – 33 – Manufacturing	331110	Portfolio	1,2,3,4,5,6,7,8,9
478058002	30-Jul-2021	2021	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 574,942	Sector 31 – 33 – Manufacturing	332994	Portfolio	1,2,3,4,5,6,7,8,9
478058003	17-Nov-2021	2021	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,581,962	Sector 31 – 33 – Manufacturing	332994	Portfolio	1,2,3,4,5,6,7,8,9
544001001	30-Dec-2021	2021	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 3,000,000	Sector 51 – Information	518210	Portfolio	1,2,3,4,5,6,7,8,9
478090001	22-Jul-2022	2022	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 723,825	Sector 23 – Construction	238990	Portfolio	1,2,3,4,5,6,7,8,9
544007001	26-Sep-2022	2022	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 2,390,370	Sector 51 – Information	517810	Portfolio	1,2,3,4,5,6,7,8,9
478085001	29-Sep-2022	2022	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,347,704	Sector 56 – Administrative and Support, Waste Management	561730	Portfolio	1,2,3,4,5,6,7,8,9
478081001	31-Oct-2022	2022	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 256,750	Sector 56 – Administrative and Support, Waste Management	562111	Portfolio	1,2,3,4,5,6,7,8,9
478114001	23-Dec-2022	2022	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,853,312	Sector 42 – Wholesale Trade	423930	Portfolio	1,2,3,4,5,6,7,8,9
544012001	23-Dec-2022	2022	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 603,391	Sector 31 – 33 – Manufacturing	325411	Portfolio	1,2,3,4,5,6,7,8,9
544013001	30-Dec-2022	2022	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,341,922	Sector 52 – Finance and Insurance	522210	Portfolio	1,2,3,4,5,6,7,8,9
478080001	13-Jan-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,803,057	Sector 72 – Accommodation and FoodServices	722310	Portfolio	1,2,3,4,5,6,7,8,9
478081002	27-Jan-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,019,849	Sector 56 – Administrative and Support, Waste Management	562111	Portfolio	1,2,3,4,5,6,7,8,9
478083001	14-Feb-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 477,349	Sector 48 - 49 – Transportation and Warehousing	484220	Portfolio	1,2,3,4,5,6,7,8,9
478105001	22-Mar-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 750,173	Sector 31 – 33 – Manufacturing	332996	Portfolio	1,2,3,4,5,6,7,8,9
478076004	24-Mar-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 688,409	Sector 48 - 49 – Transportation and Warehousing	488210	Portfolio	1,2,3,4,5,6,7,8,9
544013002	24-Apr-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 879,940	Sector 31 – 33 – Manufacturing	325411	Portfolio	1,2,3,4,5,6,7,8,9
478085002	24-Apr-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 968,578	Sector 56 – Administrative and Support, Waste Management	561730	Portfolio	1,2,3,4,5,6,7,8,9
478081003	28-Apr-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,240,844	Sector 56 – Administrative and Support, Waste Management	562111	Portfolio	1,2,3,4,5,6,7,8,9
478121001	15-Jun-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 2,406,868	Sector 31 – 33 – Manufacturing	325412	Portfolio	1,2,3,4,5,6,7,8,9
478085003	16-Jun-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 589,320	Sector 56 – Administrative and Support, Waste Management	561730	Portfolio	1,2,3,4,5,6,7,8,9
478097002	16-Aug-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 950,309	Sector 31 – 33 – Manufacturing	323117	Portfolio	1,2,3,4,5,6,7,8,9
507006001	14-Sep-2023	2023	Equipment Loan - SBA 504 Bridge	New Equipment Purchase	C&I Equipment	$ 192,943	Sector 31 – 33 – Manufacturing	332710	Portfolio	1,2,3,4,5,6,7,8,9
507006002	14-Sep-2023	2023	Equipment Loan - SBA 504	New Equipment Purchase	C&I Equipment	$ 275,633	Sector 31 – 33 – Manufacturing	332710	Portfolio	1,2,3,4,5,6,7,8,9
478100001	28-Sep-2023	2023	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 475,717	Sector 11 – Agriculture, Forestry, Fishing and Hunting	112210	Portfolio	1,2,3,4,5,6,7,8,9
478085004	15-Feb-2024	2024	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 308,022	Sector 56 – Administrative and Support, Waste Management	561730	Portfolio	1,2,3,4,5,6,7,8,9
478072004	22-Mar-2024	2024	Equipment Loan - Conventional	New Equipment Purchase	C&I Equipment	$ 1,342,440	Sector 56 – Administrative and Support, Waste Management	562219	Portfolio	1,2,3,4,5,6,7,8,9
						$ 46,886,365				

*Note: Table data can be viewed by enlarging, transferring to excel or using a generative AI talk-to-data system

Group 2: Commercial Equipment Financing Credit Portfolio Summary

Figures(s): AI-Credit Sector-Industry Breakdown by Principal Balance Funded – US Equipment Financing
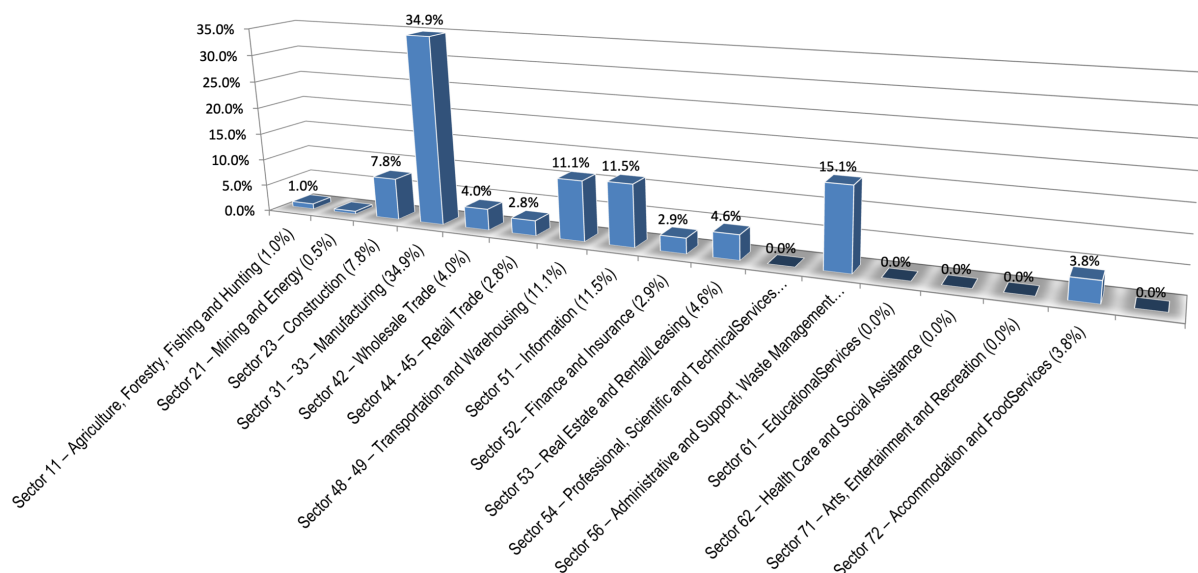
Sector-Industry	Funded Amount	%
Sector 11 – Agriculture, Forestry, Fishing and Hunting	475,717	1.0%
Sector 21 – Mining and Energy	247,500	0.5%
Sector 23 – Construction	3,642,136	7.8%
Sector 31 – 33 – Manufacturing	16,368,083	34.9%
Sector 42 – Wholesale Trade	1,853,312	4.0%
Sector 44 - 45 – Retail Trade	1,323,088	2.8%
Sector 48 - 49 – Transportation and Warehousing	5,226,063	11.1%
Sector 51 – Information	5,390,370	11.5%
Sector 52 – Finance and Insurance	1,341,922	2.9%
Sector 53 – Real Estate and Rental/Leasing	2,141,610	4.6%
Sector 54 – Professional, Scientific and TechnicalServices	-	0.0%
Sector 56 – Administrative and Support, Waste Management and RemediationServices	7,073,507	15.1%
Sector 61 – EducationalServices	-	0.0%
Sector 62 – Health Care and Social Assistance	-	0.0%
Sector 71 – Arts, Entertainment and Recreation	-	0.0%
Sector 72 – Accommodation and FoodServices	1,803,057	3.8%
Sector 81 – OtherServices	-	0.0%
Total	**46,886,365**	**100.0%**

Group 2:	Commercial Equipment Financing Credit Portfolio Summary
Collateral:	Commercial/Industrial Equipment in the United States
Credit Type:	Equipment Loans Secured by Lease Paper and Equipment Collateral
Number of Transactions:	41
Funded Amount:	$46,886,365
Trials:	Yes - Trials 1 through 9

Conclusion

The AI-Credit Trials period 2020-2023 was a journey revealing that the future of commercial lending lies in the seamless integration of human intelligence with machine capabilities. The trials showed us that while AI can manage vast databases and process information with astounding speed and accuracy, the human ability to interpret nuanced data, relationships and make complex judgment calls remains indispensable. Our next steps are clear. We are poised to deepen our commitment to generative AI technology, large language models, and advanced database technologies. These are not just tools but the foundation of a near-term human-AI interface where AI "manages" all the data, and humans interact with it through a generative AI interface. The secured commercial lending industry was digitized in the last several decades, and now humans are not ideally suited to access and manage the vast landscape of digital credit data. AI is very well suited, and in fact a perfect match.

As we look to the future, our focus is on refining this partnership, where AI empowers every decision-making process, ensuring that our human expertise can navigate more strategically and creatively than ever before. In this new era, AI does not supplant us but supplements us, transforming vast data landscapes into navigable and actionable intelligence. This is not the end of the road for skilled human professionals but a new beginning, a promising horizon where humans and AI collaborate not just to coexist but to coevolve, further unlocking efficiencies and innovations. In our view, this is the way forward.

Few reflections on our exploration of AI integration within the commercial lending business through nine trials:

1. **Complementing Expertise**: The transition from viewing AI as a replacement for human tasks to viewing it as a complement to human expertise is crucial. This shift ensures that AI technologies serve to enhance the capabilities of sales-credit officers rather than replace them. This approach allows for a more nuanced use of AI, where it can handle large-scale data analysis and repetitive tasks, allowing human experts to focus on more complex, judgment-based decisions and core relationships.
2. **Security and Privacy**: AI data management systems and GenAI overlays enhance privacy and increase security of sensitive financial data. Greatly enhance. Systems need to be carefully engineered.
3. **Enhanced Decision Making**: Decision-making can significantly benefit from AI through higher quality data management and faster processing times. By integrating AI, loan officers can access synthesized data and insights that would take much longer to compile manually. The result is better-informed teams and more timely decisions, and improved customer experience.
4. **Improved Customer Experience**: AI streamlines the core operations of the lender and enhances customer experience. In the new paradigm, sales and quality human interactions increase in value.
5. **Risk Management**: AI's ability to analyze trends and patterns from vast amounts of data can provide earlier warnings about potential risks or financial discrepancies. This capability is a game-changer where understanding and mitigating risk is critical.
6. **Innovation and Continuous Learning**: The trials conclude a commitment to continuous learning and adaptation by regularly updating and refining AI models and their integration with human workflows.

All future paths and applications should focus on the synergy between human intelligence and artificial intelligence. AI technologies are wildly advantageous within their silo of expertise, but for the foreseeable future, if skilled human operators cannot interact with it conversationally then the advantages and benefits of AI easily fade into the background ether of skilled human activities.

Case Study: Core Scientific—A Defining Moment for AI-Driven Lending

Background

In December 2021, Indigo Direct Lending funded a $3,108,795 senior secured term loan for Core Scientific, Inc., a vertically integrated provider of infrastructure, software, and hosting solutions for blockchain and artificial intelligence applications. The collateral securing the loan consisted of critical power generation equipment required to support the operation of high-performance NVIDIA GPUs at Core Scientific's Dalton, Georgia data hosting facility.

At the time, Core Scientific was closely affiliated with a major software developer in Seattle, WA, supporting OpenAI's Generative AI model training efforts, including early iterations of GPT technology. What began as a traditional equipment financing transaction soon became a pivotal moment, highlighting the revolutionary potential of Generative AI. This deal introduced our credit fund to the broader implications of AI-driven lending and solidified our strategic pivot toward integrating AI technology into financial operations.

Understanding the Investment

As the Chief Credit Officer, and primary underwriter of this novel transaction, Matthew Dobson was tasked with evaluating not only the creditworthiness of Core Scientific but also the long-term implications of the financed assets - 54 commercial electrical switchboards essential for powering AI training clusters. This deep dive into AI infrastructure exposed the critical role of reliable power generation in enabling large-scale model training, opening my eyes to the sheer computational demands of Generative AI.

Throughout 2021 and into 2022, Matthew's immersion in the topic led to a groundbreaking realization: Generative AI was a technological leap akin to the advent of personal computing, Microsoft Excel, and the Internet. Even in its early form, it was clear that Large Language Models (LLMs) had the potential to fundamentally alter the way financial professionals interacted with data. This financing transaction became the turning point, illustrating that the ability for highly trained finance professionals to engage with workflow data conversationally via AI would change computing - and secured lending - forever.

Key Insights from the Deal

1. **Generative AI's Infrastructure Needs**
   The transaction underscored that Generative AI relies not only on cutting-edge GPUs but also on mission-critical power generation and data hosting infrastructure. The successful deployment of AI technologies requires lenders to adapt their risk assessments to account for these dependencies, recognizing the growing intersection between AI and traditional financing.

2. **Implications for Secured Lending**
   This deal highlighted a critical **paradigm shift in secured lending**. Generative AI introduced a transformative capability—enabling lenders to conduct underwriting and collateral analysis with unprecedented speed and the ability to leverage AI for **real-time data synthesis and analysis** allowing underwriters to move past static financial statements and appraisal reports, instead interacting with vast amounts of structured and unstructured data conversationally. This shift empowered credit professionals to rapidly identify emerging risks, uncover hidden value in collateral, and make data-backed decisions with greater confidence.

3. **The AI Copilot Vision**
   The experience of underwriting this deal ignited an obsession with Generative AI's application in lending operations, leading to the development of **AI Credit Trials 7, 8, and 9**, which focused solely on Generative AI integration into underwriting and portfolio management. The realization that skilled finance professionals could interact with data conversationally using LLMs was the defining moment—this was no longer about automation but augmentation. AI was poised to serve as a **copilot**, enhancing efficiency, risk assessment, and customer interactions in ways that were previously unimaginable.

Impact on Lending Strategy

The Core Scientific deal proved to be the catalyst for a fundamental shift in our lending strategy. It became clear that Generative AI wasn't just another tool—it was the **only way forward.** The ability to analyze vast volumes of financial data, generate insights in real time, and facilitate intuitive human-AI interactions was a game-changer. The transition from traditional underwriting to AI-augmented decision-making was no longer a theoretical concept but an operational necessity.

As a result the Indigo bank-backed private credit fund took decisive action by incorporating AI into every stage of the lending process. Generative AI became an indispensable asset, assisting in data extraction, risk analysis, financial modeling, and portfolio monitoring. This experience cemented our belief that successful lending in the AI era required not only capital but also **technological acumen and a willingness to embrace change.**

Conclusion

The **Core Scientific Case Study: A Defining Moment for AI-Driven Lending** was more than just a financing transaction - it was the spark that ignited an obsession with Generative AI and its potential to revolutionize commercial lending. This deal introduced a groundbreaking realization: the ability for a highly trained finance professional to interact with complex credit workflows using Large Language Models (LLMs) was a **game-changer.**

Even in its early form in 2022, Generative AI demonstrated an unprecedented technological leap. For the first time, professionals in the lending industry could **"talk to their data,"** engaging with underwriting, risk analysis, and operational workflows through intuitive natural language interfaces. The implications were clear - this wasn't just an incremental improvement; it was a fundamental shift that would redefine the way financial professionals process information, make decisions, and serve clients.

The ability to bridge the gap between human expertise and AI-powered insights marked the dawn of a new era in computing. No longer constrained by rigid software interfaces and manual data retrieval, finance professionals could now engage with data conversationally, unlocking efficiency, accuracy, and speed at levels never before imagined. This realization galvanized our commitment to integrating Generative AI across all aspects of lending operations, leading directly to the focus of Trials 7, 8, and 9 on augmentation rather than automation.

As we stand in April 2024, it is evident that the Core Scientific deal was the defining moment that validated Generative AI's place in lending. The technology that once seemed futuristic is now an everyday reality - transforming how loans are underwritten, risks are assessed, and relationships are managed. This leap forward in **Human-AI collaboration** is not just the future; it is the present, and it continues to shape the evolution of financial services. We have enclosed the Funding Notice for this pivotal transaction in December 2021 for the records.

INDIGO COMMERCIAL FUNDING, LLC
INVESTMENT COMMITTEE OPERATIONS

FUNDING NOTICE

INDIGO

CREDIT ANALYSIS MEMORANDUM

BORROWER PROFILE

			Borrower	Guarantor
Loan ID	544001001			
Borrower/Lessee	Core Scientific, Inc.	NAICS	518210	518210
Borrower Type	Corporation	Industry	Data Processing and Hosting Svcs	Same
Operating Company	Core Scientific, Inc.	Tax ID	82-3805526	NA
Guarantors	Core Scientific Core Holding Co.	Year Est.	2017	2020
		Ownership	NA	NA
		Structure	Corporation	DE C-Corp
Borrower Address	2800 Northup Way #220, Bellevue, WA 98004	DBA	Core Scientific	NA
Guarantor Address	2800 Northup Way #220, Bellevue, WA 98004	Business	Vertically integrated provider of infrastructure, software, hosting, mining and equipment sales for Blockchain and Artificial Intelligence	

LOAN PROFILE

Loan Type	Senior Secured
Collateral Type	Equipment
Loan Purpose	Purchase

CREDIT PURPOSE

To purchase commercial equipment for the purpose of power generation for Dalton, GA data hosting facility (144,000 sf / 185MW); Critical-use equipment; Revenue generating; Switchboards/breakers/power eqmnt useful life > 10 years

TRANSACTION STRUCTURE & LOAN DETAILS

Sources	Amount	Rate	PPP	Payment	Term	Index	Index Floor	Spread
Senior Term Loan	$ 3,108,795	8.00%	NA	$0	48m to $1	LTS	1.252%	6.748%
Deposit	$ -							
Borrower Equity	$ -							
Total	$ 3,108,795							

					Index Rate		Closing Date:	

Uses		Uses – Detail	
Purchase Price	$ 3,108,795	Closing Costs	$0
Deposit	$ -	NA	$0
Est. Closing Costs	$ -	NA	$0
Total	$ 3,108,795	NA	$0
			$0

COLLATERAL OVERVIEW

Property Type	Address	Equipment Type:
New Equipment; Electrical Equipmnt	2205 Industrial South Dalton GA 30721	Eight (8) Invoices totalling fifty-four (54) units of commercial electrical equipment desribed as follows: 4000 AMP SWITCHBOARDS WITH (36) 125AMP BREAKERS IN EACH. Equipment inspection completed December 09, 2021.

Project Costs	$ 3,108,795	Appraisal	N/A	N/A
Market Value	$ 3,108,795	Environmental	N/A	N/A

	LTV	LTC	Prop Tax Status:	N/A
Equipment Lease	100.0%	100.0%	Explanation/Detail:	

CREDIT REPORTING

	Type	EFX	LxNx-BK	LxNx-Jdg/Liens	Notes:
Lessee-OC	CORP	NA	0	0	Business credit is in good standing; Credit accounts current;
Guarantor	NA	NA	NA	NA	
Guarantor	NA	NA	NA	NA	

CASH FLOW

Income Statement	2018	2019	2020	2021-8m	Balance Sheet		12/31/21
Revenue	$ 19,322	$ 59,523	$ 60,320	$ 185,360	Assets	$ 916,769	100.0%
Pre-Tax Income	$ (50,856)	$ (11,922)	$ (12,206)	$ 23,590	Debt	$ 802,848	87.6%
EBITDA	$ -	$ (5,569)	$ 2,966	$ 61,843	Equity	$ 113,921	12.4%
DSCR	0.00x	0.00x	0.13x	2.28x			

all amounts in 000's

LENDER INFORMATION

	Company	Contact
Lender:	Indigo Direct Lending	Michelle Kernan
Seller:	Liberty Commercial Fin	NA
NA	NA	NA

CREDIT APPROVALS

Name / Title	
Mary Kay Parsek	Inv. Cmte. Chair
Brent E. Carey	Inv. Cmte. Mbr.
Matthew Dobson	Credit Underwriter

COMPLIANCE CHECKLIST

LOAN ID: 54400101 (CORE SCIENTIFIC)

<u>1.2 Limits & Exposure Check</u>
Deal Size   ☒ YES ☐ NO ☐ N/A
Geographic Concentration   ☒ YES ☐ NO ☐ N/A
Borrower Concentration   ☒ YES ☐ NO ☐ N/A
Max Deal Size   ☒ YES ☐ NO ☐ N/A
<u>1.4 Pricing Check</u>
Committee Pre-Approval   ☒ YES ☐ NO ☐ N/A
<u>1.5 Eligibility & Advance Check</u>
SBA 504   ☐ YES ☐ NO ☒ N/A
<u>3.3.2 Underwriting Review Check</u>
DSCR within policy   ☒ YES ☐ NO ☐ N/A
<u>3.4 Cash Flow Check</u>
Acceptable Exit   ☒ YES ☐ NO ☐ N/A
<u>3.6 Waivers (if applicable)</u>
Acceptable Exit   ☐ YES ☐ NO ☒ N/A

Notes: