

Message

**From:** J. Kyle Bass [k@haymancapital.com]  
**Sent:** 5/6/2015 3:54:25 PM  
**To:** Parker Lewis [PL@haymancapital.com]  
**Subject:** Re: Questions  
**Attachments:** image001.png; image002.png; image003.jpg

Thanks Parker. Once the 10q is released, let's prepare a synopsis for the SEC and the other relevant people.

J. Kyle Bass  
Chief Investment Officer  
Hayman Capital Management

On May 6, 2015, at 7:28 AM, Parker Lewis <PL@haymancapital.com<mailto:PL@haymancapital.com>> wrote:

Kyle - these are the questions below, we didn't ask about UDF V fundraising because when they've been asked in the past about anything related to UDF V, they have just deflected and said that they would be discussing UDF IV results and that they would make public disclosures to update on UDF V periodically.

Net income for Q1 rose 21% y-o-y to \$14.3mm but cash from operations was only \$2.8mm, outstanding receivables increased by \$10.7mm which drove a large portion of the difference. Are you experiencing an increase in the percentage of non-performing loans? We've noticed that that a large number of outstanding loans accrue larger and larger balances without any disclosed cash receipts. Do you consider these loans to be performing and if so is the income you recognize non-cash? If the income is non-cash, how are you funding the required distributions associated with the income.

As a follow up, can you give an update on the 5 loans that you disclosed, as of the 10-K filing, that matured but were still outstanding and considered impaired (representing \$16.4mm or ~3% of loans). Do you attribute the non-payment/impaired status of these loans to a housing slowdown or is this a borrower specific issue? (Yes) If so, does this borrower have other loans outstanding and what do they represent as a total % of the portfolio? (Yes)

Support for Question 1 - UDF IV loan examples sourced from UDF IV quarter and annual Qs and Ks

<image001.png>

Support for Question 2 - UDF IV 10k 12/31/14'

<image002.png>

<image003.jpg>

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