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Rochelle Kauffman Plesset, Esq.
Senior Counsel
Division of Investment Management
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Request of Great Ajax Corp. (on behalf of Great Ajax Funding LLC) for No-Action Letter Relief from Registration under the Investment Company Act of 1940, as amended, pursuant to Section 3(c)(5)(C) thereunder

Dear Ms. Plesset:

We are writing on behalf of our client, Great Ajax Corp., a Maryland corporation and publicly traded real estate investment trust (the "Company"), and its indirect subsidiary, Great Ajax Funding LLC, a Delaware limited liability company that is the depositor for and owner of multiple securitization trusts that hold mortgage loans (the "Depositor"). Our client requests that the Staff of the Division of Investment Management of the Securities and Exchange Commission (the "Commission") permit the Depositor to rely on the exemption from registration as an investment company available under Section 3(c)(5)(C) of the Investment Company Act of 1940, as amended (the "1940 Act").

Based on the facts and legal analysis described below, we believe no-action letter relief ought to be granted to the Depositor due to the statutory purpose of Section 3(c)(5)(C) and the meaning of "primarily engaged" considering the Depositor's real estate business activities.

The Depositor and the Securitization Trusts

The Company focuses primarily on acquiring, investing in and managing a portfolio of re-performing whole mortgage loans, including residential mortgage loans and small balance commercial mortgage loans. Additionally, the Company invests in single-family and smaller commercial properties directly either upon the occurrence of a foreclosure event of a mortgage loan in its portfolio or, less frequently, through a direct acquisition. Historically, the Company has also invested in non-performing mortgage loans. The Company conducts substantially all of its business through its operating partnership, Great Ajax Operating

Partnership L.P., a Delaware limited partnership (the "Operating Partnership"), and its wholly owned subsidiaries. The Company, through a wholly owned subsidiary, is the general partner of the Operating Partnership.

The Depositor, a wholly owned subsidiary of the Operating Partnership, was formed in September 2014 to establish and sponsor multiple securitization trusts (referred to herein as the "Trusts") in order to securitize pools of whole mortgage loans (not mortgage-backed securities).[1] The officers of the Depositor, which are the same officers as those of the Operating Partnership, periodically select whole mortgage loans held by the Operating Partnership or one of its wholly owned subsidiaries and transfer them to the Depositor. The Depositor subsequently transfers the mortgage loans to a Trust. The mortgage loans are serviced by Gregory Funding LLC, an affiliated entity.

The Trusts, organized as statutory trusts under Delaware law, directly own the mortgage loans and are consolidated into the Company's financial statements. The Trusts are structured with Class A notes, one or more series of subordinated Class B notes (or similar subordinated notes) and the equity of the Trusts, evidenced by trust certificates (the "Trust Certificates") representing the residual interests in the Trusts' assets. The Class A notes and subordinated notes are each secured solely by the underlying mortgage loans held by the Trust, and payments on these notes depend on the cash flows from such mortgage loans.

Each Trust has issued Class A notes to institutional investors in private offerings. The subordinated notes are owned by the Depositor as consideration for the Depositor's contribution to each Trust of the whole mortgage loans. The Trust Certificates are also held by the Depositor. The Depositor expects to own subordinated notes for any additional Trusts that may be formed by it from time to time for future securitizations. The only assets held by the Depositor are the subordinated notes and the Trust Certificates acquired from each Trust. The Depositor's income is derived exclusively from its ownership of such assets. Together, the original principal amount of the subordinated notes and the face amount of Trust Certificates held by the Depositor has ranged from 35% to 45% of the total original principal amount of the securities issued by the Trusts.

The Class A notes are senior in payment priority to the Class B notes. The Class A notes are senior, sequential pay, fixed-rate notes and the Class B notes are subordinate, sequential pay, fixed-rate notes. If the Class A notes have not been redeemed by the payment date 36 months after issue, or otherwise paid in full by that date, an amount equal to the aggregate interest payment amount that accrued and would otherwise be paid to the subordinated notes will be paid as principal to the Class A notes on that date and each subsequent payment date until the Class A notes are paid in full. After the Class A notes are paid in full, the holders of

[1] The Depositor is not in the business of issuing redeemable securities, face-amount certificates of the installment type or periodic payment plan certificates.

subordinated notes will resume receiving their respective interest payment amounts and any interest that accrued but was not paid on the subordinated notes while the Class A notes were outstanding. As a holder of the Trust Certificates, the Depositor is entitled to receive its share of any remaining amounts held by the Trusts after the Class A notes and the subordinated notes have been paid in full.

For tax considerations, the Trusts were structured to be passive entities, the activities of which are limited. The Trusts have neither boards of directors nor officers nor employees.[2] The Trusts do not issue (and have not issued) any security that would be considered a "voting security" as defined in Section 2(a)(42) of the 1940 Act as the Trusts do not have a board of directors. However, the Trust Certificates provide the holders with the right to (i) redeem the Trust's outstanding notes, without the consent of noteholders, following a specified period; (ii) direct the owner trustee in the operation of the Trusts, including the removal and/or substitution of mortgage loans; (iii) acquire defaulted mortgage loans from the Trust and foreclose on the real estate underlying such loans; and (iv) dissolve and wind up the Trusts following a specified period. Given that the only other trust-issued securities that are outstanding are the notes and that the Trust Certificate holders have the sole right to redeem the notes, the Trust Certificate holders exercise significant control over the operation and management of the Trusts, including the mortgage loans held therein. As a result, a possible alternative basis for the Depositor's exclusion from investment company status may exist if the Depositor is not an investment company under Section 3(a)(1) of the 1940 Act as the Depositor would not meet the third prong of the investment company definition, in Section 3(a)(1)(C), if it does not own or propose to acquire "investment securities," as defined in Section 3(a)(2), that have a value exceeding 40% of the value of its total assets. Although the Trusts are passive entities that do not have boards of directors, the Trust Certificates are the functional equivalent of voting securities under the 1940 Act. The Trusts arguably are majority-owned subsidiaries of the Depositor under Section 2(a)(24), such that the Trust Certificates held by the Depositor would be excluded from the definition of "investment security."

The securitizations are not REMIC securitizations and were intentionally and specifically structured by the Depositor as secured debt financings. Before the Class A notes mature, the Class A noteholders have traditional debt holder "rights"– that is, the Class A noteholders are entitled to specified interest payments and principal payments. The Class A noteholders are the beneficiaries of certain specified customary events of default (for example, the failure to pay interest or principal when due constitutes an event of default). Upon the occurrence of an event of default, the holders of a majority of the outstanding principal amount of Class A notes may declare the notes due and payable and also may direct the indenture trustee to liquidate the Trusts. While the notes are outstanding, the Trusts also are prohibited from

[2] The Depositor does not have any employees.

making or paying any dividend or distribution prior to making payments contractually due to the noteholders. These are traditional creditors' rights consistent with a typical secured debt financing arrangement. As soon as the notes issued by the Trusts mature, the Trust Certificate holders retain the right to all the assets (primarily consisting of mortgage loans) held by the Trusts and can opt to wind down and dissolve the Trusts.

Further, the Depositor's exposure to the obligations of the Trusts is generally limited to its investments in the Trusts. The notes that are issued by the Trusts are secured solely by the mortgage loans held by the applicable Trust and not by any of the Depositor's other assets. The Depositor does not guarantee any of the obligations of the Trusts under the terms of the agreement governing the notes or otherwise.

Legal Analysis

The Depositor intends to rely on the exemption from registration as an investment company available under Section 3(c)(5)(C) of the 1940 Act, which generally excludes from the definition of investment company any entity that is primarily engaged in "purchasing or otherwise acquiring mortgages and other liens on and interests in real estate."

Legislative history and intent

The 1940 Act imposes an extensive and comprehensive system of regulation for investment companies designed to eliminate certain abuses that existed in the securities industry prior to the 1940 Act's adoption. Recognizing that the definition of an investment company under the 1940 Act is inherently broad and unintentionally includes certain entities that are not primarily engaged in the business of investing in securities, Congress excluded certain types of entities from the 1940 Act's definition of an investment company. Section 3(c) of the 1940 Act enumerates a number of different kinds of businesses and entities which are excluded from the definition of an investment company. Although these entities may hold securities, Congress considered their investment activities generally either peripheral or closely related to their primarily non-investment company businesses or activities to permit an exemption.

In particular, Section 3(c)(5)(C) was enacted by Congress as part of the original text of the 1940 Act and intended to specifically exclude "companies dealing in mortgages" from the definition of investment company. The purpose of the exemption was to exclude mortgage-related entities notwithstanding that they may have portfolios of securities in the form of notes, commercial paper, mortgage loans or other interests in real estate in order to encourage private investment in the mortgage markets. Congress specifically excluded such mortgage-related entities in Section 3(c)(5)(C) because they "do not come within the generally understood concept of a conventional investment company investing in stocks and bonds of corporate issuers" which was the regulating directive of the 1940 Act.[3]

The statutory language and congressional intent of the Section 3(c)(5)(C) exemption is unambiguous in its distinct treatment of entities engaged in the mortgage loan business. The legislative history does not limit but rather suggests (and the statute indicates) that Congress intended to broadly exempt any entity primarily engaged in "dealing in mortgages."[4] The congressional intent of the exemption was to broadly support and encourage private investment in the mortgage loan markets. As a result, Section 3(c)(5)(C) was broadly and explicitly drafted to exclude from the definition of investment company all mortgage-related businesses, including those that originate, purchase or otherwise acquire mortgage loans without expressed distinction.

While the financing options available to mortgage-related entities has evolved since the adoption of the 1940 Act due to changing market dynamics and new transaction structures, the legislative history of the Section 3(c)(5)(C) exemption does not indicate a congressional intent to distinguish between different types of available financing options (existing or not yet created) or limit the ability or flexibility of a mortgage-related entity that seeks a particular type of financing from relying upon the exemption. Rather, the limited congressional history of Section 3(c)(5)(C) that exists indicates an intent to allow all mortgage-related entities to finance without regulation from the 1940 Act.

Based solely on the legislative history and the congressional intent of the statutory language inferred from such history, we believe that a mortgage-related entity may rely upon the Section 3(c)(5)(C) exemption to avoid registration under the 1940 Act provided that the financing obtained by the entity furthers its business of originating, purchasing or otherwise acquiring additional mortgage loans.

Depositor is Primarily Engaged in the Real Estate Business

As noted above, Section 3(c)(5)(C) generally exempts entities that are primarily engaged in the real estate business from 1940 Act regulation. As such, a review and analysis must be made of the Company's primary line of business in order to consider whether it may avail itself of the exemption. The Company focuses primarily on acquiring, investing in and managing a portfolio of re-performing whole mortgage loans, including residential mortgage loans and small balance commercial mortgage loans. Additionally, the Company invests in single-family and smaller commercial properties directly either upon the occurrence of a foreclosure event of a mortgage loan in its portfolio or, less frequently, through a direct acquisition. Historically, the Company has also invested in non-performing mortgage loans.

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[3] H.R. Rep. No. 1382, 91st Cong., 2d Sess. 17 (1970); S. Rep. No. 184, 91st Cong., 1st Sess. 37 (1969).
[4] H.R. Rep. No. 2639, 76th Cong., 3d Sess. 12 (1940); S. Rep. No. 1775, 76th Cong., 3d Sess. 13 (1940).

The Depositor primarily securitizes whole mortgage loans and retains subordinated notes from such securitizations. The Trusts primarily and directly own whole mortgage loans (not mortgage-backed securities) that are included as part of the Depositor's overall real estate holdings. The whole mortgage loans included in the securitizations remain on the Depositor's balance sheet as it is the primary beneficiary of the Trusts, as the holder of the Trust Certificates.

The use of securitization financing by the Depositor is ancillary to the management and growth of its mortgage loan business. As a result of the securitization financing, the Depositor is able to use the proceeds received therefrom to primarily acquire additional mortgages, some of which are eventually transferred to the Depositor which, in turn, transfers them to Trusts to further grow its mortgage loan business. As a result, we believe that the Depositor is primarily engaged in the business of purchasing or otherwise acquiring mortgage loans and the use of securitizations as a financing option serves as a supplemental method of leveraging its primary real estate business.

Additionally, the Depositor retains significant control over the Trust's activities, management and operations. The Depositor has the right to (i) redeem the Trust's outstanding notes, without the consent of noteholders, following a specified period; (ii) direct the owner trustee in the operation of the Trusts, including the removal and/or substitution of mortgage loans; (iii) acquire defaulted mortgage loans from the Trust and foreclose on the real estate underlying such loans; and (iv) dissolve and wind up the Trusts following a specified period. As a result of its significant control of the Trusts, the Depositor is able to actively operate and monitor its mortgage loan business notwithstanding its decision to finance the business using securitization financing.

Notes and Trust Certificates are Qualifying Assets

In determining whether an entity qualifies for the Section 3(c)(5)(C) exemption, the Staff has generally focused on whether at least 55% of such entity's assets consist of mortgage loans and other liens on and interests in real estate (called "qualifying assets"). The Staff has generally viewed assets that represent an actual interest in real estate or are loans or liens fully secured by real estate as qualifying assets.[5] Additionally, the Staff has generally viewed assets that can be viewed as being the functional equivalent of, and provide the holder with the same economic experience as, an actual interest in real estate or a loan or lien fully secured by real estate as qualifying assets.[6]

The Trusts were created by the Depositor with the sole purpose and intent of effectuating a secured financing of mortgage loans. As such, the Trusts are structured as pass-through

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[5] United States Property Investment N.V., SEC Staff No-Action Letter (May 1, 1989).
[6] Capital Trust Inc., SEC Staff No-Action Letter (May 24, 2007).

entities that primarily receive principal and interest on the underlying mortgage loans and distribute those payments to the holders of the notes, including the Depositor as a holder of the subordinated notes. The Depositor's assets consist solely of, and its income is derived exclusively from, the subordinated notes and the Trust Certificates. The Depositor acquired these assets as a direct result of it being in the business of acquiring and securitizing whole mortgage loans.

As a holder of the Trust Certificates, the Depositor is entitled to receive any remaining amounts in the Trusts after the Class A notes and subordinated notes have been paid in full. The holder of the Trust Certificates also retains the right to acquire the mortgage loans from the Trusts and foreclose on the real estate underlying the mortgage loans. Additionally, after the Class A notes mature or are redeemed by the holder of the Trust Certificates at its sole option, the holder of the Trust Certificates has the sole right to dissolve the Trusts and acquire the mortgage loans directly.

The subordinated notes and the Trust Certificates retained by the Depositor are indicative of the Depositor's engagement in the mortgage loan business for purposes of Section 3(c)(5)(C) because the Depositor acquires these assets as a direct result of being in the business of acquiring and securitizing whole mortgage loans. As a result, we believe that the subordinated notes and Trust Certificates held by the Depositor should be considered "qualifying assets."

Request for No-Action Letter Relief

Based on the points outlined above, we respectfully request no-action letter relief clarifying that an entity primarily engaged in acquiring mortgage loans and instruments that are considered qualifying assets may rely on the exemption from registration as an investment company available under Section 3(c)(5)(C) notwithstanding that such qualifying assets are financed through a secured debt facility (including through a securitization trust); provided that such qualifying assets remain on the entity's balance sheet and that the entity retains a residual interest in the securitization trust holding the qualifying assets, including an ability to remove, substitute and foreclose on the underlying qualifying assets.

Accordingly, on behalf of the Depositor and similarly situated entities, we respectfully request that the Staff, pursuant to authority delegated to it by the Commission, grant the Depositor no-action letter relief from registration under the 1940 Act pursuant to Section 3(c)(5)(C) thereunder. If you have any questions regarding this letter, please do not hesitate to contact me at (212) 468-8179 or Brian D. Hirshberg at (212) 336-4199.

Sincerely,

Anna T. Pinedo