



Impac Mortgage Holdings, Inc. Announces Offer to Exchange up to \$35,000,000 aggregate principal amount of its 11% Senior Subordinated Debentures due February 15, 2004 ...

02/24/99

Wednesday, February 24, 1999

Santa Ana Heights, CA. – Impac Mortgage Holdings, Inc. (The "Company" or "IMH": AMEX - IMH), a Maryland corporation being taxed as a Real Estate Investment Trust ("REIT"), today announced that it is commencing an exchange offer to exchange up to \$35 million aggregate principal amount of its 11% Senior Subordinated Debentures due February 15, 2004 for up to 5,000,000 shares of its common stock (including the associated preferred share purchase rights).

Under the offer, the Company's stockholders have the option of electing to exchange some or all (subject to proration) of their IMH shares for the Company's 11% Senior Subordinated Debentures due February 15, 2004. Stockholders who elect to participate will be able to select from a range of exchange prices representing a premium of between a minimum of 105% and a maximum of 120% over the average closing sales price of the shares as reported by the American Stock Exchange for the two trading day period ending two trading days prior to the expiration date of the exchange offer. The maximum exchange price may not exceed \$7.00 per share. Assuming there is no extension of the original expiration date, the average price will be announced by press release after 5:00 p.m. New York City time on Tuesday, March 23, 1999.

The Company said the exchange offer provides IMH stockholders the opportunity to receive an 105% to 120% premium for their IMH shares, based on current market prices.

The offer is set to expire at 5:00 p.m., New York City time, Friday, March 26, 1999, unless extended. Once the offer expires, the final exchange price will be set, and the proration of shares, if necessary, will be determined.

The exchange offer is being made by means of an offering circular and letter of transmittal, copies of which may be obtained from the information agent, D.F. King & Co., Inc at (800) 848-2998. The exchange agent for the offer is IBJ Whitehall Bank & Trust Company.

The Exchange Offer is subject to certain conditions, including that at least 1,000,000 shares are validly tendered. The minimum number of Shares that may be exchanged is 100 Shares.

The Company is a mortgage loan investment company that invests primarily in non-conforming, high yielding mortgages which, together with its subsidiaries and related companies, operates three businesses. The Company's first business is to act as a long-term investor of primarily non-conforming residential mortgage loans and mortgage-backed securities secured by or representing interests in such loans. The second business is IFC, which purchases primarily non-conforming mortgage loans and to a lesser extent, second mortgages, from a network of third party correspondent loan originators and subsequently securitizes or sells such loans to permanent investors. As the Company's third business, Impac Warehouse Lending Group, a wholly owned subsidiary of the Company, focuses on providing warehouse and reverse-repurchase financing to approved mortgage banks, most of which are correspondents of IFC.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by the use of forward-looking terminology such as "could", "would", "will", "intend", "expect" or the negatives thereof or other comparable terminology. The Company's actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors. The financial information presented in this release pertaining to actual results should not be taken to predict future earnings, as the Company may not experience similar results in future periods.

For further information, please call:

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