



A Subsidiary of Impac Mortgage Holdings, Inc. Purchases \$5.0 Million of IMH's 10.5% Cumulative Convertible Preferred Stock

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NEWPORT BEACH, Calif., Feb. 21 /PRNewswire/ -- Impac Mortgage Holdings, Inc. (Amex: IMH) (the "Company or "IMH"), a Maryland corporation, being taxed as a Real Estate Investment Trust ("REIT") announces today that its subsidiary, Impac Funding Corporation purchased \$5.0 million of IMH's 10.5% Cumulative Convertible Preferred Stock from LBP, Inc (OTC Bulletin Board: LBPI). The Preferred Stock was purchased at cost, plus accrued interest through the date of sale. Mr. Joseph Tomkinson, CEO and Chairman of Impac Mortgage Holdings, Inc. commented, "The Preferred Stock was not intended to be retired, but was purchased as an investment that may be sold."

Impac Mortgage Holdings, Inc. is a Mortgage REIT which operates three businesses: (1) the Long-Term Investment Operations, (2) the Mortgage Operations, and (3) the Warehouse Lending Operations. The Long-Term Investment Operations invests primarily in non-conforming residential mortgage loans and securities backed by such loans. The Mortgage Operations primarily purchases and sells or securitizes non-conforming mortgage loans, and the Warehouse Lending Operations provides short-term lines of credit to originators of mortgage loans. The Company is organized as a REIT for tax purposes, which allows it generally to pass through earnings to stockholders without federal income tax at the corporate level.

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 "may," "will," "intend," "expect," "anticipate," "estimate" or "continue" 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.

For Further Information Please Contact Investor Relations: Tania Jernigan at (949) 475-3722, or email tjernigan@impaccompanies.com.

SOURCE Impac Mortgage Holdings, Inc.

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