



Impac Mortgage Holdings, Inc. Reports an Increase in Net Earnings per Share of \$0.43 for First Quarter 2002 as Compared to \$0.04 per Share For First Quarter 2001

April 22, 2002

NEWPORT BEACH, Calif., Apr 22, 2002 /PRNewswire-FirstCall via COMTEX/ -- Impac Mortgage Holdings, Inc. (Amex: IMH) ("IMH" or the "Company"), a real estate investment trust ("REIT") that primarily invests in non-conforming Alt-A mortgages, reports first quarter net earnings of \$15.6 million, or \$0.43 per diluted share, as compared to net earnings of \$1.1 million, or \$0.04 per diluted share, for the first quarter of 2001. Net earnings rose as net interest income increased by \$6.8 million and equity in net earnings of Impac Funding Corporation ("IFC"), the Company's taxable REIT subsidiary, increased by \$3.3 million. Additionally, net earnings during the first quarter of 2002 were unaffected by fair market adjustments on derivative instruments, in accordance with Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," as compared to mark-to-market losses of \$5.2 million recorded during the first quarter of 2001.

Core operating earnings for the first quarter of 2002 increased to \$16.7 million, or \$0.46 per diluted share, as compared to core operating earnings of \$9.4 million, or \$0.30 per diluted share, for the fourth quarter of 2001. Core operating earnings reflect recurring earnings from operations and exclude one-time, non-recurring income and expense items and the effect of fair market accounting for derivative instruments and hedging activities. Core operating earnings for the first quarter of 2002 were higher than net earnings as core operating earnings exclude \$1.0 million in write-down of investment securities available-for-sale. Core operating earnings is a concept not recognized by generally accepted accounting principles ("GAAP") and may not be comparable to core operating earnings of other companies. Refer to the accompanying financial statements for the calculation of core operating earnings and a reconciliation of core operating earnings to net earnings.

Joseph R. Tomkinson, Chairman and CEO of Impac Mortgage Holdings, Inc., commented, "I am pleased to report that first quarter operating results reflect continued growth and profitability from our core operating businesses. Total assets increased 14% to \$3.3 billion from last year-end, which puts us on track to exceed our original 2002 year-end projections of \$3.7 billion in total assets. We have revised our 2002 projections of total assets to \$4.2 billion and increased our 2002 earnings estimates to \$1.55 - \$1.65 per share. Higher total asset projections are partly the result of exceeding loan production goals during the first quarter. We are now projecting total loan production from our Mortgage Operations of \$4.0 billion as compared to our original projections of \$3.6 billion for 2002."

First Quarter Highlights

- Generated estimated taxable earnings of \$17.0 million, or \$0.47 per diluted share.
- Declared a regular cash dividend of \$0.40 per common share, an 8% increase over the regular dividend of \$0.37 per common share declared during the fourth quarter of 2001.
- Total assets increased 14% to \$3.3 billion from \$2.9 billion as of December 31, 2001.
- Issued 7.4 million new shares of common stock, resulting in net proceeds of \$57.4 million.
- Book value increased 8% to \$6.85 per common share from \$6.35 per common share as of December 31, 2001.
- Allowance for loan losses increased to \$14.8 million, or 46 basis points of loan receivables, compared to \$11.7 million, or 43 basis points of loan receivables, as of December 31, 2001.
- Total loan acquisitions and originations by the Mortgage Operations increased to \$1.2 billion as compared to \$991.8 million for the fourth quarter of 2001.
- Adjustable rate mortgages accounted for 68% of total loan acquisitions and originations as compared to 58% for the fourth quarter of 2001.
- Constant prepayment rate on the long-term mortgage loan investment portfolio was 26% CPR as compared to 28% CPR for the fourth quarter of 2001.

Estimated taxable earnings for the first quarter of 2002 were \$17.0 million, or \$0.47 per diluted share, as compared to \$15.6 million, or \$0.50 per diluted share, during the fourth quarter of 2001. Estimated taxable earnings for the fourth quarter of 2001 included \$2.8 million in recoveries of previously charged-off assets. Excluding the recoveries of previously charged-off assets, estimated taxable earnings for the fourth quarter of 2001 would have been \$12.8 million, or \$0.41 per diluted share. Estimated taxable earnings during the first quarter were greater than net earnings as the provision for loan losses of \$3.7 million was in excess of actual loan charge-offs, net of recoveries, of \$635,000. Excess provision for loan losses of \$3.1 million cannot be deducted from taxable earnings. In addition, estimated taxable earnings for the first quarter reflects a \$2.0 million dividend from IFC on its after-tax net earnings of \$4.7 million. Refer to the accompanying financial statements for the calculation of estimated taxable earnings and a reconciliation of estimated taxable earnings to net earnings. The board of directors previously declared a cash dividend of \$0.40 per share during the first quarter of 2002, which was paid on April 16, 2002 to stockholders of record on April 3, 2002.

Commenting on the interest rate and economic outlook, Mr. Tomkinson, said, "we expect a favorable interest rate environment for the remainder of 2002. During congressional testimony last week, the Federal Reserve Bank indicated that the pace of the economic recovery remains uncertain and that there are no imminent plans to increase short-term interest rates in the near term. A strong housing market combined with the Federal Reserve Bank's view that there is little risk of a housing market bubble are optimistic signs for our Company. However, we feel that interest rate hedging instruments that are currently in place, a significant volume of adjustable rate mortgages that were acquired during the last two calendar quarters and the introduction of a new adjustable rate interest only loan program will continue the growth of our balance sheet and help to mitigate any possible

adverse effects that rising interest rates may have on earnings."

Mr. Tomkinson went on to say, "borrowers also appear to believe that interest rates will remain low in the short-term as 44% of our total loan production during the first quarter was six-month LIBOR indexed ARMs. This reflects a widening gap between short- and long-term interest rates and adjustable- and fixed rate mortgages and our efficiency as an acquirer and investor in adjustable rate mortgage loans. The acquisition for long-term investment of a higher than expected volume of adjustable rate mortgages has shifted projected earnings from less reliance on gain on sale of loans as a source of revenue to net interest income generated from our balance sheet. We anticipate that the balance sheet will generate as much as, if not greater than, 80% of our total earnings during 2002 as compared to 67% of total earnings during 2001. Over the last two calendar quarters, we have acquired \$1.1 billion of primarily adjustable rate non-conforming Alt-A mortgages, which represented approximately 44% of our long-term mortgage loan portfolio as of March 31, 2002."

Results of Operations

Net earnings for the first quarter of 2002 were positively affected by an increase in net interest income and an increase in equity in net earnings of IFC. Net interest income increased to \$15.6 million for the first quarter as total average mortgage assets increased to \$3.0 billion as compared to net interest income of \$13.8 million and total average mortgage assets of \$2.6 billion for the fourth quarter of 2001. Net interest margins on mortgage assets were 2.02% for the first quarter as compared to net interest margins of 2.04% for the fourth quarter of 2001. Equity in net earnings of IFC increased to \$4.6 million during the first quarter as compared to \$3.1 million for the fourth quarter of 2001. The increase in net earnings at IFC was primarily the result of an increase in gain on sale of loans. During the first quarter, gain on sale of loans increased to \$16.2 million on loan sales of \$969.4 million as compared to gain on sale of loans of \$14.0 million on loan sales of \$1.0 billion during the fourth quarter of 2001. The increase in gain on sale of loans was partially offset by a decrease in other non-interest income from the sale of IMH common stock by IFC. During the first quarter, IFC recorded gains of \$1.7 million on the sale of 377,028 shares of IMH common stock as compared to gains of \$3.5 million on the sale of 1.6 million shares of IMH common stock during the fourth quarter of 2001. During the first quarter, IFC sold all of its remaining shares of IMH common stock.

Long-Term Investment Operations Acquired \$491.8 million of Non-Conforming Alt-A Mortgages and Closed a CMO for \$495.0 million during First Quarter of 2002

Commenting on the Long-Term Investment Operations, Mr. Tomkinson said, "during the first quarter, we were able to quickly utilize some cash proceeds from the sale of common stock by acquiring approximately \$492.0 million of adjustable rate mortgages from our Mortgage Operations. Of total acquisitions, 66% were non-conforming Alt-A mortgage loans that are six-month LIBOR indexed ARMs and hybrids. The acquisition of these mortgage loans along with applicable hedging instruments will help mitigate possible net interest margin compression during periods of rising interest rates." Non conforming Alt-A mortgage loans primarily consist of mortgage loans that are first lien mortgage loans made to borrowers whose credit is generally within typical Fannie Mae or Freddie Mac guidelines, but that have loan characteristics, such as lack of documentation or verifications, that make them ineligible under those guidelines.

The Long-term Investment Operations acquired \$491.8 million of primarily adjustable-rate non-conforming Alt-A mortgages from the Mortgage Operations during the first quarter as compared to \$578.5 million acquired during the fourth quarter of 2001. Mortgage loans acquired by the Long-Term Investment Operations during the first quarter had a weighted average credit score of 684 and a weighted average coupon of 6.54%. As of March 31, 2002, 57% of mortgage loans in the long-term investment portfolio had active prepayment penalties as compared to 54% as of December 31, 2001. As of March 31, 2002, mortgage loans in the long-term investment portfolio were acquired with an original weighted average credit score of 672 and 60% were hybrid loans. The Company generally considers prime mortgage loans, or "A" credit quality loans, to have a credit score of 640 or better. As a comparison, Fannie Mae and Freddie Mac generally purchase loans with credit scores greater than 620.

Mr. Tomkinson further commented, "the Long-Term Investment Operations completed a CMO for \$495.0 million during the first quarter, which included \$470.0 million of AAA rated bonds and \$25.0 million of BBB rated bonds that were priced on a weighted average basis of one-month LIBOR plus 42 basis points. We anticipate completing an additional CMO for \$500.0 to \$525.0 million during April of 2002 at similar pricing. The high credit quality and favorable credit loss history of our non-conforming Alt-A mortgage loans allows us to borrow a higher percentage against mortgage loans securing CMOs."

Allowance for loan losses increased 27% to \$14.8 million as of March 31, 2002 as compared to \$11.7 million as of December 31, 2001. Allowance for loan losses expressed as a percentage of loans receivable, which includes CMO collateral, mortgage loans held-for-investment and finance receivables, was 0.46% at March 31, 2002 as compared to 0.43% at December 31, 2001. During the first quarter, provision for loan losses was \$3.7 million while actual loan charge-offs, net of recoveries, were \$635,000 as compared to \$6.3 million and \$2.5 million, respectively, for the fourth quarter of 2001. The Company makes a monthly provision for estimated loan losses on its long-term investment portfolio as an increase to allowance for loan losses. The provision for estimated loan losses is primarily based on a migration analysis based on historical loss statistics, including cumulative loss percentages and loss severity, of similar loans in the Company's long-term investment portfolio. The loss percentage is used to determine the estimated inherent losses in the investment portfolio. Provision for loan losses is also based on management's judgment of net loss potential, including specific allowances for known impaired loans, changes in the nature and volume of the portfolio, the value of the collateral and current economic conditions that may affect the borrowers' ability to pay.

As of March 31, 2002, total non-performing assets were \$80.4 million, or 2.40% of total assets, as compared to \$69.5 million, or 2.43% of total assets, as of December 31, 2001. Mortgage loans that were 60 or more days delinquent, including foreclosures and delinquent bankruptcies, was 3.85% of the long-term mortgage investment portfolio as of March 31, 2002 as compared to 3.84% as of December 31, 2001.

Impac Warehouse Lending Group, a qualified REIT subsidiary of the Company, Maintained Strong Warehouse Lending Activity during First Quarter of 2002

During the first quarter, the Warehouse Lending Operations had total average outstanding finance receivables of \$625.4 million as compared to \$535.4 million during the fourth quarter of 2001. This increase primarily reflects an increase in loan production volume from the Mortgage Operations as average outstanding finance receivables increased to \$385.8 million during the first quarter as compared to \$288.6 million for the fourth quarter of 2001. Average outstanding finance receivable to non-affiliates during the first quarter was \$239.6 million as compared to \$246.8 million for the fourth quarter of 2001. On March 31, 2002, the Warehouse Lending Operations had 59 approved warehouse lines available to non-affiliated customers totaling \$481.0 million as compared to 57 and \$447.0 million as of December 31, 2001, respectively.

The Warehouse Lending Operations continued to provide a consistent contribution to net earnings and earnings per share for the Company. During

the first quarter, the Warehouse Lending Operations contributed net earnings of \$3.1 million, or \$0.09 per diluted common share. Net earnings for the first quarter represented a 27% return on average equity of \$45.8 million.

Operating Results of the Mortgage Operations Reflects Increased Net Earnings and Loan Production during First Quarter of 2002

Commenting on the operating results of the Mortgage Operations, William S. Ashmore, President and Chief Operating Officer, said, "low interest rates, strong housing demand, increased consumer confidence on the direction of the economy, our innovative loan programs and our automated underwriting system contributed to record levels of loan production during the first quarter. Forty-four percent of our total loan production was six-month LIBOR indexed ARMs and 69% of mortgage loans that we acquired and originated had prepayment penalty features. Adjustable rate, prepayment penalty and credit quality characteristics of mortgage loans underwritten and acquired and originated by the Mortgage Operations should provide reliable cash flows and positive earnings after these mortgage loans are acquired for long-term investment by IMH."

Total loan acquisitions and originations increased 21% to \$1.2 billion during the first quarter as compared to \$977.1 million during the fourth quarter of 2001. During the first quarter, correspondent loan acquisitions were \$877.5 million, wholesale and retail originations were \$235.4 million and Novelle Financial Services originations were \$71.2 million as compared to \$715.6 million, \$192.9 million and \$68.6 million, respectively, for the fourth quarter of 2001. IDASL, the Company's web-based automated underwriting system, continues to substantially enhance the acquisition and origination process. During the first quarter, \$3.2 billion of mortgage loans were processed by IDASL as compared to \$3.1 billion during the fourth quarter of 2001 with mortgage loan approval rates of 68%. IDASL stands for Impac Direct Access System for Lending and can be viewed at the Company's website at www.impaccompanies.com.

Commenting on our new interest only loan program, Mr. Ashmore, said, "we are anxious to see the response we receive regarding our interest only loan program. We feel that we have added another innovative loan product that will provide borrowers substantial monthly payment savings. This type of loan program will allow borrowers to offset the cost of rising interest rates which will make them attractive during a rising interest rate cycle."

For additional information, questions or comments call or write to the Company's Investor Relations group and ask for Tania Jernigan at (949) 475-3600 or email Ms. Jernigan at tjernigan@impaccompanies.com. The Company has announced a conference call and live web cast on Tuesday, April 23, 2002 at 9:00 a.m. Pacific Standard Time (12:00 a.m. Eastern Standard Time). Mr. William Ashmore will discuss the results of the Company's first quarter operations and provide a general update on the Company followed by a question and answer session. The conference call will be limited for discussion to certain buy-side and sell-side analysts and will be open for listen only to all interested parties. If you would like to participate, you may access the web cast via our web site at http://www.impaccompanies.com/IMH/IMH_Main.asp or by using the dial in number, (800) 350-9149. To participate in the call, dial in fifteen minutes prior to the scheduled start time. The conference call will be archived on Impac Mortgage Holdings, Inc.'s web site at www.impaccompanies.com, by linking to Impac Mortgage Holdings, Inc./Audio Archives. You can subscribe to receive instant notification of Impac Mortgage Holdings, Inc.'s conference, news and monthly (unaudited) fact sheet, which will be available on Friday, April 26, 2002, by using our email alert feature located at the Company's web site at www.impaccompanies.com under Impac Mortgage Holdings, Inc./Investor Relations/Email Alerts.

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, including but not limited to, changes in the origination and resale pricing of mortgage loans, changes in management's estimates and expectations, general financial markets and economic conditions and other factors described in this press release and under "Business risk factors" in our Annual Report on Form 10-K and Form 10-K/A.. 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 earnings in future periods.

IMPAC MORTGAGE HOLDINGS, INC.
(in thousands, except per share amounts)
(unaudited)

Balance Sheets:	March 31, 2002	December 31, 2001
Cash and cash equivalents	\$52,827	\$51,887
Investment securities available-for-sale	28,640	32,989
Loans receivable:		
CMO collateral	2,563,621	2,229,168
Finance receivables	639,489	466,649
Mortgage loans held-for-investment	8,882	20,078
Allowance for loan losses	(14,764)	(11,692)
Net Loan Receivables	3,197,228	2,704,203
Investment in Impac Funding Corporation	20,377	19,126
REO properties	6,989	8,137
Due from affiliates	14,500	14,500
Other assets	28,667	23,892
Total Assets	\$3,349,228	\$2,854,734
CMO borrowings	\$2,470,726	\$2,151,400
Reverse repurchase agreements	576,094	469,491
Borrowings secured by investment		

securities available-for-sale	11,260	12,997
Other liabilities	21,008	17,481
Stockholders' equity	270,140	203,365
Total Liabilities and Stockholders' Equity	\$3,349,228	\$2,854,734

Statements of Operations:	For the Three Months		For the
	Ended, March 31,	Ended, December 31,	Three Months Ended, December 31,
	2002	2001	2001
Interest income	\$43,068	\$39,399	\$40,582
Interest expense	27,421	30,506	26,809
Net interest income	15,647	8,893	13,773
Provision for loan losses	3,707	4,038	6,254
Net interest income after provision for loan losses	11,940	4,855	7,519
Equity in net earnings of Impac Funding Corporation	4,609	1,290	3,055
Other non-interest income	1,043	835	3,048
Total non-interest income	5,652	2,125	6,103
Write-down on investment securities available-for-sale	1,039	--	269
Professional services	860	619	1,019
Personnel expense	401	305	345
General and administrative and other expense	79	376	413
Mark-to-market loss - SFAS 133	--	864	107
Gain on disposition of real estate owned	(436)	(639)	(347)
Total non-interest expense	1,943	1,525	1,806
Earnings before taxes and cumulative effect of change in accounting principle	15,649	5,455	11,816
Cumulative effect of change in accounting principle	--	(4,313)	3,696
Alternative minimum tax	--	--	(550)
Net earnings	15,649	1,142	14,962
Less: Cash dividends on 10.5% cumulative convertible preferred stock	--	(788)	--
Net earnings available to common stockholders	\$15,649	\$354	\$14,962
Earnings per share before taxes and cumulative effect of change in accounting principle:			
Basic	\$0.44	\$0.23	\$0.37
Diluted	\$0.43	\$0.20	\$0.37
Net earnings per share:			
Basic	\$0.44	\$0.02	\$0.49
Diluted	\$0.43	\$0.04	\$0.48
Dividends declared per common share	\$0.40	\$--	\$0.44
Weighted average shares outstanding:			
Basic	35,926	20,385	30,512
Diluted	36,399	26,751	30,862
Common shares outstanding	39,422	20,385	32,002

IMPAC MORTGAGE HOLDINGS, INC.
(in thousands, except per share amounts)
(unaudited)

Reconciliation of Core Operating Earnings to Net Earnings

	For the Three Months Ended, March 31,		For the Three Months Ended, December 31,
	2002	2001	2001
Net earnings	\$15,649	\$1,142	\$14,962
Adjustments to net earnings:			
Mark-to-market loss - SFAS 133	--	864	107
Write-down on investment securities available-for-sale	1,039	--	269
Cumulative effect of change in accounting principle	--	4,313	(3,696)
Alternative minimum tax	--	--	550
Tax-effected recovery of previously charged-off assets at IFC	--	--	(668)
Recovery of previously charged-off	--	--	(2,145)
Core operating earnings	\$16,688	\$6,319	\$9,379
Core operating earnings per diluted share	\$0.46	\$0.24	\$0.30

Reconciliation of Estimated Taxable Earnings to Net Earnings (1)

	For the Three Months Ended, March 31,		For the Three Months Ended, December 31,
	2002	2001	2001
Net earnings	\$15,649	\$1,142	\$14,962
Adjustments to net earnings:			
Mark-to-market loss - SFAS 133	--	864	107
Write-down on investment securities available-for-sale	1,039	--	269
Cumulative effect of change in accounting principle	--	4,313	(3,696)
Alternative minimum tax	--	--	550
Loan loss provision	3,707	4,038	6,254
Dividends from IFC	1,980	1,944	2,475
Cash received from previously charged-off assets	175	389	526
Tax deduction for actual loan losses	(635)	(2,833)	(2,504)
Gain on sale of investment securities	--	--	(312)
Equity in net earnings of IFC	(4,609)	(1,290)	(3,055)
Tax difference of amortization of derivative instruments	(316)	--	--
Estimated taxable earnings	\$16,990	\$8,567	\$15,576
Estimated taxable earnings per diluted share	\$0.47	\$0.32	\$0.50

(1) Reflects calculation of estimated taxable earnings generated by the Company during periods shown. Excludes quarterly tax deductions of \$2.7 million during 2001 for amortization of the termination of its management agreement in 1997, the deduction for dividends paid and the availability of a deduction attributable to a net operating loss carryforward. At the end of 2001, the Company will have

completely deducted amortization of its management agreement from taxable income.

IMPAC MORTGAGE HOLDINGS, INC.
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Yield Analysis of Mortgage Assets and Borrowings on Mortgage Assets

	For the Three Months Ended, March 31, 2002		For the Three Months Ended, March 31, 2001	
	Avg Bal	Yield	Avg Bal	Yield
Investment securities				
available-for-sale	\$32,364	5.35%	\$36,419	14.56%
CMO collateral	2,340,187	5.89%	1,327,557	7.84%
Mortgage loans				
held-for-investment (1)	14,979	-0.83%	89,782	6.58%
Finance receivables	625,350	4.84%	446,769	8.91%
Total Mortgage Assets	\$3,012,880	5.63%	\$1,900,527	8.16%
CMO borrowings	2,261,902	3.96%	1,247,222	6.60%
Reverse repurchase agreements	581,251	2.95%	503,973	7.03%
Borrowings secured by investment securities	12,345	17.79%	20,329	13.34%
Total Borrowings on Mortgage Assets	\$2,855,498	3.82%	\$1,771,524	6.80%
Net Interest Spread on Mortgage Assets		1.82%		1.36%
Net Interest Margin on Mortgage Assets		2.02%		1.82%

	For the Three Months Ended, December 31, 2001		For the Year Ended, December 31, 2001	
	Avg Bal	Yield	Avg Bal	Yield
Investment securities				
available-for-sale	\$34,253	6.07%	\$34,199	10.28%
CMO collateral	1,911,579	6.44%	1,519,702	7.13%
Mortgage loans				
held-for-investment	85,055	5.05%	137,130	5.97%
Finance receivables	535,401	5.54%	474,192	7.15%
Total Mortgage Assets	\$2,566,288	6.20%	\$2,165,223	7.11%
CMO borrowings	1,844,523	4.51%	1,444,033	5.39%
Reverse repurchase agreements	588,272	3.62%	580,605	5.31%
Borrowings secured by investment securities	14,172	17.16%	17,199	14.92%
Total Borrowings on Mortgage Assets	\$2,446,967	4.37%	\$2,041,837	5.45%
Net Interest Spread on Mortgage Assets		1.83%		1.66%
Net Interest Margin on Mortgage Assets		2.04%		1.98%

(1) Includes cash paid on unallocated interest rate hedging instruments.

Acquisition Summary (excluding premiums paid):

	For the Three Months Ended, March 31,				For the Three Months Ended, December 31,	
	2002 Volume	%	2001 Volume	%	2001 Volume	%
Acquisitions by Type:						
Adjustable rate	\$491,781	100	\$179,168	100	\$574,549	99
Fixed rate	--	--	--	--	4,000	1
Total loan acquisitions	\$491,781		\$179,168		\$578,549	
Acquisitions by Product:						
Six-month LIBOR indexed ARM's	\$322,933	66	\$3,096	2	\$257,138	44
Six-month LIBOR indexed hybrids (1)	168,848	34	176,072	98	317,411	55
Second trust deeds	--	--	--	--	4,000	1
Total loan acquisitions	\$491,781		\$179,168		\$578,549	
Acquisitions by Credit Quality:						
Alt-A loans	\$489,927	100	\$176,767	99	\$574,039	99
B/C loans	1,854	0	2,401	1	4,510	1
Total loan acquisitions	\$491,781		\$179,168		\$578,549	
Acquisitions by Purpose:						
Purchase	\$290,019	59	\$127,123	71	\$383,234	66
Refinance	201,762	41	52,045	29	195,315	34
Total loan acquisitions	\$491,781		\$179,168		\$578,549	
Acquisitions by prepayment penalty:						
With prepayment penalty	\$301,525	61	\$110,637	62	\$342,810	59
Without prepayment penalty	190,256	39	68,531	38	235,739	41
Total loan acquisitions	\$491,781		\$179,168		\$578,549	

(1) Mortgage loans are fixed rate for initial two to five year periods and subsequently adjust to indicated index plus a margin.

IMPAC MORTGAGE HOLDINGS, INC.
(in thousands, except per share amounts)
(unaudited)

Other Financial Data

	For the Three Months Ended, March 31,		For the Three Months Ended, December 31,
	2002	2001	2001
Diluted book value			

per share	\$6.85	\$6.70	\$6.35
Return on average assets (1)	2.16%	1.29%	1.40%
Return on average equity (1)	28.50%	14.09%	18.08%
Assets to equity ratio	12.40:1	11.17:1	14.05:1
Debt to equity ratio	11.32:1	10.16:1	12.95:1
Allowance for loan losses to total loans receivable	0.46%	0.33%	0.43%
Mortgage loan acquisitions	\$491,781	\$179,168	\$578,549
Prepayment penalties as a % of mortgages securing CMOs	57%	30%	54%
CPR on mortgages securing CMOs	26%	29%	28%
Total non-performing assets (2)	\$80,403	\$53,921	\$69,527
Total non-performing loans to total assets	2.40%	2.70%	2.43%
Total mortgages owned 60+ days delinquent (3)	\$94,219	\$65,603	\$82,700
Delinquency rate of mortgages in the investment portfolio	3.85%	4.84%	3.84%
Master servicing portfolio	\$6,157,279	\$4,439,522	\$5,568,740
Total mortgages 60+ days delinquent in the master servicing portfolio (3)	5.13%	4.82%	5.38%

(1) Based on core operating earnings.

(2) Non-performing assets include mortgages in the investment portfolio that are 90+ days delinquent plus other real estate owned.

(3) Includes foreclosures and delinquent bankruptcies.

IMPAC FUNDING CORPORATION
(in thousands)
(unaudited)

Balance Sheets:	March 31, 2002	December 31, 2001
Cash	\$31,149	\$28,612
Securities available-for-sale	173	3,394
Mortgage loans held-for-sale	386,373	174,172
Mortgage servicing rights	7,814	8,468
Premises and equipment, net	5,002	5,333
Other assets	20,343	19,823
Total Assets	\$450,854	\$239,802
Warehouse facilities	\$383,778	\$174,136
Due to affiliates	14,500	14,500
Deferred revenue	3,858	4,479
Other liabilities	28,136	27,367
Shareholders' equity	20,582	19,320

Total Liabilities and Shareholders' Equity	\$450,854	\$239,802
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Statements of Operations:	For the Three Months Ended, March 31,		For the Three Months Ended, December 31,
	2002	2001	2001
Interest income	\$6,646	\$7,492	\$5,861
Interest expense	4,975	7,198	4,263
Net interest income	1,671	294	1,598
Gain on sale of loans	16,158	7,649	14,003
Loan servicing income (expense)	(357)	1,032	(168)
Other non-interest income	1,735	46	4,684
Total non-interest income	17,536	8,727	18,519
Personnel expense	5,573	3,185	5,783
General and administrative and other expense	4,090	2,479	3,852
Amortization and impairment of mortgage servicing rights	1,499	1,053	1,587
Mark-to-market gain - SFAS 133	(448)	(17)	391
Provision for repurchases and loan losses	435	6	2,983
Total non-interest expense	11,149	6,706	14,596
Earnings before income taxes and cumulative effect of change in accounting principle	8,058	2,315	5,521
Income taxes	3,403	1,000	2,435
Earnings before cumulative effect of change in accounting principle	4,655	1,315	3,086
Cumulative effect of change in accounting principle	--	17	--
Net earnings	4,655	1,298	3,086
Less: Cash dividends on preferred stock	(1,980)	(1,964)	--
Net earnings (loss) available to common stockholders	\$2,675	\$(666)	\$3,086

IMPAC FUNDING CORPORATION
(in thousands)
(unaudited)

Production Summary
(excluding premiums
paid):

	For the Three Months Ended, March 31,				For the Three Months Ended, December 31,	
	2002 Volume	%	2001 Volume	%	2001 Volume	%
Production by Type:						
Fixed rate	\$362,606	31	\$431,868	72	\$401,218	41
Second trust deeds	13,496	1	9,954	2	\$13,195	1
Adjustable rate:						
Six month LIBOR ARM's	523,730		3,044		248,719	
Six month LIBOR Hybrids	284,352		152,302		313,944	
Total adjustable rate	808,082	68	155,346	26	562,663	58
Total loan production	\$1,184,184		\$597,168		\$977,076	
Production by Channel:						
Correspondent acquisitions	\$877,542	74	\$466,820	78	\$715,645	73
Wholesale and retail originations	235,417	20	130,348	22	192,862	20
Novelle Financial Services	71,225	6	--	0	68,569	7
Total loan production	\$1,184,184		\$597,168		\$977,076	
Production by Credit Quality:						
Alt-A loans	\$1,107,450	94	\$591,384	99	\$902,899	92
B/C loans	76,734	6	5,784	1	74,177	8
Total loan production	\$1,184,184		\$597,168		\$977,076	
Production by Purpose:						
Purchase	\$648,230	55	\$382,240	64	\$565,496	58
Refinance	535,954	45	214,928	36	411,580	42
Total loan production	\$1,184,184		\$597,168		\$977,076	
Production by Prepayment Penalty:						
With prepayment penalty	\$817,251	69	\$382,142	64	\$650,504	67
Without prepayment penalty	366,933	31	215,026	36	326,572	33
Total loan production	\$1,184,184		\$597,168		\$977,076	

SOURCE Impac Mortgage Holdings, Inc.

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