



Impac Mortgage Holdings, Inc. Announces Third Quarter 2005 Dividend Payment of \$0.45 Per Common Share and Announces Upcoming Posting of Its Unaudited Monthly Fact Sheet for the Month of August 2005

September 27, 2005

NEWPORT BEACH, Calif., Sept. 27 /PRNewswire-FirstCall/ -- Joseph R. Tomkinson, Chairman and CEO of Impac Mortgage Holdings, Inc. (NYSE: IMH), or the "Company," a Maryland corporation, being taxed as a Real Estate Investment Trust ("REIT"), announces the Board of Directors' approval and declaration of the 2005 third quarter dividend of \$0.45 per common share. The third quarter dividend will be paid on October 14, 2005 to stockholders of record on October 7, 2005. The ex-dividend date will be October 5, 2005. Therefore, new stockholders interested in receiving the 2005 third quarter dividend must purchase common stock on or before October 4, 2005.

Mr. Tomkinson commented, "We have reduced our quarterly common stock dividend to a level that we believe is consistent with our expected third quarter estimated taxable income per common share." Mr. Tomkinson further commented "Although continued rising short-term interest rates and elevated levels of mortgage prepayments have put continued pressure on our adjusted net interest margins, we believe that over the long term our core strategy of building a large portfolio of adjustable rate mortgage assets, along with our interest rate and credit risk management strategies should continue to reduce our exposure to rising interest rates. Furthermore, once the Federal Reserve changes or modifies their stance on increasing short-term interest rates we expect our borrowing costs will begin to stabilize, and we anticipate that the yield on our adjustable rate mortgage assets will adjust upwards allowing for an improvement in our adjusted net interest margins." Mr. Tomkinson further stated, "In the interim, we intend to continue to sell a higher percentage of loans for cash gains, where execution of loan sales have remained favorable, we plan to invest selectively in mortgage assets that meet or exceed our investment criteria, and we will continue to focus on growing our mortgage and warehouse lending operations." Mr. Tomkinson concluded "With respect to weather related losses in the Gulf coast region, specifically the states of Louisiana, Mississippi, Texas and Alabama while losses can not be determined at this time, we do not expect losses to be material."

Monthly Fact Sheet

The August 2005 unaudited monthly fact sheet is expected to be posted on Friday, September 30, 2005. The Company posts to its web site an unaudited monthly fact sheet on or about the last day of the following month. For example, the January 2005 unaudited monthly fact sheet was available on March 1, 2005. The exception to this rule is unaudited monthly fact sheets for quarter end periods. In this case, they will be posted after the release of earnings or the filing of our form 10-Q for the respective period. You can subscribe to receive instant notification of conference calls, new releases and the unaudited monthly fact sheets by using our e-mail alert feature located at the web site www.impaccompanies.com under Impac Mortgage Holdings, Inc. / Stockholder Relations / Contact Us / Email Alerts.

About the Company

Impac Mortgage Holdings, Inc. is a mortgage REIT which operates three core 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 Alt-A mortgage loans and to a lesser extent originates multi-family loans for investment. The Mortgage Operations acquires, originates, sells and securitizes primarily Alt-A mortgage loans and the Warehouse Lending Operations provides short-term financing to mortgage loan originators. The Company is organized as a REIT for tax purposes, which generally allows it to pass through earnings to stockholders without federal income tax at the corporate level.

Forward Looking Statements

Note: Safe Harbor "Statement under the Private Securities Litigation Reform Act of 1995." This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements relating to our ability to pay common stock dividends and estimated taxable income. Forward-looking statements, some of which are based on various assumptions and events that are beyond our control, may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as "may," "will," "believe," "expect," "plan," "should," "anticipate," "estimates" or similar terms or variations on those terms or the negative of those terms. The forward-looking statements are based on current management expectations. Due to known and unknown risks and other factors not presently identified, the Company's results may differ materially from its expectations, projections and guidance. Actual results may differ materially as a result of several factors, including, but not limited to, interest rate fluctuations and changes in expectations of future interest rates; changes (increase or decrease) in prepayment rates and effectiveness of prepayment penalties on our mortgages; the inability to complete loan sales for cash gains on favorable terms as a result of decreased pricing on loan sales; the ability to generate sufficient liquidity to grow our asset base and conduct our operations as planned; delays in raising, or the inability to raise, additional capital, either through equity offerings, lines of credit or otherwise; the availability of financing and, if available, the terms of any financing, including continued increased borrowing costs; continued availability to access the securitization markets or other funding sources; changes in markets which the Company serves, such as a general decrease in yield on adjustable rate mortgages; the continued effectiveness of risk management strategies; changes in other general market and economic conditions causing, for example, an economic downturn that decreases mortgage origination and acquisition activity, accuracies of assumptions regarding potential weather-related losses in the Gulf coast region, and other factors described in this press release and our filings with the Securities and Exchange Commission, including "Risk Factors" in our Annual Report on Form 10-K/A for the year ended December 31, 2004 and Quarterly Report on Form 10-Q for the quarters ended March 31, 2005 and Form 10-Q/A for June 30, 2005. Caution must be exercised in relying on these and other forward-looking statements.

For additional information, questions or comments, please call Tania Jernigan, VP of Investor Relations at (949) 475-3722 or email tjernigan@impaccompanies.com. Web site: www.impaccompanies.com

SOURCE Impac Mortgage Holdings, Inc. 09/27/2005 CONTACT: Tania Jernigan, VP of Investor Relations of Impac Mortgage Holdings, Inc.,

+1-949-475-3722, tjernigan@impacompanies.com Web site: <http://www.impacompanies.com>