



Impac Mortgage Holdings, Inc. Announces the Acquisition of Certain Assets of Fidelity Bancorp Funding, Inc. to Expand Its Commercial Loan Origination Platform

January 8, 2007

IRVINE, Calif., Jan. 8 /PRNewswire-FirstCall/ -- Impac Mortgage Holdings, Inc. (NYSE: IMH), "IMH" or the "Company", a real estate investment trust ("REIT"), announced today that its subsidiary, Impac Commercial Capital Corporation ("ICCC") has entered into a definitive agreement to purchase certain assets, and hire the employees of Fidelity Bancorp Funding, Inc. ("Fidelity"). Reporting to William Endresen, President of ICCC, William Sonsma, the sole shareholder of Fidelity, will assume the title of Executive Vice President, Managing Director of Wholesale for ICCC. ICCC originates small-balance multi-family and commercial loans primarily for investment. Terms of Mr. Sonsma's employment agreement includes a base salary, restricted stock grants and monthly incentives based upon production volumes. The closing date is projected to be on or about January 16, 2007.

Fidelity specializes in the origination of small-balance commercial and multi-family mortgages with an emphasis on marketing to its nationwide network of approximately 3,000 residential mortgage brokers. With record 2005 annual originations of approximately \$1.0 billion, Fidelity with its seasoned senior management team including approximately 30 employees, has been profitable every year since its inception in 2000. Fidelity's operations will be merged into ICCC.

Mr. Joseph R. Tomkinson, Chairman and Chief Executive Officer of IMH, Inc. commented, "Given the historical performance of our commercial loan portfolio, one of our strategic goals is to increase our small-balance multi-family and commercial loan originations." Mr. Tomkinson further commented, "We are excited about the opportunities that this relationship offers the Company because it will enable us to leverage our well known brand name, large national broker base and existing commercial platform with Fidelity's ability to originate multi-family and commercial loans through residential mortgage brokers."

About the Company

Impac Mortgage Holdings, Inc. is a mortgage REIT, which operates four core businesses: (1) the Long-Term Investment Operations, (2) the Mortgage Operations, (3) the Warehouse Lending Operations and (4) the Commercial Operations. The Long-Term Investment Operations invests primarily in non-conforming Alt-A ("Alt-A") mortgage loans and to a lesser extent small-balance multi-family and commercial loans originated by the Commercial Operations. The Mortgage Operations acquires, originates, sells and securitizes primarily Alt-A residential mortgage loans, the Warehouse Lending Operations provides short-term financing to mortgage loan originators and the Commercial Operations originates small-balance commercial loans for sale to the Long-Term Investment Operations or to third parties. 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.

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

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SOURCE Impac Mortgage Holdings, Inc.

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