Impac Mortgage Holdings, Inc. Declares First Quarter Dividend Payment of $0.10 per Common Share Completes $1.4 Billion Securitization of Loans Totaling $2.4 Billion for First Quarter 2007

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Announces Formation of Arch Bay Group LLC Announces Upcoming Posting of Unaudited February Monthly Fact Sheet

IRVINE, Calif., March 29 /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 Director's approval of the first quarter 2007 dividend of $0.10 per common share. The first quarter dividend will be paid on April 17, 2007 to stockholders of record on April 9, 2007. The ex-dividend date will be April 3, 2007. As a REIT, the Company is required to distribute 90% of its taxable income for the calendar year. To the extent that taxable income exceeds dividends paid during the year, the Company may be required to make a special dividend of undistributed taxable income for the year. The Company is also pleased to announce that it has completed two securitizations in the first quarter with a combined total of $2.2 billion of Alt-A residential loans and $235 million of commercial and multi-family loans.

(Logo: http://www.newscom.com/cgi-bin/prnh/20070305/LAM033LOGO)

Mr. Tomkinson commented, "These two securitizations demonstrate the Company's ability to attract bond investors despite the unusually volatile mortgage market. Further, these securitizations along with whole loan sales completed during the first quarter positioned the Company with a preliminary projection heading into quarter-end of $130 million in cash and cash equivalents and reduced inventory of primarily newly originated or acquired unsold loans of approximately $800 million at the end of the first quarter 2007 as compared to $1.6 billion at December 31, 2006. With approximately $5.8 billion in warehouse capacity, including $800 million which will expire by its terms in June 2007, the Company has greatly reduced its exposure to margin calls while creating opportunity to grow as market conditions improve."

"In addition, we are pleased to report that our outstanding repurchase requests at end of the first quarter have been substantially reduced as compared to year end 2006. We believe that the strategies implemented since January of 2006, which included tightening of our underwriting guidelines, strategically reducing our loan volume and utilizing our proprietary and third party analytical technology has allowed the Company to navigate through this difficult credit environment."

Mr. Tomkinson further commented, "While the REIT continues to generate positive estimated taxable income which may exceed our dividend rate, operating losses at the taxable REIT subsidiary are expected to continue until investor confidence returns to the mortgage markets. Given the uncertainty as to the duration of these trends, the Company believes that it is prudent to preserve liquidity and be in a position to take advantage of market conditions that may result in attractive opportunities for the Company."

"In anticipation of a deterioration in the mortgage market, the Company formed Arch Bay Group LLC ("ArchBay") for the purpose of acquiring, restructuring and remarketing non-performing mortgage loans and real estate property. With the dramatic increase in the number of mortgage defaults and the pressure warehouse lenders are giving their clients to sell mortgage loans, we believe there is an attractive opportunity to be a buyer of these non-performing loans," commented Mr. Tomkinson.

Mr. Shawn Miller and Mr. Steven Davis, co-founders of ArchBay, will lead the organization as President and Chief Financial Officer, respectively. Mr. Miller and Mr. Davis have extensive experience with defaulted mortgages, default timeline management and non-performing assets. Prior to this venture, Mr. Miller and Mr. Davis were the founders of 3 Arch Financial Services ("3 Arch") which specialized in providing national default services for banks and mortgage servicers. 3 Arch was sold in 2004 to Land America Financial Group, one of the leading national title and information service companies.

The formation of ArchBay was designed to take advantage of third party capital and Impac's infrastructure to purchase non-performing mortgage loans and employ proprietary modeling and loss mitigation strategies to restructure or refinance these non-performing loans. For loans that are not restructured or refinanced, ArchBay will use its expertise in default processing to effectively liquidate the loan.

Unaudited Monthly Fact Sheet

The February 2007 unaudited monthly fact sheet will be posted after the market closes on Monday, April 2, 2007. The Company generally posts to its web site an unaudited monthly fact sheet upon the end of the following month or concurrent with the release or filing of quarterly or annual earnings. You can subscribe to receive instant notification of conference calls, news releases and the unaudited monthly fact sheets by using our e-mail alert feature located at the website www.impaccompanies.com under Stockholder Relations / Contact IR / Email Alerts.

Safe Harbor

This release contains certain 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. 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," "likely," "should," "could," "anticipate," "projected", or similar terms or variations on those terms or the negative of those terms. The forward-looking statements are based on management expectations. Actual results may differ materially as a result of several factors, including, but not limited to, failure to achieve projected earnings and taxable income levels; unexpected or greater than anticipated increases in credit and bond spreads; the ability to generate sufficient liquidity; uncertainty in the secondary market and the inability to sell or securitize loans; unexpected decrease in value of loans underlying finance facilities due to oversupply of mortgage loans or other market conditions; continued ability to access the securitization markets or other funding sources; the availability of financing, including the renewal of finance facilities, and, if available, the terms of any financing; lenders' unwillingness to provide further financing based on general market conditions; failure to comply with our existing finance facilities; continued increase in price competition; risks of delays in raising, or the inability to raise on acceptable terms, additional capital, either through equity offerings, lines of credit or otherwise; the ability to generate taxable income and to pay dividends; the failure to sell non-performing loans in the secondary market due to lack of interest, interest rate fluctuations on our assets that unexpectedly differ from those on our liabilities; unanticipated interest rate fluctuations; unexpected increase in our loan repurchase obligations; unexpected increase in prepayment rates on our mortgages; changes in assumptions regarding estimated loan losses or an increase in loan losses; continued ability to access the securitization markets or other funding sources, the availability of financing and, if available, the terms of any financing; changes in markets which the Company serves, such as mortgage refinancing activity and housing price appreciation; the adoption of new laws that affect our business or the business of people with whom we do business; changes in laws that affect our products and our business; and other general market and economic conditions.

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 commercial and multi-family loans originated by the Commercial Operations. The Mortgage Operations acquires, originates, sells and securitizes primarily Alt-A mortgage loans, the Warehouse Lending Operations provides short-term financing to mortgage loan originators and the Commercial Operations originates small-balance commercial and multi-family 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. Web site: www.impaccompanies.com

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