



Impac Mortgage Holdings, Inc. Provides Strategic Update on Current Market Conditions

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IRVINE, Calif., Aug. 7 /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 following response to current market conditions:

The Company has made all margin calls to date. Further, we have negotiated sales of approximately \$1.0 billion of our \$1.6 billion of loans held on financed facilities. These negotiated sales are scheduled to close over the next 30 days. In the interim, loans held in aggregate continue to generate a positive net interest spread.

In light of the continued and widely publicized volatility in the secondary and securitization markets, we have suspended funding on loans previously referred to as Alt-A loans. The Company will continue to fund loans through our wholesale and retail platforms that are eligible to be sold to government sponsored agencies. Further, in response to lower loan volumes, we have over the last three months significantly decreased our expenses with the reduction of our nationwide workforce and will continue to make additional adjustments as necessary. While this is a difficult and painful decision, we believe that it's a prudent strategy in light of the current business environment.

Mr. Tomkinson commented, "We would like to remind our stockholders that these rapid changes are widespread in our industry and while we are continuing to assess the market daily and can not make any assurances, we believe that we are taking the right steps to preserve long term stockholder value."

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", "negotiated" 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; the ability to generate sufficient liquidity; failure of current strategic initiatives to achieve their goals and inability to successfully manage through the current market environment based on a rapidly changing mortgage market with unexpected events or downturns; inability to renew, or termination of, current finance facilities based on the Company's financial performance or inability to satisfy financing covenants; inability to obtain financing on acceptable terms; deterioration in the secondary market causing delays and inability to complete securitizations or mortgage sales; the inability to sell or securitize mortgages for a profit; unexpected deterioration in the housing market changing previously appraised home values; significant margin calls; failure to sell, or achieve expected returns on sale of, non-performing loans in the secondary market due to market conditions, lack of interest or ineffectual pricing; inability to effectively liquidate properties through auction process or otherwise; failure to reduce costs associated with REO portfolio; unexpected increases in our loan repurchase obligations; inability to effectively implement strategies to increase cure rates, reduce delinquencies or mitigate losses on mortgage loans; changes in assumptions regarding estimated loan losses or an increase in loan losses; 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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