



## Impac Mortgage Holdings, Inc. Provides Market Update

November 19, 2007

IRVINE, Calif., Nov. 19 /PRNewswire-FirstCall/ -- Impac Mortgage Holdings, Inc. (NYSE: IMH), or the "Company," a Maryland corporation, being taxed as a real estate investment trust ("REIT"), announces that on November 13, 2007 it filed a Form 12b-25 with the Securities and Exchange Commission to provide notification that it will be filing its Form 10-Q for the quarter ended September 30, 2007 late because the Company needs more time to properly record and disclose its recently discontinued warehouse lending operations, commercial operations and the cessation of the origination and purchase of non-prime mortgage loans. The Company currently expects to file its Form 10-Q in mid December 2007.

The Company also anticipates reporting a significant change in its results of operations as it will experience a greater loss for the quarter period ended September 30, 2007 as compared to the corresponding period for the last fiscal year. However, at this time, the Company is unable to provide a reasonable estimate of the results for the quarter period ended September 30, 2007.

Mr. Joseph R. Tomkinson, Chairman and CEO of Impac Mortgage Holdings, Inc. commented, "Although we are disappointed in our inability to file within the deadline, we are pleased to announce that the Company had reduced its outstanding warehouse lines balances to approximately \$354.0 million as of November 15, 2007, from approximately \$925.0 million at September 30, 2007 and reduced its financing facilities to two remaining lenders from five lenders at September 30, 2007. With the previous sale of loans and the subsequent reduction of warehouse facilities, we believe that we have substantially reduced our overall margin call exposure. Further, as a result of our decision to discontinue the mortgage operations, (except selected retail originations), commercial operations and warehouse lending operations, the Company has substantially reduced its operating and personnel expenses. In addition, the Company has diligently been working to reduce its facility leasing obligations through sub-leasing opportunities and negotiated terminations."

Mr. Tomkinson further commented, "However, offsetting this we believe that as a result of continued deterioration in the real estate market during the third quarter, the Company expects to significantly add to its loan loss provisions primarily due to increased delinquencies in our long term investment portfolio and increased loss severities related to the sale and liquidation of real estate owned ("REO") properties. Principally, because of the increase in provision for loan losses the Company anticipates to report a stockholders deficit as of September 30, 2007. This stockholders deficit is created primarily because the Company is required under GAAP to record a negative equity investment in certain trusts which is below its net investment. We would like to point out that the trust agreements are non-recourse for which the Company cannot ultimately lose more than its original net investment in each trust. Therefore, the Company is not responsible (except under GAAP) for the losses in excess of its equity investment and subsequently is not required to advance any cash to trusts for credit or derivative loss. The Company plans to adopt FAS 159 on January 1, 2008. Had the Company adopted FAS 159 at September 30, 2007, the Company believes that stockholders equity would be positive. Further, the Company believes that its current cash flows along with its reduction in operating expenses, as described herein, should provide sufficient liquidity to execute its current business plan."

Mr. Tomkinson concluded, "We are truly disheartened by the chain of events, that despite our arduous efforts, has led to the significant and abrupt loss of our stockholders equity. As we continue to manage through this unprecedented real estate and mortgage business environment which historically has never seen this magnitude of losses or lack of liquidity in the capital markets, we will do what is necessary to maintain the viability of the Company and in the best interest of our stockholders. We remain dedicated and thankful to our stockholders for their support during these difficult times. We are looking forward to updating you on our progress."

### Safe Harbor Statement

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; the ability to generate sufficient liquidity from the long-term investment operations; higher than expected loss severities on REOs sales and liquidations; changes in assumptions of future allowance of losses on REOs; unexpected deterioration in the housing market changing previously appraised home values; change in value of mortgage loans underlying outstanding finance facilities causing margin calls; inability to obtain waivers from lenders; the failure to sell non-performing loans in the secondary market due to lack of interest; unexpected increase in prepayment rates on our mortgages; changes in assumptions regarding estimated loan losses or an increase in loan losses; changes in markets which the Company serves thereby effecting mortgage repayments on loans and the related value of mortgage loans underlying its securitized mortgage portfolio; inability to sub-lease on favorable terms or at all, or to negotiate reasonable terminations on leases; inability to file the third quarter Form 10-Q when anticipated or further delay of filing due to more time needed to prepare disclosure or discovery of unidentified issues; 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 through its Long Term Investment Operations is primarily invested in non-conforming Alt A mortgage loans (Alt-A) and to a lesser extent small balance commercial and multi-family loans. The Company also operates a significantly reduced Mortgage Operations, which originates and sells conforming loans that are eligible for sale to government sponsored agencies. 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

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