



Impac Mortgage Holdings, Inc. Announces Update on Preferred Stock Dividends and Payments on Trust Preferred Securities

December 11, 2008

IRVINE, Calif., Dec. 10 /PRNewswire-FirstCall/ -- Impac Mortgage Holdings, Inc. (Pink Sheets: IMPH), or the "Company," a Maryland corporation, being taxed as a real estate investment trust ("REIT"), announces that the Board of Directors will not be declaring, and the Company will not pay, a fourth quarter 2008 dividend on the Company's 9.375% Series B Cumulative Redeemable Preferred Stock (Pink Sheets: IMPHP) and 9.125% Series C Cumulative Redeemable Preferred Stock (Pink Sheets: IMPHO). Although the Company will not be making the fourth quarter 2008 dividend payment, unpaid dividends on the preferred stock will accumulate. Until such time as all cumulative dividends on the preferred stock are paid, the Company may not pay dividends on, nor redeem, repurchase or make any distribution on, shares of its common stock. If the Company does not pay dividends on its preferred stock for six or more quarterly periods (whether or not consecutive), preferred stockholders will be entitled to elect two additional directors to the Company's Board of Directors to serve until all dividends are paid.

The Board of Directors also approved the deferral of the payments of interest on its four series of trust preferred securities. The Company is deferring interest on the Impac Capital Trusts #1, #2 and #4 securities due January 30, 2009, and interest on the Impac Capital Trust #3 securities due December 30, 2008. The Company has the right to defer payment of interest on the Securities for a period of up to 4 consecutive quarterly interest payment periods for Impac Capital Trust #1, #2, and #3, and 20 consecutive quarterly interest payment periods for Impac Capital Trust #4. Pursuant to the terms of the trust preferred obligations, the deferral of interest payments is not deemed an event of default.

During the deferral period, interest on the trust preferred securities will bear additional interest at a rate equal to the coupon rate on the respective security. Unless the Company again elects to defer interest payments, the Company is required to pay all accrued interest together with the additional interest at the next payment date. Furthermore, during the time that the Company defers interest payments, it may not, with limited exceptions, pay dividends on or redeem or purchase its capital stock nor make any payments on outstanding debt obligations that rank equally with or junior to the trust preferred obligations and, in some cases, it may not allow subsidiaries to pay dividends.

The Company intends to offer cash of \$100.00 for every \$1,000.00 of trust preferred securities outstanding under each of its Impac Capital Trusts #1, #2, #3 and #4, which offer will expire on December 30, 2008.

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 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 Justin Moisio in Investor Relations at (949) 475-3988 or email jmoisio@impaccompanies.com. Web site: <http://www.impaccompanies.com>

SOURCE Impac Mortgage Holdings, Inc.

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