



Impac Mortgage Holdings, Inc. Announces Strategic Transaction to Further Position the Company for Profitability and Growth in 2014

December 18, 2013

IRVINE, Calif.--(BUSINESS WIRE)--Dec. 18, 2013-- Impac Mortgage Holdings, Inc. (NYSE MKT: IMH) (the "Company") today announces a strategic transaction centralizing both the retail originations and lending operations which is expected to improve the profitability of our lending segment, streamline the mortgage operations and better position the Company for profitability and growth in 2014.

Joe Tomkinson, Chairman and Chief Executive Officer, commented, "One of the things I am proud of is our management team's ability to be forward-thinking, innovative and nimble, especially in a challenging mortgage market like we are currently experiencing." The Company has capitalized on management's forward-thinking mindset and made a decision to focus on the lending channels and mortgage products that we believe will better contribute to overall long-term lending profitability.

In light of the significant regulatory and compliance changes that are occurring in January of 2014 and expected to add significant complexities to the already challenging mortgage market, we are taking advantage of an opportunity to sell our active "brick and mortar" retail lending branches and centralize our lending operations. As part of this transaction, we will be eliminating 23 retail branch locations and a fulfillment center, and reducing our current headcount by approximately 180 employees, which we anticipate will result in monthly net savings of approximately \$700 thousand.

Consolidating our retail lending channel will allow us to have better control, be more efficient, and provide our customers better customer service. We also think we can expand our retail originations more profitably through a retail call center approach at our corporate headquarters in Irvine, California. Despite centralizing our retail origination channel, the Company will continue to operate through all three nationwide channels including retail, wholesale and correspondent. We believe the more centralized operational focus will create more synergies and scalable opportunities for our mortgage operations.

Mr. Tomkinson added, "With these steps, we believe the Company will be more competitive in the current challenging mortgage market and better positioned to take advantage of opportunities as they arise."

About the Company

Impac Mortgage Holdings, Inc. (IMH or Impac) provides mortgage and real estate solutions that address the challenges of today's economic environment. Impac's operations include mortgage lending and servicing, portfolio loss mitigation and real estate services as well as the management of the securitized long-term mortgage portfolio which includes the residual interest in securitizations.

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