

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) January 4, 2006

Impac Mortgage Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

1-14100

(Commission File Number)

1401 Dove Street, Newport Beach, California

(Address of Principal Executive Offices)

33-0675505

(IRS Employer Identification No.)

92660

(Zip Code)

(949) 475-3600

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On January 4, 2006, the employment agreement effective February 1, 2005 between Gretchen Verdugo and Impac Funding Corporation was amended to extend the date by which Ms. Verdugo may elect voluntary termination from February 1, 2006 to May 31, 2006. Upon any such voluntary termination, Ms. Verdugo will receive the benefits as described under Item 5 of the Registrant's Form 10-Q for the period ended September 30, 2005.

Item 8.01 Other Events

On January 5, 2006, the Board of Directors of Impac Mortgage Holdings, Inc. approved and declared a fourth quarter 2005 dividend of \$0.20 per common share. The fourth quarter dividend will be paid on January 24, 2006 to stockholders of record on January 17, 2006. The ex-dividend date will be January 12, 2006.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

10.1 Addendum No. 1 to Employment Agreement between Gretchen Verdugo and Impac Funding Corporation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

IMPAC MORTGAGE HOLDINGS, INC.

Date: January 10, 2006

By: /s/ RONALD M. MORRISON

Name: Ronald M. Morrison

Title: Executive Vice President and General Counsel

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
10.1	Addendum No. 1 to Employment Agreement between Gretchen Verdugo and Impac Funding Corporation

Addendum No. 1 to Employment Agreement

This Addendum No. 1 is entered into this 4 day of January, 2006 and shall serve to amend that Employment Agreement entered into by and between Impac Funding Corporation ("Employer") and Gretchen Verdugo ("Employee") with an effective date of February 1, 2005, hereinafter the "Agreement."

The parties hereto agree that the Agreement shall be amended as follows:

- 1. Paragraph 2.8 shall be stricken in its entirety and replaced with the following:
 - 2.8 The Employee may elect Voluntary Termination 30 days prior to May 31, 2006. If Employee wishes to elect Voluntary Termination, Employee must give at least 30, but no more than 60 days notice, prior to May 31, 2006. Voluntary termination is only available upon proper notice.

In all other regards the Agreement is hereby ratified and confirmed.

/s/ GRETCHEN VERDUGO
Gretchen Verdugo

/s/ RICHARD J. JOHNSON
Impac Funding Corporation

By: Richard J. Johnson

1/4/06
Date

1/3/06
Date