



**IMPAC MORTGAGE HOLDINGS, INC.  
DISCLOSES UPDATE REGARDING LITIGATION MATTER AND  
REVOLVING CREDIT FACILITY BREACH/WAIVER**

Newport Beach, CA, October 18, 2024 – Impac Mortgage Holdings, Inc. [OTC Pink Limited: IMPM] provides the following update regarding (i) a previously disclosed litigation matter and (ii) a recent revolving credit facility breach/waiver:

**Litigation Matter Update (certain information below has been previously disclosed in prior SEC/OTC filings):**

*UBS Americas Inc., et al. v. Impac Funding Corporation et al.*

On December 17, 2021, a summons with notice was filed in the Supreme Court of the State of New York, County of New York (“NY Court”), initiating a lawsuit entitled UBS Americas Inc., et al. v. Impac Funding Corporation et al. As further detailed below, this lawsuit pertains to residential loan securitizations dating back to 2005 and 2006.

The plaintiffs (which include UBS Americas Inc., UBS Real Estate Securities, Inc., UBS Securities, LLC, and Mortgage Asset Securitizations Transactions, Inc.) contend that the defendants (Impac Funding Corporation (“IFC”), Impac Mortgage Holdings, Inc. (“IMH”) and Novelle Financial Services, Inc. (“Novelle”)) are required to indemnify payments that plaintiffs made to resolve claims asserted by (i) the Federal Home Loan Bank of San Francisco (“FHLB-SF”) in the matters *FHLB-SF v Credit Suisse et al* pertaining to securitization MALT 2005-6 (“CS Lawsuit”) and *FHLB-SF v Deutsche Bank et al* pertaining to securitization MALT 2006-2 (“DB Lawsuit”) and (ii) HSH Nordbank AG (“HSH”) in the matter *HSH v UBS AG et al* pertaining to securitization MABS 2006-HE1 (“UBS Lawsuit”). Plaintiffs contend that the securitizations included residential loans that the defendants allegedly sold to the UBS entities in breach of contractual representations and warranties. Plaintiffs further contend that they settled the cases, for which plaintiffs are demanding indemnification, in December 2015 and March 2016.

On April 18, 2022, IMH accepted service of the Summons with Notice on behalf of IFC and IMH (Novelle was sold to a third party in September 2006). On June 2, 2022, a Complaint was filed with the NY Court related to the Summons with Notice, however IMH was no longer listed as a defendant in the matter. On July 25, 2022, IFC filed a Motion to Dismiss the Complaint. All parties submitted their briefs and oral arguments on the Motion to Dismiss were held on March 6, 2023.

On October 13, 2024, the NY Court issued its Decision and Order on Defendants' Motion to Dismiss. With respect to the parties to the action, the NY Court dismissed all claims by plaintiff UBS Americas Inc., and dismissed all claims against defendants IMH and Novelle. The dismissal of Novelle resolved all indemnification claims that had been pending in connection with the UBS Lawsuit. The NY Court also dismissed, with leave to amend, the indemnification claims pertaining to the DB Lawsuit. The indemnification claims pertaining to the CS Lawsuit were not dismissed.

Should the remaining plaintiffs decide to file an amended complaint, IFC intends to defend itself vigorously as it believes any remaining claims continue to be without merit.

**Revolving Credit Facility Breach/Waiver:**

IMH also discloses that it recently requested, and received, from its lender waivers of certain quarterly Consolidated EBITDA and Consolidated Revenue financial covenants under its revolving credit facility.

**Forward-Looking Statements**

This disclosure 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,” “capable,” “will,” “intends,” “believe,” “expect,” “likely,” “potentially,” “appear,” “should,” “could,” “seem to,” “anticipate,” “expectations,” “plan,” “ensure,” “desire,” or similar terms or variations on those terms or the negative of those terms. The forward-looking statements are based on current management expectations. Actual results may differ materially as a result of several factors, including, but not limited to the following: our continued ability to reach satisfactory resolution with our debt holders with respect to any default under our debt instruments; any adverse impact or disruption to the Company’s operations; changes in general economic and financial conditions (including federal monetary policy, interest rate changes, and inflation); increase in interest rates, inflation, and margin compression; ability to successfully implement and maintain a broker model; successful development, marketing, sale and financing of new and existing financial products; volatility in the mortgage industry; performance of third-party sub-servicers; our ability to manage personnel expenses, operational and technology support, and reduced marketing needs; increased competition in the mortgage lending and broker industry by larger or more efficient companies; issues and system risks related to our technology; ability to successfully create cost and product efficiencies through new technology including cyber risk and data security risk; more than expected increases in default rates or loss severities and mortgage related losses; ability to utilize existing financing and/or obtain additional financing through lending facilities, debt or equity funding, strategic relationships or otherwise; the terms of any financing, whether debt or equity, that we do obtain and our expected use of proceeds from any financing; increase in loan repurchase requests and ability to adequately settle repurchase obligations; the outcome of any claims we are subject to, including any settlements of litigation or regulatory actions pending against us or other legal contingencies; and compliance with applicable local, state and federal laws and regulations.

This document speaks only as of its date and we do not undertake, and expressly disclaim any obligation, to release publicly the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements except as required by law.