

SECURITIES AND EXCHANGE COMMISSION

Form S-8
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

IMPAC MORTGAGE HOLDINGS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland (State or Other Jurisdiction of Incorporation or Organization)	6798 (Primary Standard Industrial Classification Code Number)	33-0675505 (I.R.S. Employer Identification No.)
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1401 Dove Street
Newport Beach, California 92660
(949) 475-3600
(Address of Principal Executive Offices)

Impac Mortgage Holdings, Inc., 2001 Stock Option, Deferred Stock, and
Restricted Stock Plan
(Full Title of the Plan)

Joseph R. Tomkinson
Chief Executive Officer
1401 Dove Street
Newport Beach, California 92660
(949) 475-3600

(Name, Address, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:
Thomas J. Poletti, Esq.
Katherine J. Blair, Esq.
David R. Schwartz, Esq.
Kirkpatrick & Lockhart LLP
10100 Santa Monica Boulevard
Seventh Floor
Los Angeles, CA 90067
Telephone: (310) 552-5000
Facsimile: (310) 552-5001

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [x]

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.001 par value, Issuable under 2001 Stock Option, Deferred Stock, and Restricted Stock Plan	780,000 shares(1)	\$7.68(3)	\$5,990,400.00	\$1,497.60
Common Stock, \$.001 par value, Issuable under 2001 Stock Option, Deferred Stock, and Restricted Stock Plan	220,000 shares(2)	\$7.58(4)	\$1,667,600.00	\$416.90
TOTAL			\$7,658,000.00	\$1,914.50

(1) This total represents the number of shares subject to grants of options issued to employees and directors on July 24, 2001 under the 2001 Stock

Option, Deferred Stock, and Restricted Stock Plan.

- (2) This total represents the number of shares authorized but unissued under the 2001 Stock Option, Deferred Stock, and Restricted Stock Plan.
- (3) Price at which the options may be exercised, based upon the closing price of the Common Stock as reported at the close of the American Stock Exchange on July 24, 2001.
- (4) Estimated in accordance with Rule 547(c) and (h) under the Securities Act of 1933, as amended, solely for the purpose of calculating the total registration fee. Computation based upon the average of the high and low prices of the Common Stock as reported on the American Stock Exchange on August 20, 2001.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing information specified in this Part I are being separately provided to the Registrant's employees, officers, directors and consultants as specified by Rule 428(b)(1).

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The documents listed in paragraphs (a) through (d) below are hereby incorporated by reference in this Registration Statement. All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), prior to the filing of a post-effective amendment which indicates that all securities offered herein have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereto from the date of filing of such documents.

- (a) The Registrant's Annual Report on Form 10-K for the year ended December 31, 2000 filed with the SEC on March 30, 2001.
- (b) The Registrant's Quarterly Reports on Form 10-Q for the Quarters ended June 30, 2001 and March 31, 2001.
- (c) The Registrant's Current Reports on Form 8-K filed with the SEC on July 31, 2001, June 27, 2001, June 1, 2001, March 30, 2001, March 5, 2001 and January 19, 2001.
- (d) The description of the Common Stock contained in Registrant's Registration Statement on Form S-3, filed with the Commission on June 20, 2001, entitled "Description of Capital Stock".

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

The Maryland General Corporation Law, as amended from time to time, permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. The Registrant's charter contains such a provision which eliminates such liability to the maximum extent permitted by Maryland law.

The Registrant's charter authorizes it, to the maximum extent permitted by Maryland law, to obligate itself to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (1) any present or former director or officer or (2) any individual who, while a director of Registrant and at our request, serves or has served another corporation, real estate investment trust partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee of such corporation, real estate investment trust partnership, joint venture, trust, employee benefit plan or other enterprise

from and against any claim or liability to which such person may become subject or which such person may incur by reason of his status as a present or former director or officer of Registrant. The Registrant's bylaws obligate it, to the maximum extent permitted by Maryland law, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (1) any present or former director or officer who is made a party to the proceeding by reason of his service in that capacity or (2) any individual who, while a director of Registrant and at our request, serves or has served another corporation, real estate investment trust partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee of such corporation, real estate investment trust partnership, joint venture, trust, employee benefit plan or other enterprise and who is made a party to the proceeding by reason of his service in that capacity. The charter and bylaws of the Registrant also permit it to indemnify and advance expenses to any person who served a predecessor of Registrant in any of the capacities described above and to any of our employees or agents or a predecessor of Registrant.

The Maryland General Corporation Law requires a corporation (unless its charter provides otherwise, which the Registrant's charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he is made a party by reason of his service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (1) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (2) the director or officer actually received an improper personal benefit in money, property or services or (3) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, the Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (1) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation and (2) a written undertaking by him or on his behalf to repay the amount paid or reimbursed by the corporation if it shall ultimately be determined that the standard of conduct was not met.

In addition, the Registrant has entered into an Indemnity Agreement (Exhibit 10.4 of its Registration Statement on Form S-11 (File No. 33-96670) and Amendments No. 1, 2 and 3 filed with the Securities and Exchange Commission on September 7, 1995, October 23, 1995, October 30, 1995 and November 8, 1995, respectively) with its officers and directors.

Item 7. Exemption From Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit
Numbers

- 4.1* Impac Mortgage Holdings, Inc. 2001 Stock Option, Deferred Stock, and Restricted Stock Plan.
- 4.2 Form of Stock Option Agreement for the Impac Mortgage Holdings, Inc. 2001 Stock Option, Deferred Stock, and Restricted Stock Plan.
- 5 Opinion of McKee Nelson LLP.
- 23.1 Consent of KPMG Certified Public Accountants.
- 23.2 Consent of McKee Nelson LLP (contained in Exhibit 5).
- 24 The Power of Attorney is contained in this registration statement on the final page.

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* Previously filed with the Commission as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Commission on April 30, 2001 and incorporated herein by reference.

Item 9. Undertakings.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Newport Beach, State of California, on this 22nd day of August, 2001.

IMPAC MORTGAGE HOLDINGS, INC.

By: /s/ Richard J. Johnson

 Richard J. Johnson, Executive Vice
 President and Chief Financial
 Officer

POWER OF ATTORNEY

We, the undersigned officers and directors of Impac Mortgage Holdings, Inc., do hereby constitute and appoint Joseph R. Tomkinson or Richard J. Johnson, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution for him in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Names	Title	Date
/s/ Joseph R. Tomkinson ----- Joseph R. Tomkinson	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	August 22, 2001
/s/ William S. Ashmore ----- William S. Ashmore	President and Director	August 7, 2001
/s/ Richard J. Johnson ----- Richard J. Johnson	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	August 22, 2001
/s/ James Walsh ----- James Walsh	Director	August 22, 2001
/s/ Frank P. Philipps ----- Frank P. Philipps	Director	August 22, 2001
/s/ Stephan R. Peers ----- Stephan R. Peers	Director	August 22, 2001
/s/ William E. Rose ----- William E. Rose	Director	August 22, 2001
/s/ Leigh J. Abrams ----- Leigh J. Abrams	Director	August 7, 2001

IMPAC MORTGAGE HOLDINGS, INC.

2001 STOCK OPTION, DEFERRED STOCK
AND RESTRICTED STOCK PLAN

STOCK OPTION AGREEMENT
(EMPLOYEE)

NAME: _____

This AGREEMENT is made effective as of the ____ day of _____, _____ (the "Option Grant Date"), by and between Impac Mortgage Holdings, Inc., a Maryland corporation (the "Company") and _____ (the "Optionee").

RECITALS

WHEREAS, the Company has established the 2001 Stock Option, Deferred Stock and Restricted Stock Plan (the "Plan") effective as of _____, 2001, and

WHEREAS, pursuant to the provisions of said Plan, the Administrator has granted to the Participant by action duly taken on _____, 200_, (the "Award Date") a stock option award (the "Stock Option Award") based upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of services rendered and to be rendered by the Participant and the mutual promises and covenants made herein, the mutual benefits to be derived therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. The Option(s). The Optionee may, at his/her option, purchase all or any part of an aggregate of _____ shares of Common Stock (the "Optioned Shares"), at the price of \$_____ per share (the "Option Price"), on the terms and conditions set forth herein.

2. Option Type; Exercise Dates and Exercise. Options intended to qualify as Incentive Stock Options are designated by an "ISO" under the category "Type." Options intended as separate Non-Qualified Stock Options are designated by a "NQSO" under the category "Type." The Option(s) shall be exercisable as to the specified number of Optioned Shares on and after the "First" dates and on or before the "Last" dates set forth below:

Type	Number of Shares	First and Last Date
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Optionee acknowledges that he/she understands he/she has no right whatsoever to exercise the Option(s) granted hereunder with respect to any Optioned Shares covered by any installment until such installment accrues (and is thus vested) as provided above. Optionee further understands that the Option(s) granted hereunder shall expire and become unexercisable as provided in Section 4(c) below.

In the event, within twelve (12) months after a Change in Control, the Optionee's employment terminates other than (i) for Cause, (ii) voluntary termination by the Optionee, or (iii) death or disability of the Optionee, fifty percent (50%) of the unvested Optioned Shares shall vest upon the date of such termination. The Board of Directors of the Company reserves the right to modify the terms of this acceleration if such acceleration would materially affect the ability of an acquiring entity to use "pooling of interests" accounting in connection with any acquisition of the Company. For the purposes of the foregoing, a "Change in Control" shall have the meaning set forth in Section 9(b) of the Plan. For purposes of this Agreement, "Cause" shall mean (i) an act of dishonesty in connection with the Optionee's responsibilities as an employee of the Company; (ii) the Optionee's conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude, (iii) the Optionee's misconduct which has an adverse effect on the Company, or (iv) the Optionee's failure to perform his or her employment duties.

3. Method of Exercise. This Option shall be deemed exercised as to the shares to be purchased when written notice of such exercise has been given to the Company at its principal business office by the Optionee with respect to the Common Stock to be purchased. Such notice shall be accompanied by full payment in cash or cash equivalents as determined by the Administrator. As determined by the Administrator, in its sole discretion, payment in whole or part may also be made (i) in the form of unrestricted Stock already owned by the Optionee, or, in the case of the exercise of a Non-Qualified Stock Option, Restricted Stock subject to an Award hereunder (based, in each case, on the Fair Market Value of the Stock), (ii) by cancellation of any indebtedness owed by the Company to the Optionee, (iii) by a full recourse promissory note executed by the Optionee, (iv) by requesting that the Company withhold whole shares of Common Stock then issuable upon exercise of the Stock Option (based on the Fair Market Value of the Stock), (v) by arrangement with a broker which is acceptable to the Administrator where payment of the option price is made pursuant to an irrevocable direction to the broker to deliver all or part of the proceeds from the sale of the shares underlying the option to the Company, or (vi) by any combination of the foregoing; provided, however, that in the case of an Incentive Stock Option, the right to make payment in the form of already owned shares may be authorized only at the time of grant. Any payment in the form of Stock already owned by the Optionee may be effected by use of an attestation form approved by the Administrator. If payment of the

option exercise price of a NQSO is made in whole or in part in the form of Restricted Stock or Deferred Stock, the shares received upon the exercise of such Option (to the extent of the number of shares of Restricted Stock or Deferred Stock surrendered upon exercise of such Option) shall be restricted in accordance with the original terms of the Restricted Stock or Deferred Stock award in question, except that the Administrator may direct that such restrictions shall apply only to that number of shares surrendered upon the exercise of such Option.

4. Governing Plan. This Agreement hereby incorporates by reference the Plan and all of the terms and conditions of the Plan as heretofore amended and as the same may be amended from time to time hereafter in accordance with the terms thereof, but no such subsequent amendment shall adversely affect the Optionee's rights under this Agreement and the Plan except as may be required by applicable law. The Optionee expressly acknowledges and agrees that the provisions of this Agreement are subject to the Plan; the terms of this Agreement shall in no manner limit or modify the controlling provisions of the Plan, and in case of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall be controlling and binding upon the parties hereto. The Optionee also hereby expressly acknowledges, represents and agrees as follows:

(a) Acknowledges receipt of a copy of the Plan, a copy of which is attached hereto and by reference incorporated herein, and represents that he/she is familiar with the terms and provisions of said Plan, and hereby accepts this Agreement subject to all the terms and provisions of said Plan.

(b) Agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan.

(c) Acknowledges that he/she is familiar with Sections of the Plan regarding the exercise of the Option(s) and represents that he/she understands that said Option(s) must be exercised on or before the "Last" exercise date noted above in Section 2 or such other date as set forth in the Plan, whichever is earlier.

(d) Acknowledges, understands and agrees that the existence of the Plan and the execution of this Agreement are not sufficient by themselves to cause any exercise of any Option(s) granted as an Incentive Stock Option to qualify for favorable tax treatment through the application of Section 422 of the Internal Revenue Code; that Optionee must, in order to so qualify, individually meet by his own action all applicable requirements of Section 422, including without limitation the following holding period and employment requirements:

(1) holding period requirement: no disposition of an Optioned Share may be made by Optionee within two (2) years from the date of the granting of the Option(s) nor within one (1) year after the transfer of such Optioned Share to him/her, and

(2) employment requirement: at all times during the period beginning on the date of the granting of the Option(s) and ending on the day three (3) months before the date of exercise, the Optionee must have been an employee of the Company, its Parent, or a Subsidiary

of the Company, or a corporation or a parent or subsidiary of such corporation issuing or assuming the Option(s) in a transaction to which Section 425(a) of the Internal Revenue Code applies, except where the termination of employment is by means of the employee's disability, in which case said three (3) month period may be extended to one (1) year, as provided under Internal Revenue Code Section 422.

5. Representations and Warranties. Optionee hereby represents to the Company that each of the Options evidenced hereby and the shares purchasable upon exercise thereof are being acquired only for investment and without any present intention to sell or distribute such securities.

6. Options Not Transferable. No Stock Option shall be transferable by the Optionee other than by will or by the laws of descent and distribution. Incentive Stock Options shall be exercisable, during the Optionee's lifetime, only by the Optionee or, with respect to Non-Qualified Stock Options, in accordance with the terms of a qualified domestic relations order.

7. No Enlargement of Employee Rights. Nothing in this Agreement shall be construed to confer upon the Optionee (if an employee) any right to continued employment with the Company or to restrict in any way the right of the Company to terminate his/her employment. Optionee acknowledges that in the absence of an express written employment agreement to the contrary, the Company may terminate Optionee's employment with the Company at any time, with or without cause.

8. Withholding of Taxes. Optionee authorizes the Company to withhold, in accordance with any applicable law, from any compensation payable to him any taxes required to be withheld by federal, state or local law as a result of the grant of the Option(s) or the issuance of stock pursuant to the exercise of such Option(s).

9. Laws Applicable to Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

10. Agreement Binding on Successors. The terms of this Agreement shall be binding upon the executors, administrators, heirs, successors, transferees and assignees of the Optionee.

11. Costs of Litigation. In any action at law or in equity to enforce any of the provisions or rights under this Agreement or the Plan, the unsuccessful party to such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred by the successful party or parties (including without limitation costs, expenses and fees on any appeals), and if the successful party recovers judgment in any such action or proceeding such costs, expenses and attorneys' fees shall be included as part of the judgment.

12. Necessary Acts. The Optionee agrees to perform all acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement, including but not limited to all acts and documents related to compliance with federal and/or

state securities laws.

13. Counterparts. For convenience this Agreement may be executed in any number of identical counterparts, each of which shall be deemed a complete original in itself and may be introduced in evidence or used for any other purpose without the production of any other counterparts.

14. Invalid Provisions. In the event that any provision of this Agreement is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability shall not be construed as rendering any other provisions contained herein invalid or unenforceable, and all such other provisions shall be given full force and effect to the same extent as though the invalid and unenforceable provision was not contained herein.

15. Limitation on Value of Optioned Shares. Optionee acknowledges that the Plan provides that the aggregate fair market value (determined as of the date hereof) of the shares of Common Stock to which Options granted as Incentive Stock Options are exercisable for the first time by Optionee during any calendar year under all incentive stock option plans of the Company and any future Subsidiary shall not exceed \$100,000. It is understood and agreed that should it be determined that an Option if granted as an Incentive Stock Option hereunder would exceed such maximum, such Option shall be considered granted as a Non-Qualified Stock Option to the extent, but only to the extent of such excess. This limitation shall not apply to any option granted as a Non-Qualified Stock Option.

IN WITNESS WHEREOF, the Company and the Optionee have executed this Agreement effective as of the date first written hereinabove.

IMPAC MORTGAGE HOLDINGS, INC.

OPTIONEE

By:

Name: -----

Title: -----

(Print Name)

Address of Optionee:

(Social Security)

By his or her signature below, the spouse of the Optionee, if such Optionee be legally married as of the date of his execution of this Agreement, acknowledges that he or she has read this Agreement and the Plan and is familiar with the terms and provisions thereof, and agrees to be bound by all the terms and conditions of said Agreement and said Plan document.

Spouse

Dated: -----

By his or her signature below the Optionee represents that he or she is not legally married as of the date of execution of this Agreement.

Optionee

Dated: -----

OPINION AND CONSENT OF MCKEE NELSON LLP

August 17, 2001

Impac Mortgage Holdings, Inc.
1401 Dove Street
Newport Beach, California 92660

Re: Registration Statement on Form S-8

Dear Ladies and Gentlemen:

We have acted as Maryland counsel to Impac Mortgage Holdings, Inc., a Maryland corporation (the "Company"), in connection with the registration on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended, of 1,000,000 shares of common stock, \$0.01 par value per share (the "Shares") under the Impac Mortgage Holdings, Inc. 2001 Stock Option, Deferred Stock, and Restricted Stock Plan (the "2001 Stock Plan").

This opinion is being furnished in accordance with the requirements of Item 8 of Form S-8 and Item 601(b)(5)(i) of Regulation S-K.

In connection with this opinion, we have reviewed the Company's Registration Statement, which is to be filed on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), covering 1,000,000 shares of the Company's Common Stock (the "Shares") issuable under the Plan; the organizational documents of the Company; certain of the Company's proceedings as reflected in its minute books; and such other records as we have deemed relevant.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified, photostatic or conformed copies, and the authenticity of the originals of all such latter documents. We have also assumed the due execution and delivery of all documents where due execution and delivery are prerequisites to the effectiveness thereof. We have relied upon certificates of public officials and certificates of officers of the Company for the accuracy of material, factual matters contained therein which were not independently established.

Based on such review, we are of the opinion that if, as and when the Shares are issued and sold (and the consideration therefor received) pursuant to the provisions of option agreements or stock issuance agreements duly authorized, executed and delivered under the 2001 Stock Plan and in accordance with the Registration Statement, such Shares will be duly authorized, validly issued, fully paid and nonassessable.

We express no opinion as to the applicability or effect of any laws, orders or judgments of any state or jurisdiction other than the substantive laws of the State of Maryland. This opinion letter is rendered as of the date first written above and we disclaim any obligation to advise you of facts, circumstances, events or developments which hereafter may be brought to our attention and which may alter, affect or modify the opinion expressed herein. Our opinion is expressly limited to the matters set forth above.

We consent to the filing of this opinion letter as an exhibit to the

Registration Statement and further consent to the use of our name wherever appearing in the Registration Statement.

By giving you this opinion and consent, we do not admit that we are experts with respect to any part of the Registration Statement within the meaning of the term "expert" as used in Section 11 of the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder by the SEC, nor do we admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

This opinion is being furnished for your benefit. Accordingly it may not be relied upon by, quoted in any manner to, or delivered to any other person or entity (except Kirkpatrick & Lockhart LLP, counsel to the Company) without, in each instance, our prior written consent.

Very truly yours,

/s/ MCKEE NELSON LLP

MCKEE NELSON LLP

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Impac Mortgage Holdings, Inc.

We consent to the use of our report incorporated herein by reference.

/s/ KPMG LLP

Orange County, California
August 14, 2001