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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by and welcome to the Impac Mortgage Holdings year-end 2014 earnings call.

(Operator Instructions)

As a reminder, this conference is being recorded today Wednesday, April 1, 2015. I would now like to turn the conference over to Justin Moisio, Vice President of Investor Relations. Please go ahead, sir.

Justin Moisio - *Impac Mortgage Holdings, Inc. - VP, IR*

Good morning everyone. And thank you for joining Impac Mortgage Holdings year-end 2014 conference call.

During this call we will make projections or other forward-looking statements in regards to but not limited to GAAP and taxable earnings, cash flows, interest rate risks and market risk exposure, mortgage production and I would like to refer you to the business risk factors in our most recently filed Form 10-K under the business Securities Act of 1934. These documents contain and identify important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. This presentation including outlook and any guidance is effective as of the date given and we expressly disclaim any duty to update the information herein.

I would like to get started by introducing Joe Tomkinson, Chairman and CEO of Impac Mortgage Holdings.

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

Good morning. Welcome and thank you for joining our year-end 2014 earnings call. With me is Bill Ashmore, our President; Todd Taylor, our Chief Financial Officer; and Ron Morrison, our General Counsel.

As a result of our recent acquisition of the CashCall Mortgage operations we intend to spend the majority of this call on our strategies and outlook for 2015. However, prior to that I'll begin with a brief recap of the financial results for 2014.

For the fourth quarter of 2014 the Company reported a net loss of $2.2 million, or $0.23 diluted common share as compared to a net loss of $1.2 million or $0.13 per share for the third quarter of 2014. For the year ending 2014 the Company reported a net loss of $6.3 million or $0.68 per share as compared to a net loss of $8 million or $0.94 for 2013. In the fourth quarter of 2014 our total originations increased 20% to $1.1 billion from $923.6 million in the third quarter of 2014.

Total originations increased to $2.8 billion in 2014 as compared to $2.5 billion in 2013. The increase in lending volume was primarily due to the bulk purchases from CashCall which I will discuss later on this call.

In the correspondent channel, the three key metrics we used to analyze this channel have all increased. These key metrics are total clients, the submitting clients and the funding clients.

We continued to add customers in the fourth quarter and we received submissions from more customers in the fourth quarter versus the third quarter and our percentage of funding clients also increased in the fourth quarter as compared to the third quarter. In the fourth quarter of 2014 wholesale volumes remained pretty much flat as compared to the third quarter; however, we are now focused on increasing deliveries by our top-tier brokers to increase the channel's production volumes and quality which will create a more stable production in this channel moving forward. These key initiatives for increasing multiple loan deliveries by our top-tier brokers in the wholesale channel along with a higher customer utilization rate in the correspondent operations will be driving our sales strategies in 2015.

Both of these key metrics will not only increase volumes but will decrease the overall expenses and increase our net margins in the business-to-business mortgage lending divisions. With the large concentration of correspondent volumes gain on sale margins decreased in the fourth quarter of 2014 and that's because correspondent margins are lower than other origination channels. However, the correspondent channel operates at a much lower cost to originate with substantially lower expenses and a much higher level of efficiencies.

As previously mentioned, moving forward the large volume of CashCall loans that were delivered to our correspondent channel will now be delivered through our retail lending channel. As part of our current strategy, we continued to sell servicing and as a result, you will continue to see the servicing income fluctuate month over month.

Due to the servicing sales in the fourth quarter of 2014 our servicing income decreased by about $100,000 to $813,000. However, these sales generated cash of $23 million and this provided us the added liquidity to expand our mortgage operations.

Real estate service revenues increased to $3.4 million in the fourth quarter of 2014 as compared to $3.2 million in the third quarter of 2014 but decreased as compared to $4.9 million in the fourth quarter of 2013. The decline in revenue is primarily due to the expected decline in mortgage portfolio as we have previously reported.

In our long-term mortgage portfolio despite the decline in the outstanding balances of the portfolio the residuals continue to generate better-than-expected cash flows of $2.3 million in the fourth quarter of 2014 and $9.9 million in 2014 as compared to $2 million in the third quarter of 2014 and $6.8 million in 2013. And we believe this is due to our continued real estate service activity. While the Company rebuilds its mortgage origination volumes the residual income from its long-term mortgage portfolio is and will continue to be an important part of the Company's cash flows for the foreseeable future.

Now I'd like to talk about the recently completed acquisition of the CashCall Mortgage operations and our strategy on a go-forward basis. In the first quarter, we finalized the acquisition of CashCall's residential mortgage operations. CashCall's residential mortgage operations which include the complete origination platform, systems and personnel and will operate as a separate division of Impac Mortgage Corporation under a DBA under the name CashCall Mortgage.

This division will continue to operate as a centralized call center that utilizes marketing platform to generate customer leads through the Internet and the call center. In late 2013, when we sold off our retail brick-and-mortar lending platform we cited the importance of having a highly centralized and scalable mortgage lending operation. We felt and continue to feel very strongly that this was the correct approach.

Adding CashCall Mortgage to Impac's production channels gives the Company a retail mortgage operation which is centralized, extremely efficient and gives us greater control over the ever-increasing regulatory compliance standards in the mortgage industry today. This acquisition fits perfectly within our origination strategy. Just as a matter of reference and efficiency, and this is based on the latest available information from the MBA metrics for loans funded per loan officer and total operational personnel CashCall Mortgage operates approximately twice as efficient compared to the industry average of funded loans per total operational person in funded loans per loan officer.

With the addition of CashCall Mortgage we have a scalable centralized retail platform that is able to efficiently expand and retract during market fluctuations. By using this marketing to generate leads internally we expect CashCall to be able to compete with some of the largest Internet lenders across the nation.

In addition, we intend to leverage this same marketing platform to expand the volumes of Impac's new AltQM products as well as its government loan products such as FHA and VA. CashCall Mortgage will also be able to make use of our state licenses to expand its national lending footprint into more than 40 states.

Prior to the completion of the acquisition, CashCall was licensed in just 11 states; however, within the next 60 days we expect that based on states in which Impac is currently licensed CashCall will begin operating in an additional 30 states. This expanded national lending footprint combined with access to the Impac loan product will unlock significant opportunities to greatly diversify CashCall Mortgage's loan production and increase the overall total production.

With the expansion in an additional 30 states the marketing will now be nationwide. A nationwide marketing campaign is much more cost-effective and efficient than having to target a smaller number of states for marketing campaigns. This will reduce the overall cost of marketing in a nationwide footprint as opposed to just regional costs.

Our strategies across the board are already yielding significant results. Total origination volume in the first quarter was approximately $2.3 billion. This is more than double of the $1.1 billion in total originations in the fourth quarter of 2014.

Of the $2.3 billion in total originations approximately $1.4 billion was through the CashCall Mortgage retail channel which significantly increased our profit margins. In the fourth quarter of 2014 our retail originations contributed only 2% to our total origination volumes. In the first quarter of this year wholesale originations increased dramatically to $279 million as compared to the fourth-quarter originations of $159 million.

We expect this trend will continue primarily due to marketshare gain with the expansion of our sales coverage. The percentage of customers delivering multiple loans per month continues to increase month over month.

As we expected, the volume in the correspondent division decreased to approximately $595 million in the first quarter. Now this was a result of the CashCall Mortgage volume being moved from our correspondent channel over to our retail channel upon the acquisition. However, what is most important to note is our core correspondent business volume continues to increase month over month and as of quarter-end we expect it will be over $180 million per month and growing.

By having an efficient retail channel, we believe it will complement the wholesale and correspondent businesses by lowering the overall margins and costs for mortgage lending. We anticipate that these channels will continue to see the steady growth month over month as a result of the increased pipeline growth that both channels have recently enjoyed due to the marketshare expansion. As of March 31, 2015, our total pipeline was $1.3 billion with a lock pipeline of $650 million in this compares to a total pipeline of $750 million and a lock pipeline of $297 million at the end of the fourth quarter of 2014.

Consistent with our strategy to expand the total originations the Company also rolled out its non-QM loan programs last August marketed as the AltQM and we funded its first originations during the third quarter. In the first quarter of 2015 the Company's AltQM pipeline was approximately $50 million and we expect to build on this pipeline throughout 2015.

The predominance of AltQM originations, though, was in our wholesale channel. During the beginning of the fourth quarter the correspondent channel received commitments from several large retail originators to rollout our AltQM loan products over the next several months. Additionally with the acquisition of CashCall Mortgage the AltQM loan product will now be actively marketed and originated through our retail consumer platform.

As part of our strategy to take advantage of attractive servicing pricing we sold approximately $760 million of our mortgage servicing portfolio in the first quarter of 2015. The Company expects to generate $8 million in cash from the servicing facility and as a result the mortgage servicing portfolio will decline to $1.3 billion as of the end of February 2015. The Company intends to continue to selectively sell servicing to maintain adequate liquidity in capital and will continue to grow and expand its lending and warehouse businesses.

Our rewarehousing business has continued to grow over the last several quarters. We currently have outstanding commitments of approximately $90 million with an additional $30 million in rewarehousing requests of which $10 million is currently approved. As we acquire more rewarehousing capacity to offer lines to more customers we expect this business to continue to grow significantly.

At the end of 2014, taxable year, we had a net operating loss carryforward of approximately $495 million for federal income tax purposes and approximately $428 million for state income tax purposes. As was mentioned in our earnings release during the first quarter, based on expectations and current and future profitability, we expect to reevaluate our ability to recognize the tax benefits from our substantial NOL carryforwards.

With increased origination volume we anticipate the first-quarter 2015 pretax profitability to improve significantly over the fourth quarter of 2014. Additionally with the possibility of recognizing some of the aforementioned tax benefits from our net loss carryforwards our first-quarter earnings will not only benefit from solid earnings but will get a further benefit from possible recognition during the quarter of our deferred tax asset. To further clarify we will not only continue to benefit from the NOL carryforwards but in addition we expect to recognize a deferred tax asset representing future tax benefits improving the overall book value.

With increased origination volumes and wider overall net margins as a result of our mix of businesses being predominantly retail we expect to generate solid earnings in the first quarter. As I mentioned in our earnings release last week we expect these earnings will more than make up for the entire loss of 2014. Going forward based on our $650 million lock pipeline as of yesterday the second-quarter 2015 is anticipated to also look very positive.

Longer term for 2015 there remains some uncertainty regarding interest rates. However, we believe by capturing more marketshare in our business-to-business division and moving CashCall Mortgage into additional states and with the greater mix of mortgage products we feel positive about our overall 2015 outlook.

That concludes my prepared remarks. And now I'd like to open it up to our call to any questions that you have.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Jim Fowler.

Jim Fowler - *Harvest Capital - Analyst*

Hey, Joe, congratulations to you and the team. Fantastic business transformation here.

I wanted to ask you a couple of questions on just the volumes in the fourth quarter and the first quarter and I think the one question I wanted to ask is just on the CashCall volume of $1.4 billion in the first quarter. I'm presuming a fair amount of that is refi relative to the fourth-quarter rates but can you tell me the refi versus purchase volume there?

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

Well, the refi has always been a predominant of CashCall's and the founder of CashCall also is the founder of Ditech which was a highly successful company. You know I know people always are concerned about the refi market; however, I believe on a go-forward basis and this is one of the things that we're going to concentrate on is that we can capture more of the purchase money market through the products that we are offering like the AltQM.

AltQM hasn't even taken off really yet. But it is a product that really serves an underserved market and just as an example, our product maybe a realtor broker is showing a piece of property to a couple of individuals and they are both qualified but now with the products the AltQM products now he has the ability to maybe show it to five or six people that are qualified because of some of the underwriting standards within the AltQM. So I think that will be very, very attractive to a lot of people.

Also the other thing is CashCall has such a name recognition in its own markets that we see a lot of individuals even though that they are looking maybe with another originator they still call CashCall for the purchase money. Bill has been pretty active in this, do you have any comments you want to make?

Bill Ashmore - *Impac Mortgage Holdings, Inc. - President & Director*

Hey, Jim, how are you doing? Predominantly it was refinances. I mean high FICO averaging over 740 to 750, low LTVs under 70% LTV, very high-quality borrowers but you're right predominantly today it is refinances.

However, expanding to another 30 states adding FHA, VA and the AltQM we will be able to capture not only more refi business but also as Joe said starting going after from a purchase money standpoint. So we think that the strategy for us going forward is in fact depending upon what rates do is to continue to try and bring in those high-quality refinances but also segue over to these other products that they have not been originating at all in additional states.

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

I'm going to add something. Hey, Jim, this is Joe again. I'm going to add something else for everybody's -- put this a little bit into perspective.

Everyone's always concerned about refis. All the volumes today that people are reporting from Quicken on down is predominantly refi. But here's something that people should consider.

My generation, Bill's generation, probably your generation Jim everyone is used to using a mortgage originator. When they go and they buy house their real estate broker has predominantly directed the business and so they direct it to their local mortgage broker or their local bank. Then when I watch my own son who's in his mid-20s and I have discussions with him about this he says why would you go to a real estate broker or a mortgage broker?

I can just go online and do the same thing in 10 or 15 minutes. And of course he tells me he says well why don't you just do it online? And I say well, because I get confused.

I don't like using computers. But the reality is more and more people are going to start shifting and that's what we're preparing for is more Internet access.

Jim Fowler - *Harvest Capital - Analyst*

I think that's a great strategy. I wonder if you could I mean, I know, Joe, you've been very early in the non-QM and the AltQM putting products together and talking about that and it's fantastic to hear that you're already at a $50 million pipeline. I'm wondering if you might provide a little context around where you think the non-QM is today relative to where you think it might go, gosh, pick a period of time, one year, two years?

It seems to me that there's a lot of people out there even that still have very little access to mortgage credit where the non-QM is going to take a top slice of those folks and then maybe down the road another slice, etc., etc. But you're much closer to it and I think your CashCall acquisition is a perfect way to get into that channel and your legacy of being able to underwrite in that type of product will certainly be beneficial.

But how do you view that segment coming back to life both near term and longer term? And maybe if you could weave into that answer if you have any thoughts on what we might expect or what your expectations are in 2015 for volumes in that channel this year whether aspirational or whether you think there's a -- if you have a high percentage probability of what you think you might get this year? Thanks.

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

I'll start off and then I'm sure -- I'll give you my thoughts and I'm sure Bill will have some thoughts that he'll want to jump in on. Number one that market that we're in the AltQM is certainly underserved. And I'm talking about loans that exceed the Fannie, Freddie loan limits; we'll go up to $3 million.

We knew going into this that it would be a slow growth. The reason for that is that the lenders are used to now originating to one box and that box is the GSE boxes. For years there has been no -- there's been no credit available for the individuals that fall out of that box.

The other thing has to do with compensation. The loan officer under the new Dodd-Frank rules is prohibited from making any more money for originating different types of loans. So the unintended consequence is that the originator rather than originate something that's a little bit more difficult to originate it originates to what is easy to originate because it takes a little bit more time and costs a little bit more money.

Now having said all that, the other thing is there's been regulatory fear as to what the agency may or may not do and we've spent several hundred thousand dollars reviewing the regulatory process. In fact I even went back and I met with the regulators and talked to them about it.

So you have a couple of things working against the AltQM right now is the fear of regulatory which we are slowly overcoming. You have loan officers that are going I can make more money on a per loan basis doing the AltQM but it takes me longer to do an AltQM as opposed to doing three or four qualified mortgages.

Now we think that will slowly change over time but as the real estate broker discovers that there is available credit to them for the larger purchases and as the lenders out there discover that hey, there is a legitimate source that's actually buying and funding these loans then we see this volume growing exponentially once it catches on. Having said that the fact that we now have our own retail origination we can market it directly and we think we can grow it.

So Bill is furiously writing notes over here so I'm sure he has some things that he wants to add. Bill?

Bill Ashmore - *Impac Mortgage Holdings, Inc. - President & Director*

Well, let me put it in perspective. Deutsche Bank about a month or a month and a half ago did come out with a piece where they were trying to estimate what this non-QM market is. And their original estimate was around $40 billion to $50 billion but it could be growing to as much as $150 billion to $200 billion and put it in context the total market is $1.1 trillion, $1.2 trillion.

So it could be a pretty sizable amount of the overall origination market. One of the headwinds in addition to what Joe mentioned which was from a regulatory standpoint and just an understanding the product is that today with rates where they are the low-hanging fruit is what's attracting the Fannie, Freddie refinance or the Fannie Mae Freddie Mac and FHA loans are the low-hanging fruit that a lot of these loan officers are levitating to.

However, we have seen a significant uptick in the amount of requests that are being made for trainings and people that are signing up. And they are using it as a tool to hire additional officers or brokers and our correspondents are using it as a recruitment ability because of an expanded product menu.

We should be clarified here that in addition to us offering this product in connection with our partners at Macquarie we are also have incorporated into this our old iDASL automated underwriting engine that we want every loan that comes into us to be run through this Impac Direct Access System for Lending that for all of our programs we offer prequalification. And we've expanded it for a full underwrite to our bank statement program which we call the Alt Income. And it is a tremendous tool to allow them to initially be able to send this loan through and it also will identify if the loan was available for any other loan products that might be available.

So it is a way to give comfort to these originators that they will be originating the best loan program, the right loan program for an individual. So as we can see here moving into the areas of self-employed through our bank statement program or the foreign nationals which we have been meeting with a number of originators of foreign national loans that's a big area of growth for us. In addition to our asset depletion program we think that we've got in addition to some other programs a pretty solid foundation for what we feel is going to be serving this so-called (technical difficulty) as identified today by Deutsche Bank.

Jim Fowler - *Harvest Capital - Analyst*

Fantastic. Bill and Tom thank you very much -- Joe and Bill, thank you very much. I will jump back in the queue.

Operator

Daniel Baldini, Oberon Asset Management.

Daniel Baldini - *Oberon Asset Management - Analyst*

Hi, good morning, thank you for taking my call. I have a couple of more mundane questions.

On your cash flow statement there's an item called net cash used in operating activities of discontinued operations. And the amount in 2014 was $7.6 million and in 2013 it was $8.2 million. I'm just curious why are these cash outflows so large and how long will this go on for?

Todd Taylor - *Impac Mortgage Holdings, Inc. - EVP & CFO*

This is Todd Taylor, I can take that. The discontinued operations is slowly running off but there are still some expenses that we're incurring that have to do with some legacy stuff around settlements and litigation that we think we've got most of that behind us. So in the future we are expecting to see that decline but a lot of that's associated with the settlements of legacy items that we've resolved.

Daniel Baldini - *Oberon Asset Management - Analyst*

So if the number was $7.6 million in 2014 what would the cash out be this year or what range would you expect it might be?

Todd Taylor - *Impac Mortgage Holdings, Inc. - EVP & CFO*

I think it would probably be about half that at most.

Daniel Baldini - *Oberon Asset Management - Analyst*

All right, that's good news. Now I have another question.

On the balance sheet there is an item and I can't find in the notes to the financial statements any further explanation of what it is and it's other liabilities. And the reason I'm interested is its $24 million which is basically the size of your stockholders' equity. What is in other liabilities?

Todd Taylor - *Impac Mortgage Holdings, Inc. - EVP & CFO*

You know I'd have to probably get back to on that exactly what's in that number. Off the top of my head of accrued liabilities, accrued expenses is in that number. That's probably going to make up most of the balance but as far as any detail yes I probably have to get back to you on that.

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

Do you have any examples you can give him of accrued --

Todd Taylor - *Impac Mortgage Holdings, Inc. - EVP & CFO*

Accrued expenses relative to a rent or ongoing operating expenses for payroll, for commissions, etc.

Daniel Baldini - *Oberon Asset Management - Analyst*

Okay, okay. Great, thanks very much.

Operator

(Operator Instructions) Michael Salzhauer.

Michael Salzhauer - *Benjamin Partners - Analyst*

I will go the opposite direction and ask you more qualitative questions. Why did CashCall decide to get married to Impac?

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

Well, I will give you a qualitative answer.

Michael Salzhauer - *Benjamin Partners - Analyst*

Okay. Don't tell me you're the prettiest girl in the room.

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

No, I was going to say it's none of your business. We have a long operating history together back-and-forth and I think it was -- to be very honest with you it was more relationship based and it had a lot to do with trust. We both took a bet on one another.

CashCall brought a lot of things to the table that if we wanted to reproduce it it would have cost us a lot of upfront cash, it would have cost us a lot of time and then there was no guarantee whereas the purchase of CashCall allowed us to enter the marketplace and reap the rewards right away. What we brought to the table was the licensing, we brought loan products, we brought a different level of management that maybe CashCall was missing.

It was a good opportunity for both. I think we trust the folks at CashCall. I've known them personally for 27 years and they trusted us.

A lot of times in this business with who you get in bed with you've got to trust them. It's not the best qualitative answer but it's the truthful answer.

Michael Salzhauer - *Benjamin Partners - Analyst*

No, that's fine. Is their management staying in this company?

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

Is what?

Michael Salzhauer - *Benjamin Partners - Analyst*

Is their management staying involved with the new company?

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

The management of CashCall is being done by -- how do I want to say it? We have a service contract with the parent company overseen by us. So nothing is really changing to put it mildly.

Michael Salzhauer - *Benjamin Partners - Analyst*

And then I'm sorry to ask this question. Are they taking stock or cash?

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

No, there is a combination of cash, small cash payment, a small stock payment and an earnout. So in other words if they make money they get a very good earnout. If they don't make any money they don't get anything.

So the purchase was based upon their book value at the time that we entered into the agreement plus a very small minimal premium to book. So it was everyone is looking at me with a strange look on their face.

That's correct, isn't it? All right.

So now and the earnout in the first year is the greatest amount and then it declined year after year for a total of three years. And then there's a noncompete from everybody for a total of four years. Does that help you?

Michael Salzhauer - *Benjamin Partners - Analyst*

Yes. Let's see. Your DTA, are you for seeing that coming on in one chunk or does that come on in several pieces as you're able to show your auditors earning?

Todd Taylor - *Impac Mortgage Holdings, Inc. - EVP & CFO*

Yes, it's probably more likely in several pieces. Given it's based on the more-than-likely approach as far as realization of those net operating losses which basically means to the extent we feel confident that there's going to be future taxable income we will be able to recognize that future benefit in the form of a DTA. But we will probably record that in some pieces as we have to evaluate that each quarter.

Michael Salzhauer - *Benjamin Partners - Analyst*

Okay. And that's roughly 50-50 California and US?

Todd Taylor - *Impac Mortgage Holdings, Inc. - EVP & CFO*

Yes, that's about right.

Michael Salzhauer - *Benjamin Partners - Analyst*

And then the last question is in a business like Impac why -- I assume so the DTA would increase the book value. Why does -- what benefits come to the Company with an increased book value?

Todd Taylor - *Impac Mortgage Holdings, Inc. - EVP & CFO*

Yes, it helps us tremendously in being able to borrow more. It gives us the ability to leverage more.

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

Stock price goes up.

Michael Salzhauer - *Benjamin Partners - Analyst*

I know about the stock price. The stock price could also vary with earnings.

Todd Taylor - *Impac Mortgage Holdings, Inc. - EVP & CFO*

Sure. But it's also keyed off of book value, both earnings and book value.

Michael Salzhauer - *Benjamin Partners - Analyst*

Okay, thanks again.

Operator

Jim Fowler, Harvest Capital.

Jim Fowler - *Harvest Capital - Analyst*

Hey guys thanks for taking the follow-up. Two questions. One it seems that the non-QM one of the headwinds there has been the ability to sell AAAs off of securitizations and retain the B pieces and earn the returns on the B pieces over time.

I guess the question, the first question is how is that going? How is the development of the market for placing the senior pieces of securitizations into bond investors' hands? And then secondly have you given some thought to taking a look at becoming a member of the Federal Home Loan Bank similar to other mortgage REITs that have established the captive insurance entity.

I know True Harbor, Invesco, New York Mortgage Trust and First Oaks have gotten lender numbers from the Federal Home Loan Bank. I don't think anybody can draw anything down yet because they are in a slight -- they are in a little bit of a moratorium here but they are now permanent numbers. I'm wondering if you have given some thought to that also.

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

Jim, I'm not going to really comment too much on the Federal Home Loan Bank but we give a lot of thought to those things so maybe that helps you. But as far as the securitizations as you know gosh we were the number 10th largest issuer in the nation of this type of securities years ago. So we're real familiar with the process of the securitization.

We're not really looking, with our partner Macquarie they had the balance sheet and the ability to put it on their balance sheet. We think that at the appropriate time we will approach the rating agencies and we will be able to get some pretty favorable treatment for us and our partner under the way that our partnership is structured.

We're not really concerned about what the securitization market is right now. Did that help?

Jim Fowler - *Harvest Capital - Analyst*

Yes, perfectly. Thank you very much.

Operator

(Operator Instructions) Gentlemen, we have no other questions over the phone at this time.

Joe Tomkinson - *Impac Mortgage Holdings, Inc. - Chairman & CEO*

Okay, well if there are no other questions then on behalf of Impac and Bill and Todd and Ron we appreciate you joining us for this call and we look forward to the next call. Thank you.

Operator

Ladies and gentlemen, this concludes the conference for today. We thank you for your participation. Have a great day, everyone.
