Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

(Mark One)

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended June 30, 1997 or

[_] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from _______________ to ______________

Commission File Number: 0-19861

Imperial Credit Mortgage Holdings, Inc.
(Exact name of registrant as specified in its charter)

Maryland	33-0675505
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20371 Irvine Avenue Santa Ana Heights, California	92707
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (714) 556-0122

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock $0.01 par value	American Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. [_]

The aggregate market value of the voting stock held by non-affiliates of the registrant based upon the closing sales price of its Common Stock on August 11, 1997 on the American Stock Exchange was approximately $249.0 million million.

The number of shares of Common Stock outstanding as of August 11, 1997: 10,131,057

Documents incorporated by reference

None

IMPERIAL CREDIT MORTGAGE HOLDINGS, INC.

1997 FORM 10-Q QUARTERLY REPORT

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

IMPERIAL CREDIT MORTGAGE HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(unaudited)

	June 30, 1997	December 31, 1996
ASSETS		
Cash and cash equivalents	$ 10,975	$ 22,610
Investment securities available-for-sale	58,142	63,506
Loan Receivables:		
CMO collateral	773,786	501,744
Mortgage loans held for investment	41,896	914
Finance receivables	207,555	362,312
Allowance for loan losses	(5,269)	(4,384)
Net loan receivables	1,017,968	860,586
Investment in ICI Funding Corporation	22,509	9,896
Investment in IMH Commercial Holdings, Inc.	13,822	-
Investment in Imperial Commercial Capital Corporation	243	-
Accrued interest receivable	9,174	7,263
Due from affiliates	8,811	7,709
Other real estate owned	4,015	332
Other assets	1,053	453
	$ 1,146,712	$ 972,355
LIABILITIES AND STOCKHOLDERS' EQUITY		
CMO Borrowings	$ 722,481	$ 474,513
Reverse-repurchase agreements	275,927	357,715
Accrued dividends payable	5,940	5,170
Other liabilities	3,362	5,739
Due to affiliates	28	27
Total Liabilities	1,007,738	843,164
Stockholders' Equity:		
Preferred Stock; $.01 par value; 10 million shares authorized; none issued or outstanding at June 30, 1997 (unaudited) and at December 31, 1996	-	-
Common Stock; $.01 par value; 50 million shares authorized; 9,899,561 shares issued and outstanding at June 30, 1997 (unaudited) and 9,400,000 shares issued and outstanding at December 31, 1996	99	94
Additional paid-in-capital	146,933	135,521
Investment securities valuation allowance	(3,420)	(2,458)
Cumulative dividends declared	(26,857)	(15,441)
Notes receivable from common stock sales	(1,515)	(720)
Retained earnings	23,734	12,195
Total Stockholders' Equity	138,974	129,191
	$ 1,146,712	$ 972,355

See accompanying notes to consolidated financial statements.

IMPERIAL CREDIT MORTGAGE HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except earnings per share data)
(unaudited)

	For the Three Months Ended June 30, 1997	For the Three Months Ended June 30, 1996	For the Six Months Ended June 30, 1997	For the Six Months Ended June 30, 1996
Revenues:				
Interest income	$ 24,071	$ 13,972	$ 47,151	$ 26,982
Equity in net income of ICI Funding Corporation	2,151	75	3,703	618
Equity in net loss of IMH Commercial Holdings, Inc.	(710)	-	(1,181)	-
Gain on sale of securities	-	-	648	-
Fees and other income	292	155	411	327
	25,804	14,202	50,732	27,927
Expenses:				
Interest on CMO borrowings and reverse-repurchase agreements	17,703	10,443	33,025	19,452
Advisory fee	1,364	745	2,828	1,171
Provision for loan losses	911	485	2,375	2,900
Professional services	52	136	547	180
General and administrative expense	142	209	304	302
Personnel expense	24	49	91	93
(Gain)/loss on sale of other real estate owned	(17)	-	23	-
	20,179	12,067	39,193	24,098
Net income	$ 5,625	$ 2,135	$ 11,539	$ 3,829
Net income per common share	$ 0.58	$ 0.46	$ 1.20	$ 0.85
Dividends declared per common share	$ 0.60	$ 0.45	$ 1.18	$ 0.84

See accompanying notes to consolidated financial statements.

IMPERIAL CREDIT MORTGAGE HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
(in thousands)
(unaudited)

	For the Six Months Ended June 30, 1997	1996
Cash flows from operating activities:		
Net income	$ 11,539	$ 3,829
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Equity in net income of ICI Funding Corporation	(3,703)	(618)
Equity in net loss of IMH Commercial Holdings, Inc.	1,181	-
Equity in net loss of Imperial Commercial Capital Corp.	257	-
Provision for loan losses	2,375	2,900
Net change in accrued interest on loans and investments	(1,910)	(1,268)
Net change in other assets and liabilities	(4,076)	(3,800)
Net cash provided by operating activities	5,663	1,043
Cash flows from investing activities:		
Net change in CMO collateral	(272,042)	(289,208)
Net change in finance receivables	154,757	292,700
Net change in mortgage loans held for investment, net	(40,982)	(1,301)
Net change in other real estate owned, net	(5,173)	-
Purchase of investment securities available-for-sale	(7,165)	(24,468)
Sale of investment securities available-for-sale	9,637	-
Principal reductions on securities available-for-sale	1,930	164
Net change in lease payment receivables	-	8,441
Contributions to ICI Funding Corporation	(8,910)	(8,128)
Contributions to IMH Commercial Holdings, Inc.	(15,003)	-
Contributions to Imperial Commercial Capital Corporation	(500)	-
Net cash used in investing activities	(183,451)	(21,800)
Cash flows from financing activities:		
Net change in reverse-repurchase agreements	(81,789)	(264,682)
Net change in CMO borrowings	247,967	279,462
Dividends paid	(10,647)	(1,997)
Proceeds from exercise of stock options	619	-
Proceeds from dividend reinvestment and stock purchase plan	10,798	-
Proceeds from secondary stock offering	-	37,034
Advances to purchase common stock, net of principal reductions	(795)	-
Net cash provided by financing activities	166,153	49,817
Net change in cash and cash equivalents	(11,635)	29,060
Cash and cash equivalents at beginning of period	22,610	2,284
Cash and cash equivalents at end of period	$ 10,975	$ 31,344
Supplementary information:		
Interest paid	$ 32,871	$ 18,965

See accompanying notes to consolidated financial statements.

Unless the context otherwise requires, references herein to the "Company"' refer to Imperial Credit Mortgage Holdings, Inc. ("IMH"), ICI Funding Corporation ("ICIFC"), ICIFC Secured Assets Corporation ("ICIFC Assets"), IMH Assets Corporation ("IMH Assets"), and Imperial Warehouse Lending Group, Inc. ("IWLG"), collectively. References to IMH refer to Imperial Credit Mortgage Holdings, Inc. as a separate entity from ICIFC, ICIFC Secured Assets, IMH Assets and IWLG.

1. Basis of Financial Statement Presentation

The accompanying consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principals and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by Generally Accepted Accounting Principals for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 1997 are not necessarily indicative of the results that may be expected for the year ending December 31, 1997. The accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

References to financial information of IMH for the six-month period ended June 30, 1997 reflect financial results of IMH's equity interest in net income in ICIFC, IMH's equity interest in net loss of IMH Commercial Holdings, Inc.
("ICH"), IMH's equity interest in net loss in Imperial Commercial Capital Corporation ("ICCC"), and results of operations of IMH, IMH Assets and IWLG as stand-alone entities, subsequent to the Initial Public Offering ("IPO"). Refer to "The Contribution Transaction" for additional information. The results of operations of ICIFC, of which 99% of the economic interest is owned by IMH, are included in the results of operations for IMH as "Equity in net income of ICI Funding Corporation". The results of operations of ICH, of which 49.92% of the economic interest is owned by IMH, are included in the results of operations for IMH as "Equity in net loss of IMH Commercial Holdings, Inc." The results of operations of ICCC, of which 95% of the economic interest is owned by IMH, are included in the results of operations for IMH as "Equity in net loss of IMH Commercial Holdings, Inc."

2. Summary of Business and Significant Accounting Policies

The Company is a mortgage Real Estate Investment Trust ("REIT") which invests primarily in non-conforming, high-yielding mortgages which, together with its subsidiaries and related companies, operates three businesses: (1) the Long-Term Investment Operations, (2) the Conduit Operations, (3) the Warehouse Lending Operations. The Long-Term Investment Operations invests primarily in non-conforming residential mortgage loans and securities backed by such loans. The Conduit Operations purchases and sells or securitizes primarily non-conforming mortgage loans, and the Warehouse Lending Operations provides warehouse and repurchase financing to originators of mortgage loans. These latter two businesses include certain ongoing operations contributed to the Company in 1995 by Imperial Credit Industries, Inc. (NASDAQ - "ICII"). IMH is organized as a REIT for federal income tax purposes, which generally allows it to pass through qualified income to stockholders without federal income tax at the corporate level.

Long-Term Investment Operations. The Long-Term Investment Operations, conducted by IMH, invests primarily in non-conforming residential mortgage loans and mortgage-backed securities secured by or representing interests in such loans and, to a lesser extent, in second mortgage loans. Non-conforming residential mortgage loans are residential mortgages that do not qualify for purchase by government-sponsored agencies such as the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). Such loans generally provide higher yields than conforming loans. The principal differences between conforming loans and non-conforming loans include the applicable loan-to-value ratios, the credit and income histories of the mortgagors, the documentation required for approval of the mortgagors, the type of properties securing the mortgage loans, the loan sizes, and the mortgagors' occupancy status with respect to the mortgaged properties. Second mortgage loans are higher yielding mortgage loans secured by a second lien on the property and made to borrowers owning single-family homes for the purpose of debt consolidation, home improvements, education and a variety of other purposes. At June 30, 1997, IMH's mortgage loan and securities investment portfolio consisted of $773.8 million of mortgage loans held in trust as collateral for Collateralized Mortgage Obligations ("CMOs"), $41.9 million of mortgage loans held for investment, which will be used as CMO collateral, and $58.1 million of mortgage-backed or other collateralized securities.

Conduit Operations. The Conduit Operations, conducted by ICIFC, purchases primarily non-conforming mortgage loans and, to a lesser extent, second mortgage loans from its network of third party correspondents and subsequently securitizes or sells such loans to permanent investors, including the Long-Term Investment Operations. ICIFC's ability to design non-conforming mortgage loans which suit the needs of its correspondent loan originators and their borrowers while providing sufficient credit quality to investors, as well as its efficient loan purchasing process, flexible purchase commitment options and competitive pricing, enable it to compete effectively with other non-conforming mortgage loan conduits. In addition to earnings generated from ongoing securitizations and sales to third party investors, ICIFC supports the Long-Term Investment Operations of the Company by supplying IMH with non-conforming mortgage loans and securities backed by such loans. For the six months ended June 30, 1997 and the year ended December 31, 1996, ICIFC acquired $915.5 million and $1.5 billion, respectively, of mortgage loans and sold or securitized $639.5 million and $1.6 billion, respectively, of mortgage loans. During the first six months of 1997 and the year ended December 31, 1996, the Long-Term Investment Operations acquired $419.8 million and $591.6 million, respectively, of such loans from ICIFC as well as $426,000 and $32.5 million, respectively, of securities created by ICIFC. Prior to the Contribution Transaction, ICIFC was a division or subsidiary of ICII since 1990. IMH owns 99% of the economic interest in ICIFC, while certain officers of IMH are holders of all the outstanding common voting stock of ICIFC, representing 1% of the economic interest in ICIFC, as ICII divested itself of its interest in ICIFC by granting 100% of ICIFC's common stock to certain officers of the Company.

Warehouse Lending Operations. The Warehouse Lending Operations, conducted by IWLG, provide warehouse and repurchase financing to ICIFC and to approved mortgage banks, most of which are correspondents of ICIFC, to finance mortgage loans during the time from the closing of the loans to their sale or other settlement with pre-approved investors. At June 30, 1997, the Warehouse Lending Operations had $207.6 million in finance receivables outstanding, of which $166.8 million was outstanding with ICIFC.

ICH is a recently formed specialty commercial property finance company which will elect to be taxed at the corporate level as a REIT for federal income tax purposes. ICH was formed in February 1997 for the purpose of originating, purchasing, securitizing and selling commercial mortgages and investing in commercial mortgages and commercial mortgage-backed securities. In March 1997, the Company capitalized ICH with $15.0 million in cash for an aggregate of 3,000,000 shares of ICH Preferred Stock (the "ICH Preferred Stock"). Subsequent to ICH's Initial Public Offering ("IPO") which closed in August 1997, the Company converted the Preferred Stock into shares of ICH Common Stock and non-voting Class A Common Stock. As of August 11, 1997, IMH owns 719,789 shares, or 9.8%, of ICH Common Stock and 674,211 shares, or 100%, of ICH non-voting Class A Stock. ICH was formed to seek opportunities in the commercial mortgage market. Commercial mortgage assets include mortgage loans on condominium-conversions, multifamily and cooperative apartment properties and mortgage loans on commercial properties, such as industrial and warehouse space, office buildings, retail space and shopping malls, hotels and motels, nursing homes, hospitals, congregate care facilities and senior living centers. ICH will also purchase mortgage-backed securities on commercial properties, such as pass-through certificates, and REMICs.

ICH's Conduit Operations, ICCC, was formed in January 1997 as the Company purchased all of the non-voting Preferred Stock of ICCC, which represents 95% of the economic interest in ICCC, for $500,000. Subsequent to ICH's IPO, the Company contributed (the "Contribution") 100% of the outstanding shares of non-voting Preferred Stock of ICCC in exchange for 95,000 shares of ICH Common Stock. ICCC operates three divisions: the Condominium Division, the Retail Division, and the Correspondent and Bulk Purchase Division. The Condominium Division offers on a retail basis adjustable rate financing to developers and project owners who have completed the development of a condominium complex or the conversion of an apartment complex to a condominium complex on property with a typical loan amount of $3.0 million to $10.0 million. The Retail Division originates commercial mortgages for properties including general purpose apartment complexes, general retail property such as shopping centers, super markets and department stores, light industrial property, and office buildings with loan amounts between $500,000 to $1.5 million. The Correspondent and Bulk Purchase Division originates commercial mortgages on a retail basis and purchase commercial mortgages on a bulk and flow basis. This division offers larger principal balance ($1.5 million and $10.0 million) for commercial projects than those funded by the Retail Division.

In June 1996, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 125 (SFAS 125), "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," which supersedes SFAS 122. SFAS 125 provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities. These standards are based on consistent application of a financial components approach that focuses on control. Under that approach, after a transfer of financial assets, an entity recognizes the financial and servicing assets it controls and the liabilities it has incurred, derecognizes financial assets when control has been surrendered and derecognizes liabilities when extinguished. SFAS 125 provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. SFAS 125 requires that liabilities and derivatives incurred or obtained by transferors as part of a transfer of financial assets be initially measured at fair value, if practicable. It also requires that servicing assets and other retained interests in the transferred assets be measured by allocating the previous carrying amount between the assets sold, if any, and retained interest, if any, based on their relative fair values at the date of the transfers. SFAS 125 includes specific provisions to deal with servicing assets or liabilities. SFAS 125 will be effective for transactions occurring after December 31, 1996 except for certain transactions which according to Statement of Financial Accounting Standards No. 127, "Deferral of the Effective Date of Certain Provisions of FASB 125," will be effective if occurring after December 31, 1997. The Company adopted SFAS 125 on January 1, 1997 with no significant impact on the Company's financial position or results of operations.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128 ("SFAS 128"), "Earnings per Share". SFAS 128 supersedes APB Opinion No. 15 ("APB 15"), "Earnings per Share and specifies the computation, presentation, and disclosure requirements for earnings per share (EPS) for entities with publicly held common stock or potential common stock. SFAS 128 will replace the presentation of primary EPS with a presentation of basic EPS, and replace fully diluted EPS with diluted EPS. SFAS 128 will also require dual presentation of basic and diluted EPS on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation the numerator and denominator of the diluted EPS computation. This statement is effective for financial statements for both interim and annual periods ending after December 15, 1997. Earlier application is not permitted. The Company has determined that this statement will have no significant impact on the financial position or results of operations.

3. Investment in ICI Funding Corporation

The Company records its investment in ICIFC on the equity method. On March 31, 1997, ownership of all of the common stock of ICIFC was transferred from ICII to certain officers of IMH who are entitled to 1% of the earnings or losses of ICIFC. The Company is entitled to 99% of the earnings or losses of ICIFC through its ownership of all of the non-voting preferred stock in ICIFC. Gains or losses on the sale of loans or securities by ICIFC to IMH are deferred and amortized or accreted for gain or loss on sale over the estimated life of the loans or securities using the interest method.

Summarized financial information for ICIFC (in thousands):

BALANCE SHEETS
(unaudited)

	June 30, 1997	December 31, 1996
ASSETS		
Cash	$ 6,283	$ 4,395
Residual interests in securitizations	42,032	46,949
Mortgage loans held for sale, net	170,221	334,104
Mortgage servicing rights	14,031	8,785
Servicing advances	942	1,583
Premises and equipment, net	1,090	834
Accrued interest receivable	1,109	1,845
Other assets	2,773	676
	$ 238,481	$ 399,171
LIABILITIES AND SHAREHOLDERS' EQUITY		
Borrowings from IWLG	$ 166,753	$ 327,422
Due to affiliates	35,017	54,803
Other liabilities	5,836	2,876
Deferred revenue	5,522	1,393
Accrued interest expense	2,617	2,681
Total liabilities	215,745	389,175
Shareholders' Equity:		
Preferred Stock	18,053	9,143
Common Stock	182	92
Retained earnings	4,501	761
Total shareholders' equity	22,736	9,996
	$ 238,481	$ 399,171

STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	1997	1996	1997	1996
Revenues				
Interest income	$ 7,380	$ 6,691	$ 17,164	$ 17,811
Gain on sale of loans	5,175	1,363	9,097	3,962
Loan servicing income	1,299	237	1,937	268
Other income	294	-	294	-
	14,148	8,291	28,492	22,041
Expenses:				
Interest on borrowings from IWLG	6,705	6,258	13,849	17,477
Interest on borrowings from affiliates	745	-	2,185	-
Personnel expense	1,911	1,186	3,781	2,005
Provision for repurchases	129	176	417	576
Amortization of mortgage servicing rights	542	110	949	110
General and administrative expense	357	412	839	792
	10,389	8,142	22,020	20,960
Income before income taxes	3,759	149	6,472	1,081
Income tax expense	1,586	73	2,732	457
Net income	$ 2,173	$ 76	$ 3,740	624

4. Investment in IMH Commercial Holdings, Inc. (formerly Imperial Credit Commercial Holdings, Inc.)

ICH is a recently formed specialty commercial property finance company which will elect to be taxed at the corporate level as a REIT for federal income tax purposes. ICH was incorporated in February 1997 for the purpose of investing in commercial mortgages and commercial mortgage-backed securities. The Company records its investment in ICH on the equity method. As of June 30, 1997, the Company owned 299,000 shares of ICH common stock and is entitled to 49.92% of the earnings or losses of ICH while certain officers and directors of the Company own 300,000 shares of ICH common stock and are entitled to 50.08% of the earnings or losses of ICH. Subsequent to June 30, 1997, ICH completed an IPO of 6.3 million shares of common stock at $15.00 per share of which IMH owns 719,789 shares, or 9.8%, of ICH Common Stock in addition to 674,211 shares, or 100%, of ICH non-voting Class A Stock. For additional information regarding ICH, see Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations--Significant Transactions". Summarized financial information for ICH (in thousands):

BALANCE SHEET

	June 30, 1997
ASSETS	
Cash and cash equivalents	$ 9,686
Commercial mortgages held for investment, net	17,347
Finance receivables	31,169
Residual interest in securitization	9,999
Other assets	2,093
	$ 70,294
LIABILITIES AND STOCKHOLDERS' EQUITY	
Borrowings from others	$ 37,863
Borrowings from IWLG	7,213
Other affiliated borrowings	9,096
Other liabilities	786
Total liabilities	54,958
Stockholders' equity:	
Preferred Stock	30
Common Stock	6
Additional paid-in-capital	14,970
Contributed capital	2,697
Accumulated deficit	(2,367)
Total stockholders' equity	15,336
	$ 70,294

STATEMENTS OF OPERATIONS

	For the Three Months Ended June 30, 1997	For the period from January 15, 1997 (commencement of operations) through June 30, 1997
Revenues		
Interest income	$ 986	$ 1,353
Expenses:		
Interest on borrowings from IWLG	220	340
Interest on other affiliated borrowings	6	91
Interest on other borrowings	297	371
Stock compensation expense	-	2,697
General and administrative	124	188
Provision for loan losses	20	33
	667	3,720
Net loss	$ 319	$ (2,367)

5. Investment Securities Available-for-Sale

The Company classifies investment and mortgage-backed securities as held-to-maturity, available-for-sale, and/or trading securities. Held-to-maturity investment and mortgage-backed securities are reported at amortized cost, available-for-sale securities are reported at fair value with unrealized gains and losses as a separate component of stockholders' equity, and trading securities are reported at fair value with unrealized gains and losses reported in income. Discounts obtained on investment securities are amortized to interest income over the estimated life of the investment securities using the interest method.

At June 30, 1997, IMH's investment securities available-for-sale included $52.8 million of subordinated securities collateralized by mortgages and $5.3 million of subordinated securities collateralized by other loans. In general, subordinated classes of a particular series of securities bear all losses prior to the related senior classes.

The Company's investment securities are held as available-for-sale, reported at fair value with unrealized gains and losses reported as a separate component of stockholders' equity. As the Company qualifies as a REIT and no income taxes are paid, the unrealized gains and losses are reported gross in stockholders' equity.

6. Stockholders' Equity

In January 1997, additional stock options totaling 90,000 were granted to executive officers of IMH at an exercise price of $23.125 per share. The 90,000 stock options become excercisable on the first anniversary of the date of grant and expire ten years from the date they were granted.

In March 1997, Director's of Imperial Credit Advisors, Inc. ("ICAI") and ICII exercised 55,000 shares of common stock at $11.25 per share or $619,000 in proceeds. In conjunction with the exercise of these shares, the Company approved loans totaling $827,000 to the Director's of ICAI and ICII under the terms and conditions of the Company's stock option loan program. As of June 30, 1997, total notes receivable from common stock sales was $1.5 million.

During the second quarter of 1997, proceeds of $10.7 million were raised as common shares totaling 444,561 were purchased through the Company's dividend reinvestment and stock purchase plan at an average price of $24.13, net of discounts.

On June 24, 1997 the Board of Directors declared a $0.60 cash dividend payable on July 17, 1997 to stockholders of record on July 7, 1997.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References to financial information reflect the financial operations of IMH and its subsidiaries, IWLG and IMH Assets, and IMH's equity interests in ICIFC and ICH.

Significant Transactions

In February 1997, certain officers and directors of the Company, as a group, and ICH purchased 300,000 and 299,000 shares of the Common Stock of ICH, respectively. In addition, IMH purchased all of the non-voting preferred stock of Imperial Commercial Capital Corporation ("ICCC"), which represent 95% of the economic interest in ICCC, for $500,000, and certain of the Company's officers purchased all of the outstanding shares of common stock of ICCC, which represent 5% of the economic interest in ICCC. ICCC brokered ICH's purchase of $7.3 million and $10.2 million of condominium conversion loans which were financed with $16.6 million in borrowings under a warehouse lending facility provided by a subsidiary of IMH, and $900,000 in borrowings from IMH.

In March 1997, IMH lent ICH $15.0 million evidenced by a promissory note convertible into shares of non-voting preferred stock of ICH at the rate of one share of ICH Preferred Stock for each $5.00 principal amount of said note (the "Conversion Rate"). IMH converted the aforementioned $15.0 million principal amount promissory note into an aggregate of 3,000,000 shares of ICH Preferred Stock. All ICH Preferred Stock is automatically convertible upon the closing of ICH's IPO into shares of ICH Common Stock determined by multiplying the number of shares of ICH Preferred Stock to be converted by a fraction, the numerator of which is $5.00 and the denominator of which is the IPO Price. Notwithstanding the foregoing, consistent with IMH's classification as a REIT, IMH shall not be entitled to have converted into ICH Common Stock more than that number of shares of ICH Preferred Stock whereby IMH would own, immediately after such conversion, greater than 9.8% of ICH's outstanding Common Stock. Any shares of ICH Preferred Stock not converted into ICH Common Stock upon the closing of the Offering shall on such date automatically convert into shares of ICH non-voting Class A Common Stock (the "ICH Class A Stock") at the same rate as the ICH Preferred Stock converted into Common Stock on said date. Shares of ICH Class A Stock convert into shares of Common Stock on a one-for-one basis and each such class of Common Stock is entitled to cash dividends on a pro rata basis. Upon any subsequent issuances of Common Stock by ICH or sale of ICH Common Stock held by IMH, shares of ICH Class A Stock shall automatically convert into additional shares of the Common Stock of ICH, subject to said 9.8% limitation. In addition, ICH purchased $10.1 million in mortgage-backed securities from ICIFC which was financed with a promissory note. The promissory note was repaid with cash from IMH's above-referenced $15.0 million investment. Concurrently, ICH repaid the $900,000 owed to IMH in connection with its purchase of condominium conversion loans.

In April 1997, IMH exchanged the 299,000 shares of ICH Common Stock held by it for an equivalent number of shares of ICH Class A Stock.

Upon the closing of ICH's IPO in August 1997, IMH contributed to ICH 100% of the outstanding shares of non-voting preferred stock of ICCC in exchange for 95,000 shares of ICH Class A Stock. As of August 11, 1997, IMH owns 719,789 shares, or 9.8%, of ICH Common Stock in addition to 674,211 shares, or 100%, of ICH Class A Stock.

Historical Trends

During the year ended December 31, 1996, ICIFC's mortgage loan acquisitions increased 35% to $1.5 billion as compared to $1.1 billion for the same period in 1995. Excluding the acquisition of mortgage loans from ICII or its affiliated mortgage banking operations, ICIFC's mortgage loan acquisitions increased 110% to $1.3 billion during 1996 as compared to $624.5 million during 1995. The increase in mortgage loan acquisitions for 1996 as compared to 1995 was primarily the result of the Company's increased marketing and sales efforts subsequent to the IPO, increased concentration on identifying and servicing productive conduit sellers under master commitment programs and significantly increased sales activity from two conduit sellers. ICIFC's outstanding master commitment programs with various sellers to purchase mortgages increased to $826.5 million with 68 sellers at December 31, 1996 as compared to $241.0 million with 18 sellers at December 31, 1995. Additionally, in September 1996 ICIFC introduced it's Progressive Express loan program which resulted in ICIFC funding $22.0 million in mortgages during 1996. The benefits of this program include less paperwork for the borrower, express credit approval and attractive rates and terms. At December 31, 1996, the Progressive Express program represented 47% of the $826.5 million in outstanding master commitments. In conjunction with the increase in flow (loan-by-loan) acquisitions, as opposed to bulk loan acquisitions, subsequent to the Contribution Transaction, and the continued growth of ICIFC, ICIFC added personnel in 1996. At December 31, 1996, ICIFC employed 104 employees, an increase of 189% from 36 employees at December 31, 1995.

During the six months ended June 30, 1997, ICIFC's mortgage loan acquisitions increased 42% to $915.5 million as compared to $643.2 million during the first six months of 1996. Excluding mortgages acquired from affiliated companies, mortgage acquisitions during the first six months of 1997 increased 93% to $915.5 million as compared to $474.0 million during the first six months of 1996. The increase in mortgage loan acquisitions during the first six months of 1997 as compared to the same period of 1996 was the result of mortgages funded under the Progressive Express loan program, outstanding master commitment programs with various conduit sellers to purchase mortgage loans and an improved real estate market, particularly in California where the Company acquired 36% of it's loans during the first six months of 1997. Under the Progressive Express loan program, ICIFC funded $321.7 million during the first six months of 1997, or 35% of total loan acquisitions, as compared to none during the first six months of 1996 as the program was introduced in September 1996. Additionally, as of June 30, 1997, ICIFC had outstanding master commitments with 83 sellers to purchase mortgage loans in the aggregate principal amount of $977.5 million as compared to 60 sellers to purchase mortgage loans in the aggregate principal amount of $904.0 million as of June 30, 1996. Due to the continued growth of ICIFC during the first six months of 1997, ICIFC added personnel. At June 30, 1997, there were 128 employees with ICIFC, a 23% increase from 104 employees as of December 31, 1996.

Results of Operations

Three Months Ended June 30, 1997 as Compared to Three Months Ended June 30, 1996

Net income for the second quarter of 1997 increased 163% to $5.6 million, or $0.58 per share, as compared to $2.1 million, or $0.48 per share, for the second quarter of 1996.

Revenues for the quarter ended June 30, 1997 increased 82% to $25.8 million as compared to $14.2 million for the quarter ended June 30, 1996. The increase in revenue during the second quarter of 1997 compared to the second quarter of 1996 was primarily the result of increased interest income as well as increased earnings from the Company's equity in net income of ICI Funding Corporation due to increased profitability on the sale of mortgage loans. Additionally, revenue was negatively impacted by the Company's equity in net loss of IMH Commercial Holdings, Inc as a result of a one time charge to earnings for stock compensation expense due to the issuance of founders stock to certain officers and directors of the Company upon the formation of ICH.

Interest income increased 72% to $24.1 million during the second quarter of 1997 as compared to $14.0 million during the second quarter of 1996 as total average earning assets increased 72% to $1.2 billion as compared to $697.6 million during the respective quarters. Average earning assets are comprised of CMO collateral, mortgage loans held for investment, warehouse financing and securities available-for-sale. Average CMO collateral and mortgage loans held for investment increased 161% to $805.4 million during the second quarter of 1997 as compared to $308.1 million during the second quarter of 1996 as the Company issued CMO's totaling $607.9 million since the end of the second quarter of 1996. Additionally, interest income was higher during the second quarter of 1997 as average investment securities available-for-sale increased 86% to $62.1 million as compared to $33.4 million during the second quarter of 1996 primarily as the Company purchased mortgage-backed securities from ICIFC's REMIC securitizations.

IMH's equity in net income of ICI Funding Corporation increased to $2.2 million during the second quarter of 1997 as compared to $75,000 for the second quarter ended 1996. ICIFC's earnings increased as ICIFC securitized or sold $325.0 million of mortgages during the second quarter of 1997 as compared to $265.7 million during the second quarter of 1996 resulting in gains of $5.2 million as compared $1.4 million, respectively. The increase in gains on sale of loans is the result of increased profits from whole loan cash sales and the securitization of loans funded under the Progressive Express program, which was introduced in September 1996. Progressive Express is a loan program with a one-page loan application that includes less paperwork for the borrower, express credit approval and attractive rates and terms. Additionally, revenues from loan servicing income increased to $1.3 million for the second quarter of 1997 as compared to $237,000 for the same period in 1996 as ICIFC's loan servicing portfolio increased to $2.2 billion as of June 30, 1997 as compared to $858.0 million at June 30, 1996.

Equity in net loss of IMH Commercial Holdings, Inc. was $(710,000) as compared to none during the second quarter of 1996. The equity in net loss of IMH Commercial Holdings, Inc. is primarily the result of a one-time, non-recurring charge recorded on the books of ICH for stock compensation expense due to the issuance of founders stock to certain officers and directors of the Company upon the formation of ICH. This one-time charge during the second quarter of 1997 was $1.7 million of which 49.92%, or $859,000, flows to the Company and is reflective of the Company's ownership in ICH (see Part I, footnote 4. "Investment in IMH Commercial Holdings, Inc." for additional information).

Expenses for the second quarter of 1997 increased 67% to $20.2 million as compared to $12.1 million for the second quarter of 1996 primarily as a result of increased interest expense on CMO borrowings and reverse repurchase agreements, advisory fees and provision for loan losses. Interest expense increased 70% to $17.7 million during the second quarter of 1997 as compared to $10.4 million during the second quarter of 1996 as average interest bearing liabilities increased 72% to $1.1 billion as compared to $645.9 million during the respective periods. Average interest bearing liabilities include CMO financing and reverse repurchase agreements and provide funding for CMO collateral, mortgage loans held for investment, warehouse financing and investment securities available-for-sale which increased during the second quarter of 1997 as compared to the second quarter of 1996 as discussed above. Advisory fees increased 83% to $1.4 million during the second quarter of 1997 as compared to $745,000 during the second quarter of 1996 due to increases in total mortgage assets and net income during these periods. Provision for loan losses increased 88% to $911,000 during the second quarter of 1997 as compared to $485,000 during the second quarter of 1996 as Gross Loan Receivables increased. Gross Loan Receivables include CMO collateral, mortgage loans held for sale and warehouse financing. The Company maintained an allowance for loan losses expressed as a percentage of Gross Loan Receivables of 0.51% at June 30, 1997 as compared to 0.52% at June 30, 1996.

Other operating expenses which excludes interest expense, advisory fees and provision for loan losses decreased 49% to $201,000 during the second quarter of 1997 as compared to $394,000 during the second quarter of 1996. The primary reason for the decrease in other operating expense was the reversal of $132,000 of previously accrued legal fees during the second quarter of 1997 as pending lawsuits warranting the accrual were settled in March 1997.

Six Months Ended June 30, 1997 as Compared to Six Months
Ended June 30, 1996

Net income for the six months ended June 30, 1997 increased 201% to $11.5 million, or $1.19 per share, as compared to $3.8 million, or $0.87 per share, for the six months ended June 30, 1996.

Revenues for the first six months of 1997 increased 82% to $50.7 million as compared to $27.9 million for the same period of the prior year. The increase in revenue during the first six months of 1997 compared to the same period of 1996 was primarily the result of increased interest income as well as increased earnings from the Company's equity in net income of ICI Funding Corporation. In addition, revenue was negatively impacted by the Company's equity in net loss of IMH Commercial Holdings, Inc.

Interest income increased 75% to $47.2 million during the first six months of 1997 as compared to $27.0 million during the first six months of 1996 as total average earning assets increased 77% to $1.2 billion as compared to $654.9 million during the respective periods. Average CMO collateral and mortgage loans held for investment increased 363% to $736.8 million during the first six months of 1997 as compared to $159.2 million during the same period of the prior year as the Company issued CMO's totaling $607.9 million since the end of the second quarter of 1996. Additionally, interest income was higher during the first six months of 1997 as average securities available-for-sale increased 128% to $62.8 million as compared to $27.6 million during the same period of 1996 as the Company purchased mortgage-backed securities from ICIFC's REMIC securitizations. Offsetting increases in average CMO collateral, mortgage loans held for investment and securities available-for-sale was a 21% decrease in average finance receivables to $354.4 million as compared to $446.9 million during the respective periods primarily due to lower average finance receivables outstanding to ICIFC from the securitization of adjustable rate loans in a CMO in May of 1997. Average finance receivables outstanding to ICIFC decreased 23% to $324.5 million during the first six months of 1997 as compared to $420.5 million during the first six months of 1996 as ICIFC sold (at fair market value) adjustable-rate mortgages to the Company for long-term investment.

Revenues also increased as IMH's equity in net income of ICI Funding Corporation increased to $3.7 million during the first six months of 1997 as compared to $618,000 during the same period of 1996. ICIFC's earnings increased as ICIFC securitized or sold $639.5 million of mortgages during the first six months of 1997 as compared to $544.3 million during the same period of 1996 resulting in gains of $9.1 million as compared $4.0 million, respectively.

The increase in gains on sale of loans is the result of increased profits from whole loan cash sales and the securitization of loans funded under the Progressive Express program. Additionally, revenues from loan servicing income increased to $1.9 million during the first six months of 1997 as compared to $268,000 for the same period of 1996 as ICIFC's loan servicing portfolio increased.

Revenues were negatively affected during the first six months of 1997 as the Company's equity in net loss of IMH Commercial Holdings, Inc. was $(1.2) million as compared to none during the second quarter of 1996. The equity in net loss of IMH Commercial Holdings, Inc. is primarily the result of a one-time, non-recurring charge to ICH for stock compensation expense due to the issuance of founders stock to officers and directors of the Company upon the formation of ICH. This one-time charge during the first six months of 1997 was $2.7 million of which 49.92%, or $1.3 million, flows to the Company which is reflective of the Company's ownership in ICH (see Part I, footnote 4. "Investment in IMH Commercial Holdings, Inc." for additional information).

Expenses for the first six months of 1997 increased 63% to $39.2 million as compared to $24.1 million for same period of the prior year primarily as a result of increased interest expense on CMO borrowings and reverse repurchase agreements, advisory fees and other operating expenses. Interest expense increased 70% to $33.0 million during the first six months of 1997 as compared to $19.5 million during the same period of the prior year as average interest bearing liabilities increased 73% to $1.1 billion as compared to $608.5 million during the respective periods. Advisory fees increased 142% to $2.8 million during the first six months of 1997 as compared to $1.2 million during the first six months of 1996 due to increases in total mortgage assets and net income during these periods. Other operating expenses, excluding interest expense, advisory fees and provision for loan losses, increased 67% to $959,000 during the first six months of 1997 as compared to $575,000 during the same period of the prior year. The primary reason for the increase in other operating expense during the first six months of 1997 was a 204% increase in legal and professional fees to $547,000 as compared to $180,000 during the same period of 1996.

Liquidity and Capital Resources

The Company's principal liquidity requirements result from mortgage loans and mortgage-backed and other collateralized securities acquired by the Long-Term Investment Operations, the Conduit Operations acquisition of mortgage loans held for sale and the funding of finance receivables by the Warehouse Lending Operations. The Long-Term Investment Operations is funded by CMO financing, reverse repurchase borrowings on securities available-for-sale and proceeds from the issuance of common stock. The Warehouse Lending Operations is primarily funded by reverse repurchase borrowings with major investment banking firms. The Conduit Operations is primarily funded by the securitization and sale of mortgage loans and mortgage-backed securities and by reverse repurchase borrowings with the Warehouse Lending Operations.

During the six months ended June 30, 1997 and 1996 net cash provided by operating activities was $5.7 million and $1.0 million, respectively. Net cash flows were positively affected during the first six months of 1997 as compared to the first six months of 1996 primarily as taxable income increased to $11.6 million as compared $6.1 million, respectively.

Net cash used in investing activities for the six months ended June 30, 1997 and 1996 was $183.5 million and $21.8 million, respectively. Net cash flows were negatively affected during the first six months of 1997 as compared to the first six months of 1996 primarily due to increases in finance receivables and mortgage loans held for investment and by contributions to fund ICH. Net cash flows were positively affected during the first six months of 1997 as compared to the first six months of 1996 as purchases of mortgage-backed securities decreased.

Net cash provided by financing activities for the six months ended June 30, 1997 and 1996 was $166.2 million and $49.8 million, respectively. Net cash flows were positively affected for the first six months of 1997 as reverse repurchase borrowings used to fund finance receivables decreased and proceeds from the Company's dividend reinvestment and stock purchase plan increased. Net cash flows were negatively affected during the first six months of 1997 as compared to the first six months of 1996 as proceeds from stock offerings decreased and dividends paid increased.

At June 30, 1997, the Company had $722.5 million of CMO borrowings used to finance $773.8 million of CMO collateral held by the Long-Term Investment Operations. The Company uses CMO borrowings to finance substantially all of its mortgage loan investment portfolio as a means of eliminating certain risks associated with reverse repurchase agreements (such as the potential need for deposits of additional collateral) that are not present with CMO borrowings. Terms of the CMO borrowings require that the mortgages be held by an independent third party custodian, with the interest rate on the borrowings ranging from 22 basis points to 50 basis points over one-month LIBOR. Equity in the CMOs is established at the time the CMOs are issued at levels sufficient to achieve desired credit ratings on the securities from the rating agencies. Total credit loss exposure to the Company is limited to the equity invested in the CMOs at any point in time.

At June 30, 1997, the Company had a $250 million committed financing facility as well as additional uncommitted facilities to provide financing for the Company's three businesses. Terms of the reverse repurchase agreements require that the mortgages be held by an independent third party custodian, which gives the Company the ability to borrow against the collateral as a percentage of the outstanding principal balance. The borrowing rates quoted vary from 65 basis points to 100 basis points over one-month LIBOR, depending on the type of collateral provided by the Company. The margins on the reverse repurchase agreements are based on the type of mortgage collateral used and generally range from 90% to 98% of the fair market value of the collateral.

On the date of the Contribution Transaction, ICIFC entered into a $600 million reverse repurchase agreement with the Warehouse Lending Operations for the purpose of providing ICIFC mortgage loan financing during the period that ICIFC accumulates mortgage loans and when the mortgage loans are securitized and sold. The margins on the reverse repurchase agreements are based on the type of collateral used and generally range from 95% to 100% of the fair market value of the collateral. By securitizing and selling loans on a periodic and consistent basis, the reverse repurchase facility was sufficient to handle liquidity needs during the first six months of 1997 and 1996.

On June 24, 1996, the Company contributed $8.9 million in cash to ICIFC to repay borrowed funds to ICH and to increase liquidity on ICIFC's warehouse line with IWLG.

On December 31, 1996, ICIFC purchased residual interests in securitizations from ICII. At June 30, 1997, the residual interests in securitizations total $42.0 million and are financed by a promissory note with ICII at an annual interest rate of 10%. The promissory note requires six monthly interest only payments of $246,180 beginning on July 1, 1997, and continuing on the same day of each succeeding month thereafter; followed by one hundred and eleven monthly installments of $408,974 each. As of June 30, 1997, the current principal balance of the promissory note is $29.1 million.

ICH's principal liquidity requirements result from the need to fund the origination or purchase of Commercial Mortgages held for sale by ICCC, and the investment in commercial mortgages and commercial mortgage-backed securities by ICH. Prior to March 31, 1997, ICH was funded by a $25.0 million warehouse facility with IWLG and $15.0 million in investments and $900,000 in borrowings by IMH. In April 1997, ICH entered into a warehouse line agreement to provide a $200 million uncommitted financing facility to finance ICH's businesses. Terms of the warehouse line of credit require that the commercial mortgages be held by an independent third party custodian, which gives ICH the ability to borrow against the collateral as a percentage of the fair market value of the commercial mortgages. The borrowing rates are expressed in basis points over one-month LIBOR, depending on the type of collateral provided by ICH. The margins on the warehouse line agreement are based on the type of mortgage collateral used and generally range from 85% to 88% of the fair market value of the collateral.

On March 31, 1997, ICH purchased residual interests in securitizations from ICII. At June 30, 1997, the residual interests in securitizations total $10.0 million and are financed by a promissory note with ICII at an annual interest rate of 10%. The promissory note requires 117 monthly interest only payments of $107,030 beginning on July 1, 1997, and continuing on the same day of each succeeding month thereafter. As of June 30, 1997, the current principal balance of the promissory note is $7.8 million.

PART II. OTHER INFORMATION

ITEM 3: Not applicable

ITEM 4: Submission of matters to a vote of security holders

On July 22,1997, the Company held it's annual meeting of stockholders. Of the total number of shares eligible to vote (9,735,777), 8,983,361 votes were returned, or 92%, formulating a quorum. At the stockholders meeting, the following matters were submitted to stockholders for vote: Proposal I - Election of Directors, Proposal II Ratify appointment of Company's independent auditors, KPMG Peat Marwick.

The results of voting on these proposals are as follows:

Proposal I - Election of Directors

Director	For	Against	Elected
H. Wayne Snavely	8,927,522	48,839	Yes
Joseph R. Tomkinson	8,927,547	48,814	Yes
William S. Ashmore	8,926,560	49,801	Yes
James Walsh	8,930,785	45,576	Yes
Frank P. Filipps	8,931,185	45,176	Yes
Stephen R. Peers	8,930,985	45,376	Yes

All directors are elected annually at the Company's annual stockholders meeting.

Proposal II - Appointment of independent auditors

Proposal II was approved with 8,887,815 shares voted for, 38,424 voted against, and 48,122 abstained from voting thereby ratifying the appointment of KPMG Peat Marwick as the Company's independent auditors.

ITEM 5: Not applicable

ITEM 6.

(a) Exhibits

IMPERIAL CREDIT MORTGAGE HOLDINGS, INC.
Statement Regarding Computation of Earnings per share
(dollars in thousands, except per share data)

	For the Three Months Ended June 30, 1997	For the Three Months Ended June 30, 1996
Net income	$ 5,625	$ 2,135
Average number of shares outstanding	9,621	4,580
Net effect of dilutive stock options- Based on treasury stock method using Average market price	149	83
Total average shares	9,770	4,663
Net income per share	$ 0.58	$ 0.46

	For the Six Months Ended June 30, 1997	For the Six Months Ended June 30, 1996
Net income	$ 11,539	$ 3,829
Average number of shares outstanding	9,514	4,416
Net effect of dilutive stock options- Based on treasury stock method using Average market price	162	83
Total average shares	9,676	4,499
Net income per share	$ 1.20	$ 0.85

27 Financial Data Schedule

(b) Reports on Form 8-K:

None.

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, thereunto duly authorized.

IMPERIAL CREDIT MORTGAGE HOLDINGS, INC.

By: /s/ Richard J. Johnson
Richard J. Johnson
Senior Vice President
and Chief Financial Officer

Date: August 14, 1997

9
1,000

	6-MOS	6-MOS
	DEC-31-1996	DEC-31-1995
	JAN-01-1997	JAN-01-1996
	JUN-30-1997	JUN-30-1996
	10,975	31,344
	0	0
	0	0
	0	0
	0	0
	0	0
	58,142	40,152
	1,023,237	580,830
	(5,269)	(3,000)
	1,146,712	671,641
	0	0
	275,927	303,046
	3,390	6,560
	722,481	279,462
	0	0
	0	0
	99	68
	138,875	82,505
	1,146,712	671,641
	47,151	26,982
	0	0
	0	0
	0	0
	0	0
	33,025	19,452
	14,126	7,530
	2,375	2,900
	648	0
	3,793	1,746
	11,539	3,829
	11,539	3,829
	0	0
	0	0
	11,539	3,829
	1.20	0.85
	1.20	0.85
	0	0
	41,664	8,082
	0	0
	0	0
	0	0
	6,846	100
	1,577	0
	0	0
	5,269	3,000
	5,269	3,000
	0	0
	0	0