SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported) February 11, 1999

IMPAC MORTGAGE HOLDINGS, INC.
(Name of registrant as specified in its charter)

Maryland	33-0675505
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
20371 Irvine Avenue Santa Ana Heights, California	92707
(Address of principal executive offices)	(Zip code)

Issuer's telephone number: (714) 556-0122

(Former name or former address, if changed since last report)

Item 5. Other Events

(a) Reference is made to the press release issued to the public by the Registrant on February 11, 1999, the text of which is attached hereto as Exhibit 99.1, for a description of the events reported pursuant to this Form 8-K.

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated February 11, 1999.

SIGNATURES

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

Date: February 18, 1999

IMPAC MORTGAGE HOLDINGS, INC.

BY: /s/ Richard J. Johnson

Richard Johnson
Executive Vice President Finance
and Chief Financial Officer

EXHIBIT 99.1

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Thursday February 11, 7:08 pm Eastern Time

Company Press Release

Impac Mortgage Holdings Inc. Announces a Loss of $8.1 Million for the Fourth Quarter of 1998 and a Loss of $5.9 Million for the Year Ended Dec. 31, 1998

SANTA ANA HEIGHTS, Calif.--(BUSINESS WIRE)--Feb. 11, 1999--Impac Mortgage Holdings Inc. (the "company" or "IMH") (AMEX:IMH - news), a real estate investment trust ("REIT"), announced a net loss of $(8.1) million, or $(0.33) per basic and diluted common share, for the fourth quarter of 1998, compared with a net loss of $(34.8) million, or $(1.70) per basic and diluted common share, for the fourth quarter of 1997.

The company's net loss for the fourth quarter of 1998 was primarily the result of a tax adjusted loss of $6.0 million on the sale of mortgage loans held-for-sale at Impac Funding Corp. ("IFC"), the company's conduit operations, and a tax-adjusted non-cash charge of $2.9 million for the write-down of IFC's mortgage loan servicing rights ("MSRs") and investment securities available-for-sale.

The company records 99% of earnings or losses from IFC as the company owns 100% of IFC's preferred stock, which represents 99% of the economic interest in IFC. In addition, the company's earnings for the fourth quarter of 1998 were negatively affected by a loss on sale of mortgage loans of $2.1 million, loss on disposition of real estate owned of $1.6 million, and a non-cash charge of $1.3 million on write-down of a mortgage-backed security.

Excluding the consolidated tax adjusted losses on mortgage loan sales of $8.1 million and consolidated tax adjusted non-cash charges of $4.2 million, the company's earnings for the fourth quarter of 1998 would have been $4.2 million, or $0.17 per basic and diluted common share, compared with earnings of $9.6 million, or $0.47 per basic and diluted common share, for the fourth quarter of 1997 after excluding a non-cash charge of $44.4 million of the company's buyout of its management agreement with Imperial Credit Advisors Inc. ("ICAI") in December 1997.

The company's net loss for the year ended Dec. 31, 1998, was $(5.9) million, or $(0.25) per basic and diluted common share, compared with a net loss of $(16.0) million, or $(0.99) per basic and diluted common share, for the same period of 1997. The company's net loss for 1998 was primarily the result of a tax adjusted loss of $7.3 million on the sale of mortgage loans held-for-sale at IFC and a tax adjusted non-cash charge of $2.9 million on the write-down of IFC's MSRs and investment securities available-for-sale.

In addition, the company's 1998 earnings were negatively affected by a $9.1 million loss on the sale of its equity investment in Impac Commercial Holdings Inc. ("ICH"), which reflects the price the company received on the sale of its ICH common stock on Oct. 19, 1998, an impairment charge of $14.1 million on investment securities available-for-sale, a loss on sale of mortgage loans of $3.1 million, and a loss on disposition of real estate owned of $1.7 million.

Excluding the consolidated tax adjusted losses on mortgage loan sales of $10.4 million, consolidated tax adjusted non-cash charges of $17.0 million, and the loss on sale of equity investment in ICH of $9.1 million, the company's earnings for the year ended Dec. 31, 1998, would have been $30.6 million, or $1.28 per basic and diluted common share, compared with earnings of $28.3 million, or $1.74 per basic and diluted common share, for the same period of 1997, after excluding a non-cash charge of $44.4 million for the company's buyout of its management agreement.

Earnings per share for 1998, on an adjusted basis, were lower, compared with earnings per share for 1997 due to an increase in the number of common shares outstanding during 1998.

The loss on the sale of mortgage loans and the write-down of mortgage assets by the company and IFC was precipitated by the deterioration of the mortgage-backed securitization market during the third and fourth quarters of 1998. The deterioration of the mortgage-backed securitization market in 1998 created liquidity problems for the company as the company's lenders made margin calls on their warehouse and reverse repurchase facilities.

These margin calls resulted in the company delaying its third-quarter dividend, which was paid on Jan. 6, 1999, and selling mortgage loans and mortgage-backed securities at losses in order to reduce outstanding borrowings on these facilities.

Although a loss was recorded for the fourth quarter of 1998, the company was successful in improving liquidity and protecting stockholder value by selling out of its mortgage loan positions rather than continuing to expose the company to further market risk while accumulating these loans for securitization.

To further enhance the company's liquidity, the company completed the issuance of 1.2 million shares of Series B 10.5% Cumulative Convertible Preferred Stock in December 1998, which generated net proceeds of $28.8 million. The company's cash and cash equivalents at Dec. 31, 1998, were $33.9 million, compared with $2.2 million at Sept. 30, 1998.

In addition to asset sales and the issuance of Preferred Stock to improve the company's liquidity, IFC completed the execution of a master agreement to sell up to $1.0 billion of its future mortgage loan production to a major institutional investor over the next year.

IFC expects to complete its first delivery of mortgage loans under the new agreement in February 1999, and anticipates that the first settlement will occur no later than March 1999. The transaction is a servicing retained agreement, which gives IFC a guaranteed pricing spread and cash gains plus the value of the servicing rights created.

The company's primary objective in response to the deterioration of the mortgage-backed securitization market was to improve liquidity. However, the company made other strategic decisions in response to the mortgage market downturn, as follows: (1) adjusted loan interest rates on its loan programs, (2) adjusted purchase pricing on the acquisition of its loans and (3) reduced staff levels at IFC by 25%. As the liquidity crisis improved, the company made a further strategic decision that it believes will help minimize the company's exposure to market conditions as occurred during 1998.

As such, the company has signed a letter of intent to acquire a California, federally insured thrift and loan. The acquisition is contingent upon the execution of a definitive agreement and obtaining satisfactory approvals from all regulatory agencies. The company does not anticipate any significant regulatory impediments.

Upon the consummation of the transaction, the company intends to contribute certain assets of IFC into the thrift and loan charter and operate the entire mortgage banking and selected investment activities from the thrift and loan. This acquisition will reduce the company's reliance on outside warehouse and reverse repurchase facilities with commercial and investment banks. The thrift and loan charter will give IFC access to low-cost funds and borrowings from the Federal Home Loan Bank.

In addition to improving the company's liquidity during the fourth quarter, the company has taken steps to increase its book value per share by implementing a stock repurchase plan. During the fourth quarter of 1998, the board of directors authorized the repurchase of approximately $5.0 million of the company's common stock. Through Feb. 10, 1999, the company has repurchased 184,100 shares of its common stock for $998,700.

The company also intends to increase book value by distributing only its taxable earnings as dividends during 1999, as is required as a REIT, as opposed to distributing its book basis earnings, or Generally Accepted Accounting Principles ("GAAP") earnings. As a REIT, the company must distribute a minimum of 95% of its taxable earnings, which are not necessarily GAAP earnings. Taxable earnings are calculated by adjusting the company's GAAP earnings by various differences between taxable earnings and GAAP earnings.

Significant adjustments to the company's taxable earnings are a tax deduction of approximately $10.9 million annually for the next three years of amortization expense on the buyout of the company's management agreement in 1997 and the exclusion from taxable earnings the net earnings or losses from IFC.

For the year ended Dec. 31, 1998, the company's estimated taxable earnings, after adjusting GAAP earnings by various tax differences, was approximately $29.0 million, or $1.21 per basic and diluted common share, compared with GAAP earnings of $(5.9) million, or $(0.25) per basic and diluted common share.

During 1998, the company distributed $37.9 million as cash dividends to its stockholders, which resulted in return of capital, or excess dividends, to the company's stockholders of $8.9 million ($37.9 million less $29.3 million), or $0.37 per basic and diluted common share. The company expects dividends for the first quarter of 1999 to be less than its GAAP earnings.

During 1998, the company's net loss was reduced by an increase in the company's core earnings. Core earnings is defined as net interest income earned on Mortgage Assets. Mortgage Assets are comprised of mortgage loans held-for-investment, Collateralized Mortgage Obligation ("CMO") collateral, finance receivables and investment securities available-for-sale.

Core earnings increased 27% to $42.3 million, or $1.77 per basic and diluted common share, during 1998, compared with $32.0 million, or $1.96 per diluted common share, during 1997 as a result of continued growth by the company's Long-Term Investment and Warehouse Lending Operations. Core earnings per share for 1998 were lower, compared with core earnings per share for 1997 due to an increase in the number of common shares outstanding during 1998.

During 1998, average Mortgage Assets increased 51% to $2.0 billion, earning a weighted average yield of 8.12% and net interest spread of 1.49%, compared with $1.3 billion, earning a weighted average yield of 8.26% and a net interest spread of 1.87%, during 1997.

Consistent with the company's business strategy of realizing earnings from the Long-Term Investment Operations, the company issued $768.0 million of CMOs and acquired $866.7 million in mortgages from IFC, compared with $521.7 million and $877.1 million, respectively, during the same period of 1997. The net spread during 1998 decreased, compared with 1997 due to a decline in the corresponding index interest rates.

The company's net loss was also reduced by the elimination of adviser fees as a result of the company's termination of its management agreement with ICAI. As a result of the buyout of the management agreement, the company paid no adviser fees to ICAI during 1998, compared with $6.2 million in advisory fees paid during 1997.

The company's total allowance for loan losses expressed as a percentage of Gross Loan Receivables which includes loans held-for-investment, CMO collateral and finance receivables, increased 47% to 0.47% at Dec. 31, 1998, compared with 0.32% at Dec. 31, 1997. The company recorded net loan loss provisions of $4.4 million during 1998, compared with $6.8 million during 1997.

The amount provided for loan losses during 1998 decreased primarily due to a reduction in exposure to future losses through the sale of delinquent loans and the transfer of certain loans from the held-for-investment to the held-for-sale portfolio, which resulted in a mark-to-market adjustment of $5.9 million.

The allowance for loan losses is determined primarily on the basis of management's judgment of net loss potential including specific allowances for known impaired loans, changes in the nature and volume of the portfolio, value of the collateral and current economic conditions that may affect the borrowers' ability to pay.

IFC recorded a net loss of $(10.1) million and $(14.0) million, respectively, for the fourth quarter of 1998 and for the year ended Dec. 31, 1998, compared with net earnings of $2.2 million and $8.4 million, respectively, for the same periods in 1997.

Earnings decreased for the fourth quarter of 1998 and for the year ended Dec. 31, 1998, compared with the same periods in 1997 primarily as a result of net losses on sale of mortgage loans and non-cash charges for the write-down of MSRs and investment securities available-for-sale. The net loss on sale of mortgage loans and the non-cash charges were due to the deterioration of the mortgage-backed securitization market, as previously discussed.

In addition, earnings for the fourth quarter of 1998 and for the year ended Dec. 31, 1998, were negatively affected by increases in personnel expense, amortization of MSRs, and general and administrative and other expense. Personnel expense and general and administrative and other expense increased during 1998 as IFC's loan acquisition volumes and staff levels were higher than during 1997 and prior to the fourth quarter of 1998 when IFC reduced staffing.

Amortization of MSRs increased due to the growth of IFC's servicing portfolio. During 1998, the company securitized $927.9 million in principal balance of mortgage loans and, accordingly, capitalized MSRs related to those securitizations, which are amortized in proportion to, and over the period of expected net servicing income.

Loan servicing income increased as IFC generally retains servicing rights on mortgages acquired resulting in an increase of 23% in IFC's servicing portfolio to $3.7 billion at Dec. 31, 1998, compared with $3.0 billion at Dec. 31, 1997.

IFC continues to support the Long-Term Investment Operations of the company by supplying IMH with mortgages for its long-term investment portfolio. In acting as the mortgage conduit for the company, IFC sold $866.7 million of mortgages to IMH, compared with $877.1 million of mortgages sold during the same period in 1997. IFC's mortgage acquisitions decreased 14% to $2.2 billion during 1998, compared with $2.5 billion of mortgages acquired during the same period in 1997.

IFC securitized $927.9 million of mortgages and sold whole loans to third-party investors totaling $856.2 million, resulting in net losses on sale of loans of $11.7 million, during 1998. This compares with securitizations of $878.0 million and whole loan sales to third parties of $304.0 million, resulting in net gain on sale of loans of $19.4 million, during 1997.

Both the reduction in mortgage acquisitions and the increase in loan sales during 1998, compared with 1997 were due to the deterioration of the mortgage-backed securitization market. Loan acquisitions decreased as IFC made interest rate and purchase price adjustments on its mortgage loan acquisitions, which resulted in lower loan volumes from correspondent sellers.

In addition, the lack of liquidity resulting from margin calls on the company's warehouse and reverse repurchase facilities prohibited IFC from funding loan acquisitions at comparable levels to prior quarters in 1998. Loan sales increased as IFC sold loans, at reduced prices to carrying amounts, to reduce its outstanding borrowings on its warehouse and reverse repurchase facilities in order to meet margin calls from its lenders.

IFC's deferred income increased to $10.6 million at Dec. 31, 1998, compared with $7.0 million at Dec. 31, 1997. The increase in deferred income relates to the sale of $842.9 million in principal balance of mortgages to IMH during 1998, which are deferred and amortized or accreted over the estimated life of the loans.

The company is a mortgage loan investment company that invests primarily in non-conforming, high-yielding mortgages which, together with its subsidiaries and related companies, operates three businesses. The company's first business is to act as a long-term investor of primarily non-conforming residential mortgage loans and mortgage-backed securities secured by or representing interests in such loans.

The second business is IFC, which purchases primarily non-conforming mortgage loans and to a lessor extent, second mortgages, from a network of third-party correspondent loan originators and subsequently securitizes or sells such loans to permanent investors. As the company's third business, Impac Warehouse Lending Group, a wholly owned subsidiary of the company, focuses on providing warehouse and reverse-repurchase financing to approved mortgage banks, most of which are correspondents of IFC.

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by the use of forward-looking terminology such as "may," "will," "intend," "expect," "anticipate," "estimate," or "continue," or the negatives thereof or other comparable terminology. The company's actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including but not limited to, changes in the origination and resale pricing of mortgage loans, changes in management's estimates and expectations, general financial markets and economic conditions and other factors described in this news release. The financial information presented in this release pertaining to actual results should not be taken to predict future earnings, as the company may not experience similar earnings in future periods.

IMPAC MORTGAGE HOLDINGS INC.
(In thousands, except per-share amounts)
(Unaudited)

Balance Sheets:	Dec. 31, 1998	Dec. 31, 1997
Cash and cash equivalents	$ 33,876	$ 16,214
Investment securities available-for-sale	93,486	67,011
Loan receivables:		
CMO collateral	1,161,220	794,893
Finance receivables	311,571	533,101
Mortgage loans held-for-investment	20,627	257,717
Allowance for loan losses	(6,959)	(5,129)
Other assets	51,683	89,005
Total Assets	$ 1,665,504	$ 1,752,812
CMO borrowings	$ 1,072,316	$ 741,907
Reverse repurchase agreements and other borrowings	323,625	755,559
Other liabilities	17,957	26,316
Stockholders' Equity	251,606	229,030
Total Liabilities and Stockholders' Equity	$ 1,655,504	$ 1,752,812

Statements of Operations:	For the Three Months Ended Dec. 31, 1998	1997	For the 12 Months Ended Dec. 31, 1998	1997
Interest income	$ 36,066	$ 32,824	$163,658	$109,533
Equity in net earnings (loss) of Impac Funding Corp.	(9,964)	2,184	(13,873)	8,316
Equity in net earnings (loss) of Impac Commercial Holdings Inc.	-	539	(998)	(239)
Loss on sale of loans held-for-sale	(2,110)	-	(3,111)	-
Gain on sale of securities available-for-sale	427	-	427	648
Other income	994	813	4,016	1,601
Total Revenues	25,413	36,360	150,119	119,859
Interest expense on CMOs and reverse repurchase agreements and other borrowings	27,064	21,761	121,695	76,577
Loss on equity investment	-	-	9,076	-
(Gain) loss on disposition of real estate owned	2,337	(312)	2,457	(433)
Provision for loan losses	1,512	2,600	3,611	6,843
Write-down on investment securities available-for-sale	1,306	-	14,132	-
General and administrative and other expense	1,148	665	4,563	1,953
Personnel expense	145	104	518	331
Advisory fee	-	1,929	-	6,242
Termination agreement expense	-	44,375	-	44,375
Total Expenses	33,512	71,122	156,052	135,888
Net loss	$ (8,099)	$(34,762)	$ (5,933)	$(16,029)
Loss per basic and diluted common and common equivalent shares	$ (0.33)	$ (1.70)	$ (0.25)	$ (0.99)
Dividends declared per common share	$ -	$ 0.46	$ 1.46	$ 1.68
Weighted average shares outstanding -- basic and diluted	24,557	20,471	23,914	16,267

IMPAC FUNDING CORP.
(In thousands)
(Unaudited)

Balance Sheets:	Dec. 31, 1998	Dec.31, 1997
Cash	$ 422	$ 359
Investment securities available-for-sale	5,965	6,083
Investment securities held-for-trading	5,300	--
Mortgage loans held-for-sale	252,305	620,549
Mortgage servicing rights	14,062	15,568
Servicing advances	6,491	1,460
Premises and equipment, net	1,978	1,788
Accrued interest receivable	1,896	4,755
Other assets	25,453	6,382
Total Assets	$ 313,872	$ 656,944
Warehouse facilities	$ 259,958	$ 607,210
Deferred revenue	10,605	7,048
Other liabilities	30,446	15,290
Shareholders' Equity	12,863	27,396
Total Liabilities and Shareholders' Equity	$ 313,872	$ 656,944

Statements of Operations:	For the Three Months Ended Dec. 31, 1998	1997	For the 12 Months Ended Dec. 31, 1998	1997
Interest income	$ 8,180	$ 16,016	$ 48,510	$ 48,020
Gain (loss) on sale of mortgage loans held-for-sale	(9,555)	5,037	(11,663)	19,414
Mark-to-market loss on investment securities	(805)	--	(805)	--
Gain (loss) on sale of investment securities available-for-sale	(682)	130	(706)	550
Loan servicing income	2,550	1,091	7,071	4,109
Other income	23	9	420	93
Total Revenues	(289)	22,283	42,827	72,186
Interest expense on borrowings	7,149	13,092	40,743	41,628
Impairment of mortgage servicing rights	3,722	--	3,722	--
Amortization of mortgage servicing rights	1,678	931	6,361	2,827
General and administrative expense	1,541	1,358	5,484	3,287
Personnel expense	1,538	1,484	8,901	6,760
Provision for repurchases	1	1,600	367	3,148
Total Expenses	15,629	18,465	65,578	57,650
Earnings (loss) before income taxes	(15,918)	3,818	(22,751)	14,536
Income taxes (benefit)	(5,853)	1,611	(8,738)	6,136
Net earnings (loss)	$(10,065)	$ 2,207	$(14,013)	$ 8,400

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Contact:

Impac Mortgage Holdings Inc., Santa Ana Heights
Thom Singha or Tania Jernigan, 714/438-2100