



Impac Mortgage Holdings, Inc. Announces the Early Retirement Of Its 11% Senior Subordinated Debentures Due February 15, 2004

May 11, 2001

NEWPORT BEACH, Calif., May 11 /PRNewswire/ -- Impac Mortgage Holdings, Inc. (Amex: IMH) (or the "Company"), a Maryland corporation, being taxed as a Real Estate Investment Trust ("REIT") announces the early retirement its 11% Senior Subordinated Debentures ("Debentures") due February 15, 2004 (Amex: IMHA) as a conditional redemption for the full amount of principal, or \$7.7 million, plus accrued and unpaid interest on June 15, 2001 (the "Redemption Date").

Mr. Joseph R. Tomkinson, Chairman CEO of the Company commented, "as a result of the increased profitability and liquidity of the Company, I am pleased to announce the early retirement of approximately \$7.7 million of the Company's Debentures. The estimated \$1.2 million annual cost savings associated with these Debentures will be partially offset this year by a one time charge to second quarter 2001 earnings of approximately \$1.0 million of costs that were being amortized over the life of the Debentures." Mr. Tomkinson also stated "the result of the early retirement of these Debentures will make the Company free of any general unsecured debt."

Impac Mortgage Holdings, Inc. is a Mortgage REIT which operates three businesses: (1) the Long-Term Investment Operations, (2) the Mortgage Operations, and (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 Mortgage Operations primarily purchases and sells or securitizes non-conforming mortgage loans, and the Warehouse Lending Operations provides short-term lines of credit to originators of mortgage loans. The Company is organized as a REIT for tax purposes, which allows it generally to pass through earnings to stockholders without federal income tax at the corporate level.

This press 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.

For Further Information Please Contact Investor Relations: Tania Jernigan at (949) 475-3700, or email tjernigan@impacompanies.com.

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