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) October 8, 1998

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 October 8, 1998, the text of which is attached hereto as Exhibit 99, for a description of the events reported pursuant to this Form 8-K.

(b) Reference is made to the press release issued to the public by the Registrant on October 13, 1998, the text of which is attached hereto as Exhibit 99.1, for a description of the events reported pursuant to this Form 8-K.

(c) Reference is made to the press release issued to the public by the Registrant on October 15, 1998, the text of which is attached hereto as Exhibit 99.2, for a description of the events reported pursuant to this Form 8-K.

(d) Reference is made to the press release issued to the public by the Registrant on November 6, 1998, the text of which is attached hereto as Exhibit 99.3, for a description of the events reported pursuant to this Form 8-K.

Item 7. Financial Statements and Exhibits

(c) Exhibits

99 Press Release dated October 8, 1998.

99.1 Press Release dated October 13, 1998.

99.2 Press Release dated October 15, 1998.

99.3 Press Release dated November 6, 1998.

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: December 8, 1998

IMPAC MORTGAGE HOLDINGS, INC.

BY: /s/ Richard Johnson

Richard Johnson
Executive Vice President Finance
and Chief Financial Officer

EXHIBIT 99

[LETTERHEAD OF IMPAC MORTGAGE HOLDINGS, INC.]

Impac Mortgage Holdings, Inc. Announces Delay of Payment Date of Previously Announced Third Quarter 1998 Dividend; Expected Third Quarter 1998 Loss, Reduced Earnings Expectations for Fourth Quarter 1998 and No Further Dividends for the Remainder of 1998; Adoption of a Stock Repurchase Plan; Adoption of a Stockholder Rights Plan

Santa Ana Heights, California; October 8, 1998 -- Impac Mortgage Holdings, Inc. (Amex-IMH) today made several significant announcements.

Delay of Payment Date of Third Quarter 1998 Dividend

The Company today announced a delay of the payment date of its previously announced third quarter 1998 dividend to January 6, 1999. The Board of Directors reserves the right to accelerate that payment date in its sole discretion. The amount of the dividend ($.49 per share) and the record date for receipt of the dividend (October 9, 1998) are not affected by the delay. As a result of the payment delay, the Company will pay interest, at a rate of 4% per annum, on the amount due calculated from the previously announced payment date (October 26, 1998) through the date of actual payment. The interest may be paid in the form of cash or shares of the Company's common stock.

Joseph R. Tomkinson, Chief Executive Officer of IMH stated, "Due to the turmoil in the securitization markets and the tightening of pricing on whole loan sales, we feel compelled to take positive steps to improve profitability and liquidity. We intend to reduce our exposure to tightening of pricing in the secondary market and improve profitability by modifying our loan origination strategy. We intend to raise the pricing on the origination of our residential mortgages which will improve our margins. While this decision will result in lower origination volume in the fourth quarter of 1998 and possibly thereafter, we feel we will achieve better results on the subsequent resale of these loans. To improve our liquidity we are taking cost-cutting measures including negotiating with our institutional lenders to improve credit terms, liquidating selected assets and delaying the date of payment of the dividend."

"We have no intention to go out of business or declare bankruptcy," stated Mr. Tomkinson. "We believe that the stock market is adversely reacting to the financial sectors in general and to mortgage companies in particular in part due to the bankruptcy announcements of other substantial lenders. We believe the residential market remains strong and that the recent turmoil in the credit markets is a short-term issue. While the recent turn of events is disappointing, we believe the Company remains positioned for long-term growth which will ultimately benefit our stockholders. We feel we need to take these actions to secure long-term viability so long as the secondary and stock markets remain unstable. We will continue to pursue avenues such as substantial whole loan sales, creative securitization vehicles and selected asset sales to boost cash-flow. We believe the retention of capital not only aids in the financial welfare of the Company in the short-run but positions us to take advantage of opportunities to reinvest in higher yielding long-term assets."

Expected Third Quarter 1998 Loss, Reduced Earnings Expectations for the Fourth Quarter 1998 and no Further Dividends for the Remainder of 1998

The Company announced that it expects to record a loss for its third quarter ended September 30, 1998, projected earnings for the fourth quarter of 1998 will be lower than previously expected and that it will pay no further dividend for 1998 other than the previously announced third quarter 1998 dividend.

Third quarter 1998 results will be impaired by a number of market factors, including the recent decline in the market price of Impac Commercial Holdings, Inc. ("ICH") common stock. The Company currently owns 9.8% of ICH's common stock and 100% of common class A non-voting. The decline in the market price of ICH common stock below book value has an adverse impact on the Company's income statement. Reported results are also affected by the fact that the Company holds certain high loan-to-value ratio and sub-prime loans held for sale and subordinate securities on its books at the lower cost or market, the market value of which has fallen significantly during the third and fourth quarters of 1998. Each of these adjustments are non-cash accounting charges. In addition, operating results for the third quarter are expected to be affected by the anticipated liquidation of certain assets in the fourth quarter of 1998, which will increase liquidity. Due to adverse market conditions, such sales may take place at a loss, a portion of which will be recorded in the third quarter.

Based on the closing sales price of ICH on October 7, 1998 and prevailing conditions in the secondary market, the Company expects to record charges to earnings that will result in a net loss between approximately $17.2 million to $22.9 million or approximately $0.70 to $0.93 per share of common stock on a diluted basis for the third quarter of 1998. This is largely the result of the aggregate amount of the referenced non-cash accounting charges which are expected to be between approximately $26.8 million and $32.5 million or approximately $1.09 to $1.32 per share of common stock on a diluted basis.

Fourth quarter 1998 operating results are likely to be adversely affected by the aforementioned liquidation of assets, the lack of stability in the securitization markets, tightening of pricing on whole loan sales and the decrease in the value of the Company's equity holdings in ICH.

Furthermore, in an effort to boost liquidity for long-term growth, the Company announced that it does not expect to make a further dividend payment in 1998, other than the previously announced third quarter 1998 dividend. Other than the delayed third quarter 1998 dividend, the Company is not required under the rules governing real estate investment trusts to make a further dividend payment for 1998.

Mr. Tomkinson stated, "As we have said, we decided to delay the third quarter dividend payment date to boost liquidity. Other than the previously announced third quarter 1998 dividend, we do not feel that paying additional dividends for 1998 is wise because our goal is to position the Company for long-term growth. We feel that preserving capital is in the Company's and our stockholders best long-term interests."

Adoption of a Stock Repurchase Plan

The Company today announced that its Board of Directors has authorized the Company to repurchase up to $5.0 million worth of the Company's common stock, $.01 par value, in open market purchases from time to time in the discretion of the Company's management; the timing and extent of the repurchases will depend on market conditions.

The Company intends to effect such repurchases, if any, in compliance with the Rule 10b-18 under the Securities Exchange Act of 1934. The acquired shares will be canceled.

"We believe that the true value of the Company is not reflected in the current market price of our common stock," said Mr. Tomkinson. "This common stock repurchase plan reflects our confidence in the long-term growth potential of our Company."

Adoption of a Stockholder Rights Plan

The Company today announced that its board of directors has adopted a Stockholder Rights Plan in which Preferred Stock Purchase Rights will be distributed as a dividend at the rate of one Right for each outstanding share of common stock.

Mr. Tomkinson stated, "The Rights are designed to assure that all of the Company stockholders receive fair and equal treatment in the event of any proposed takeover of the Company and to guard against partial tender offers, squeeze-outs, open-market accumulations and other abusive tactics to gain control of the Company without paying all stockholders a control premium."

Mr. Tomkinson also stated "that the Company is not aware of any current intent to acquire a sufficient number of shares of the Company's common stock to trigger distribution of the Rights."

The Rights will be attached to the Company's common stock. The Rights will be exercisable and trade separately only in the event that a person or group acquires or announces the intent to acquire 10 percent or more of the Company's common stock. Each Right will entitle stockholders to buy one-hundredth of a share of a new series of junior participating preferred stock at an exercise price of $10.00

If the Company is acquired in a merger or other transaction after a person has acquired 10 percent or more of Company outstanding common stock, each Right will entitle the stockholder to purchase, at the Right's then-current exercise price, a number of the acquiring Company's common shares having a market value of twice such price.

In addition, if a person or group acquires 10 percent or more of the Company's common stock, each Right will entitle the stockholder (other than the acquiring person) to purchase, at the Right's then-current exercise price, a number of shares of the Company's common stock having a market value of twice such price.

Following the acquisition by a person of 10 percent or more of the Company's common stock and before an acquisition of 50 percent or more of the common stock, the Board of Directors may exchange the Rights (other than the Rights owned by such person) at an exchange ratio of one share of common stock per Right.

Before a person or group acquires beneficial ownership of 10 percent or more of the Company's common stock, the Rights are redeemable for $.0001 per right at the option of the Board of Directors.

The dividend distribution will be made on October 19, 1998, payable to stockholders on record on that date. The Rights will expire on October 19, 2008. The Rights disbtribution is not taxable to stockholders.

The Rights are intended to enable all the Company stockholders to realize the long-term value of their investment in the Company. They will not prevent a takeover but should encourage anyone seeking to acquire the Company to negotiate with the Board of Directors prior to attempting a takeover.

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 Impac Funding Corporation ("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 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", "should", "expect", "anticipate", "estimate", or "continue" or the negatives thereof or other comparable terminology. The Company's actual results could differ materially from those anticipate in such forward-looking statements as a result of certain factors. 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.

For further information, please contact the Company's investor relations department:

INVESTOR RELATIONS:
Thom Singha
Tania Jernigan
714-438-2100

EXHIBIT 99.1

[LETTERHEAD OF IMPAC MORTGAGE HOLDINGS, INC.]

IMPAC MORTGAGE HOLDINGS, INC.
(AMEX:IMH)

NEWS RELEASE

__________For Immediate Release__________

Impac Mortgage Holdings, Inc. Announces a Correction to the Prior Announcement Dated October 8, 1998

Tuesday, October 13, 1998

Santa ana Heights, California; October 13, 1998--Impac Mortgage Holdings, Inc. (Amex:IMH) (the "Company"), a Maryland corporation, being taxed as a Real Estate Investment Trust ("REIT"), announced that there was a typographical error in the previous announcement dated October 8, 1998 regarding the Stockholder Rights Plan. The Announcement should have indicated that the exercise price for each Right under the Stockholders Rights Plan is $30.00 for one one-hundredth of a share of a new series of junior participating preferred stock.

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 Impac Funding Corporation ("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 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", "should", "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. 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.

For further information, please contact the Company's investor relations department:

INVESTOR RELATIONS:
Thom Singha
Tania Jernigan

EXHIBIT 99.2

[LETTERHEAD OF IMPAC MORTGAGE HOLDINGS, INC.]

(BW) (IMPAC-MORTGAGE-HOLDINGS) (IMH) Impac Mortgage Holdings Inc. Announces Sale of $182 Million of Residential Mortgage Loans

Business Editors

SANTA ANA HEIGHTS, Calif.--(BUSINESS WIRE)--Oct. 15, 1998-Joseph R. Tomkinson, chairman and chief executive officer of Impac Mortgage Holdings Inc. (the company or IMH) (AMEX:IMH), a Maryland corporation being taxed as a Real Estate Investment Trust (REIT), Thursday announced the whole loan sale of $182 million principal balance of mortgage loans.

The sale of mortgage loans is part of the company's recent strategy to minimize its exposure to margin calls and increase its overall liquidity position.

Tomkinson said "that until we see the securitization market as a viable exit strategy for the sale of the company's loans; the company intends on selling its loans in the whole loan market."

As a result of this change in strategy, the company has increased the interest rate it charges its customers on all newly acquired loans and limited the price paid above par to reflect current market conditions and profitability projections.

While the company has increased its rates, Tomkinson said "that we have not seen any significant reduction in the amount of loans submitted for purchase from its customers at newly set interest rates."

In addition, he said "that as a result of this strategy, the company has reduced its exposure from margin calls by reducing its warehouse borrowings from $921.9 million at Aug. 31, 1998 to approximately $381.4 million as of today."

Tomkinson further stated "that these results further demonstrate the company's ability to react to unfavorable market conditions in the mortgage industry."

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," "should," "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. 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.

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CONTACT: Impac Mortgage Holdings Inc., Santa Ana Heights
Thom Singha or Tania Jernigan, 714/438-2100
www.impaccomanies.com

EXHIBIT 99.3

[LETTERHEAD OF IMPAC MORTGAGE HOLDINGS, INC.]

IMPAC MORTGAGE HOLDINGS, INC.
(AMEX:IMH)

NEWS RELEASE

__________For Immediate Release__________

Impac Mortgage Holdings, Inc. Announces a Loss of $20.6 million for the Third Quarter of 1998 as compared to Earnings of $7.2 million for the Third Quarter of 1997

Friday, November 6, 1998

Santa Ana Heights, CA. - Impac Mortgage Holdings, Inc. (the "Company" or "IMH": AMEX-IMH), a real estate investment trust ("REIT"), announces a net loss of $(20.6) million, or $(0.85) per basic and diluted common share, for the third quarter of 1998 as compared to net earnings of $7.2 million, or $0.45 per diluted common share, for the third quarter of 1997. The actual net loss for the third quarter of 1998 was within the expected range as previously announced in the Company's press release dated October 8, 1998. The actual net loss for the third quarter of 1998 was primarily due to non-cash charges that required the Company and its subsidiaries to make certain write-downs of its mortgage loans, equity investments and investment securities available-for-sale portfolios. Excluding these non-cash charges, net earnings were $12.1 million, or $0.49 per diluted common share, for the third quarter of 1998. Net earnings for the nine months ended September 30, 1998 was $2.2 million, or $0.09 per basic and diluted common share, as compared to net earnings of $18.7 million, or $1.25 per diluted common share, for the same period of 1997. Exclusive of the non-cash charges recorded in the third quarter of 1998, the Company's net earnings for the nine months ended September 30, 1998 were $34.9 million, or $1.46 per diluted common share.

Excluding the non-cash charges, returns on average equity and average assets for the third quarter of 1998 were 17.45% and 2.09%, respectively, as compared to 19.15% and 1.94%, respectively, for the third quarter of 1997. Excluding the non-cash charges, returns on average equity and average assets for the first nine months of 1998 were 15.33% and 1.65%, respectively, as compared to 18.12% and 2.29%, respectively, for the same period of 1997. After non-cash charges, the Company's book value per share decreased 10% to $9.43 at September 30, 1998 (25,549,840 common shares outstanding) as compared to book value per share of $10.43 at June 30, 1998 (24,059,151 common shares outstanding). Total assets increased 17% to $2.1 billion at September 30, 1998 as compared to $1.8 billion at December 31, 1997.

The Company's estimated tax basis earnings for the nine months ended September 30, 1998 was approximately $21.2 million, or $0.89 basic and diluted earnings per common share. Tax basis earnings is calculated by adjusting the Company's book basis earnings by various differences between book basis earnings and tax basis earnings. Differences between book basis earnings and tax basis earnings are estimates that are derived from management's best knowledge as of September 30, 1998. Actual tax basis earnings may differ materially from current estimates. As of September 30, 1998, the Company declared or paid dividends for the 1998 tax year totaling $37.9 million. Therefore, total dividends declared or paid for the 1998 tax year exceed estimated tax basis earnings by $16.7 million, or $0.70 per basic and diluted common share.

Subsequent to quarter-end, the Company made significant changes in its business strategy and operations and completed various transactions that provided positive results in the Company's liquidity position.

Business Strategy.

The Company made changes in its business strategy to more effectively compete in the current market environment, including:

- Raising interest rates on its loan programs.
- Decreasing the amount of premium paid on its loan acquisitions.

. Reducing staffing levels by approximately 25% to restore profitability of operations.

Liquidity.

In October 1998, the Company sold $250.4 million of mortgage loans and $8.9 million of mortgage-backed securities in order to generate liquidity and help to protect the Company against margin calls on warehouse lines and reverse repurchase facilities. The financial result of the sale of mortgage loans and mortgage-backed securities was in line with the marked-to-market charge taken in the third quarter of 1998. These sales generated net cash proceeds of $13.6 million after paying down the related warehouse line and reverse repurchase balances.

The Company's earnings decreased during the third quarter of 1998 as compared to the third quarter of 1997 primarily as a result of the aforementioned non-cash charges which resulted in reductions in equity in net earnings (loss) of Impac Funding Corporation ("IFC") and equity in net earnings (loss) of Impac Commercial Holdings, Inc. ("ICH") and impairment charges on its equity investment in ICH and investment securities available-for-sale. Equity in net earnings (loss) of IFC decreased to a loss of $(7.9) million for the third quarter of 1998 as compared to earnings of $2.4 million during the third quarter of 1997 primarily due to a non-cash charge on loans held-for-sale of $21.0 million. The non-cash charge reflects market bid prices that IFC received in anticipation of selling mortgage loans in the fourth quarter of 1998 on a whole loan basis as a result of recent turmoil in the mortgage-backed securitization market. The sale of mortgage loans will improve the Company's liquidity position and help provide liquidity to meet any future margin calls on existing warehouse lines of credit.

Equity in net earnings (loss) of ICH decreased to a loss of $(1.8) million for the third quarter of 1998 as compared to earnings of $403,000 for the third quarter of 1997 primarily due to an impairment charge of $1.1 million on its residual interest in securitization and a decrease in net earnings (loss) of Impac Commercial Capital Corp. ("ICCC"), the conduit operations of ICH, due to a non-cash charge of $15.0 million related to a marked-to-market adjustment on loans held-for-sale. Exclusive of these non-cash charges, the Company's equity in net earnings (loss) of ICH for the third quarter of 1998 was earnings of $292,000. The Company recorded equity in net earnings (loss) in ICH through the Company's ownership of 9.8% of ICH's voting common stock and 100% of class A non-voting common stock. Subsequently, in October 1998, ICH repurchased 1,394,000 shares of common stock and class A common stock which represented 100% of ICH common stock that IMH owned.

In addition, earnings were adversely affected by an impairment charge of $9.1 million on the Company's equity investment in ICH, which reflected the price at which the ICH common stock was sold on October 19, 1998, and an impairment charge of $11.6 million on the Company's investment securities available-for-sale.

During the third quarter of 1998, earnings were positively affected 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 as a result of continued growth by the Company's Long-Term Investment and Warehouse Lending Operations. During the third quarter of 1998, average Mortgage Assets increased 57% to $2.2 billion, earning a weighted average yield of 8.05%, as compared to $1.4 billion, earning a weighted average yield of 8.39%, during the third quarter of 1997. As a result of the increase in average Mortgage Assets, net interest income increased 50% to $11.7 million, earning a net interest spread of 1.79%, during the third quarter of 1998 as compared to $7.8 million, earning a net interest spread of 1.93%, during the third quarter of 1997. Consistent with the Company's business strategy of realizing earnings from the Long-Term Investment Operations, the Company acquired $47.7 million in mortgages from IFC during the third quarter of 1998 as compared to $94.0 million during the third quarter of 1997. For the nine months ended September 30, 1998, the Long-Term Investment Operations issued $775.1 million of CMOs and acquired $841.6 million in mortgages from IFC as compared to $348.1 million and $533.4 million, respectively, during the same period in 1997.

The elimination of advisor fees as a result of the termination of the Company's management agreement with Imperial Credit Advisors, Inc. ("ICAI") in December 1997 continued to have positive effects. As a result of the buyout of the management agreement with ICAI, there were no advisor fees paid by IMH during the third quarter of 1998 as compared to $1.5 million in advisor fees paid by IMH during the third quarter of 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, was 0.29% at September 30, 1998 as compared to 0.32% at December 31, 1997. The allowance for loan losses as a percentage of Gross Loan Receivables decreased by accelerated loan charge-offs from the sale of delinquent loans, resulting in losses of $1.1 million during 1998, which was charged against the allowance. The Company sold delinquent loans in order to reduce the Company's overall exposure to delinquent loans and future loan losses. Excluding the loss on sale of delinquent loans, the allowance for loan losses as a percentage of Gross Loan Receivables would have been 0.35% at September 30, 1998. The Company recorded loan loss provisions (recoveries) of $(292,000) during the third quarter of 1998 as compared to $1.9 million during the third quarter of 1997. The amount provided for loan losses during the third quarter of 1998 decreased primarily due to the 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 marked-to-market adjustment of $1.2 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. The Company recorded losses on the disposition of real estate owned of $610,000 during the third quarter of 1998 as compared to gains on disposition of real estate owned of $144,000 during the third quarter of 1997.

As previously stated, equity in net earnings (loss) of IFC decreased to a loss of $(7.9) million during the third quarter of 1998 as compared to earnings of $2.4 million during the third quarter of 1997. IFC's earnings during the third quarter of 1998 decreased primarily due to a non-cash marked-to-market adjustment of $21.0 million, which represents losses on mortgage loans held-for-sale. Additionally, IFC's earnings were negatively affected by increases in personnel expense, amortization of mortgage servicing rights ("MSRs"), and general and administrative expense which was partially offset by increases in loan servicing income. The overall increase in operating expenses during the third quarter of 1998 as compared to the third quarter of 1997 was primarily the result of an increase in staffing and overhead as the Company's loan origination operations and loan servicing portfolio grew.

Personnel expense increased 73% to $2.6 million during the third quarter of 1998 as compared to $1.5 million during the third quarter of 1997. The increase in personnel expense was primarily due to an increase in staff and incentive compensation. IFC increased staff 22% to 174 at September 30, 1998 as compared to 143 at September 30, 1997. However, subsequent to quarter-end the Company reduced staffing at IFC approximately 25% to 140 employees.

Amortization of MSRs increased to $1.8 million during the third quarter of 1998 as compared to $947,000 during the third quarter of 1997 due to continued growth of IFC's servicing portfolio. Since September 30, 1997, the Company has securitized $1.6 billion in principal balance of mortgage loans and, accordingly, has capitalized MSRs related to those securitizations which are amortized over the estimated life of the loans.

Loan servicing income increased as IFC generally retains servicing rights on mortgages acquired resulting in an increase of 42% in IFC's servicing portfolio to $3.4 billion at September 30, 1998 as compared to $2.4 billion at September 30, 1997. The loan delinquency rate of mortgages in IFC's servicing portfolio which were 60 or more days past due, inclusive of foreclosures and delinquent bankruptcies, was 5.21% at September 30, 1998 as compared to 4.29%, 3.20%, 3.05% and 4.03% for the last four quarter-end periods. During the third quarter of 1998, 352 loans were removed from 90 days or more delinquent status of which 153 loans, or 43% were reinstated, repurchased or paid-in-full ("cure rate").

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 acquired $604.7 million of mortgages during the third quarter of 1998 as compared to

$918.2 million of mortgages acquired during the third quarter of 1997. IFC's mortgage loan acquisition decreased during the third quarter of 1998 as IFC acquired no high loan-to-value mortgage loans as compared to $351.8 million of high loan-to-value loans acquired during the third quarter of 1997. Excluding the acquisition of high loan-to-value mortgages in the third quarter of 1997, IFC's loan acquisitions increased 7% to $604.7 million of mortgages acquired in the third quarter of 1998 as compared to $566.4 million of mortgages acquired in the third quarter of 1997. In addition, IFC securitized $297.6 million of mortgages and sold whole loans to third party investors totaling $161.6 million, resulting in gain on sale of loans of $10.1 million, during the third quarter of 1998. This compares to securitizations and whole loan sales of $481.6 million, resulting in gain on sale of loans of $5.3 million, during the third quarter of 1997. IFC had deferred revenue of $13.3 million at September 30, 1998 as compared to $7.0 million at December 31, 1997. The increase in deferred revenue relates to the sale of $817.9 million of principal balance of mortgages to IMH during 1998. Gains realized from the sale of loans by IFC to IMH 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 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", "should", "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. 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.

For more information call:

Investor Relations:

Thom Singha
Tania Jernigan
(714) 438-2100

IMPAC MORTGAGE HOLDINGS, INC.
(in thousands, except per share amounts)
(unaudited)

Balance Sheets:	September 30, 1998	December 31, 1997
Cash and cash equivalents	$ 2,204	$ 16,214
Investment securities available-for-sale	111,082	67,011
Loan receivables:		
CMO collateral	1,291,722	794,893
Finance receivables	562,429	533,101
Mortgage loans held-for-investment	24,907	257,717
Mortgage loans held-for-sale	61,181	--
Allowance for loan losses	(5,390)	(5,129)
Other assets	67,613	89,005
Total Assets	$2,115,748	$1,752,812
CMO borrowings	$1,198,074	$ 741,907
Reverse repurchase agreements and other borrowings	628,953	755,559
Other liabilities	57,306	26,316
Stockholders' Equity	231,415	229,030
Total Liabilities and Stockholders' Equity	$2,115,748	$1,752,812

Statements of Operations:	For the Three Months Ended, September 30,		For the Nine Months Ended, September 30,	
	1998	1997	1998	1997
Interest income	$ 45,916	$29,557	$127,591	$76,709
Equity in net earnings (loss) of Impac Funding Corporation	(7,860)	2,429	(3,912)	6,132
Equity in net earnings (loss) of Impac Commercial Holdings, Inc.	(1,840)	403	(998)	(778)
Loss on sale of loans held-for-sale	(1,200)	--	(1,200)	--
Gain on sale of securities available-for-sale	--	--	--	648
Other income	1,366	378	3,225	788
Total Revenues	36,382	32,767	124,706	83,499
Interest expense on CMO's and reverse repurchase agreements and other borrowings	34,240	21,790	94,632	54,816
Write-down on securities available-for-sale	11,584	--	12,825	--
Loss on equity investment	9,076	--	9,076	--
General and administrative expense	1,641	439	3,415	1,288
(Gain) loss on sale of real estate owned	610	(144)	120	(121)
Personnel expense	139	135	373	227
Advisory fee	--	1,485	--	4,313
Provision for loan losses	(292)	1,868	2,099	4,243
Total Expenses	56,998	25,573	122,540	64,766
Net earnings (loss)	$(20,616)	$ 7,194	$ 2,166	$18,733
Earnings (loss) per basic share	$ (0.85)	$ 0.46	$ 0.09	$ 1.27
Earnings (loss) per diluted common and common equivalent share	$ (0.85)	$ 0.45	$ 0.09	$ 1.25
Dividends declared per common share	$ 0.49	$ 0.43	$ 1.46	$ 1.22
Weighted average shares outstanding - diluted	24,351	15,621	23,871	14,739

IMPAC FUNDING CORPORATION
(in thousands)
(unaudited)

Balance Sheets:	September 30, 1998	December 31, 1997
Cash	$ 1,382	$ 359
Investment securities available-for-sale	7,098	6,083
Investment securities available-for-trading	5,297	--
Mortgage loans held-for-sale	464,921	620,549
Mortgage servicing rights	19,461	15,568
Accrued interest receivable	3,235	4,755
Servicing advances	3,081	1,460
Premises and equipment, net	2,013	1,788
Other assets	38,385	6,382
Total Assets	$544,873	$656,944
Warehouse facilities	$478,523	$607,210
Deferred revenue	13,251	7,048
other liabilities	29,651	15,290
Shareholders' Equity	23,448	27,396
Total Liabilities and Stockholders' Equity	$544,873	$656,944

Statements of Operations:	For the Three Months Ended, September 30,		For the Nine Months Ended, September 30,	
	1998	1997	1998	1997
Interest income	$ 15,673	$14,839	$ 40,330	$32,004
Mark to market loss on mortgage loans	(21,041)	--	(21,041)	--
Gain on sale of mortgage loans held-for-sale	10,061	5,280	18,932	14,378
Loan servicing income	1,815	1,081	4,521	3,018
Other income	63	211	374	505
Total Revenues	6,571	21,411	43,116	49,905
Interest expense on borrowings	14,287	12,502	33,594	28,536
Personnel expense	2,582	1,496	7,363	5,277
Amortization of mortgage servicing rights	1,758	947	4,683	1,896
General and administrative expense	1,658	1,090	3,943	1,930
Provision for repurchases	26	1,131	366	1,548
Total Expenses	20,311	17,166	49,949	39,187
Earnings (loss) before income taxes	(13,740)	4,245	(6,833)	10,718
Income taxes (benefit)	(5,800)	1,792	(2,885)	4,525
Net earnings (loss)	$ (7,940)	$ 2,453	$ (3,946)	$ 6,193