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Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a  
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2) Yes  No

There were 7,698,146 shares of common stock outstanding as of November 6, 2009.

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IMPAC MORTGAGE HOLDINGS, INC.

FORM 10-Q QUARTERLY REPORT

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(in thousands, except share data)

	September 30, 2009	December 31, 2008
(Unaudited)		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 37,893	\$ 46,215
Restricted cash	1,252	1,243
Short-term investments	5,014	
Trust assets		
Investment securities available-for-sale	1,049	2,068
Securitized mortgage collateral	5,767,379	5,894,424
Derivative assets	222	37
Real estate owned	170,153	599,084
Total trust assets	5,938,803	6,495,613
Assets of discontinued operations	98,257	141,053
Other assets	27,544	31,393
Total assets	\$ 6,108,763	\$ 6,715,517
<b>LIABILITIES</b>		
Trust liabilities		
Securitized mortgage borrowings	\$ 5,744,725	\$ 6,193,984
Derivative liabilities	164,835	273,584
Total trust liabilities	5,909,560	6,467,568
Long-term debt	9,399	15,403
Liabilities of discontinued operations	170,973	217,241
Other liabilities	9,141	6,053
Total liabilities	6,099,073	6,706,265
Commitments and contingencies		
<b>STOCKHOLDERS' EQUITY</b>		
Series A junior participating preferred stock, \$0.01 par value; 2,500,000 shares authorized; none issued and outstanding		
Series B 9.375% redeemable preferred stock, \$0.01 par value; liquidation value \$16,904; 2,000,000 shares authorized, 676,156 noncumulative and 2,000,000 cumulative shares issued and outstanding	7	20

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as of September 30, 2009 and December 31, 2008, respectively		
Series C 9.125% redeemable preferred stock, \$0.01 par value; liquidation value \$35,389; 5,500,000 shares authorized; 1,415,564 noncumulative and 4,470,600 cumulative shares issued and outstanding as of September 30, 2009 and December 31, 2008, respectively	14	45
Common stock, \$0.01 par value; 200,000,000 shares authorized; 7,618,146 shares issued and outstanding as of September 30, 2009 and December 31, 2008, respectively	76	76
Additional paid-in capital	1,179,879	1,177,697
Net accumulated deficit:		
Cumulative dividends declared	(822,520)	(815,077)
Retained deficit	(347,766)	(353,509)
Net accumulated deficit	(1,170,286)	(1,168,586)
Total stockholders' equity	9,690	9,252
Total liabilities and stockholders' equity	\$ 6,108,763	\$ 6,715,517

See accompanying notes to consolidated financial statements.

Table of Contents**IMPAC MORTGAGE HOLDINGS, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(in thousands, except per share data)****(Unaudited)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2009	2008	2009	2008
<b>INTEREST INCOME</b>	\$ 341,323	\$ 397,445	\$ 1,508,230	\$ 1,077,256
<b>INTEREST EXPENSE</b>	339,417	394,431	1,499,729	1,062,637
Net interest income	1,906	3,014	8,501	14,619
<b>NON-INTEREST INCOME:</b>				
Change in fair value of net trust assets, excluding REO	46,325	7,778	234,167	145
Losses from real estate owned	(43,160)	(15,685)	(218,083)	(24,771)
Non-interest income net trust assets	3,165	(7,907)	16,084	(24,626)
Change in fair value of long-term debt	341	10,494	682	5,473
Real estate advisory fees		7,039		15,581
Mortgage and real estate services fees	13,514	2,923	32,296	7,078
Other	(107)	(1,076)	(333)	(1,791)
Total non-interest income	16,913	11,473	48,729	1,715
<b>NON-INTEREST EXPENSE:</b>				
General and administrative	4,603	4,951	15,053	13,864
Personnel expense	9,413	2,382	26,050	7,531
Total non-interest expense	14,016	7,333	41,103	21,395
Earnings (loss) from continuing operations before income taxes	4,803	7,154	16,127	(5,061)
Income tax expense from continuing operations		5,253	2,018	13,980
Earnings (loss) from continuing operations	4,803	1,901	14,109	(19,041)
Loss from discontinued operations, net of tax	(1,776)	(18,121)	(8,366)	(28,481)
Net earnings (loss)	3,027	(16,220)	5,743	(47,522)
Cash dividends on preferred stock		(3,722)	(7,443)	(11,165)
Net earnings (loss) attributable to common stockholders	\$ 3,027	\$ (19,942)	\$ (1,700)	\$ (58,687)
Earnings (loss) per common share basic and diluted:				
Earnings (loss) from continuing operations	\$ 0.60	\$ (0.24)	\$ 0.88	\$ (3.97)
Loss from discontinued operations	(0.22)	(2.38)	(1.10)	(3.74)
Earnings (loss) per share attributable to common stockholders	\$ 0.38	\$ (2.62)	\$ (0.22)	\$ (7.71)

See accompanying notes to consolidated financial statements



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## IMPAC MORTGAGE HOLDINGS, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

	For the Nine Months Ended September 30,	
	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Earnings (loss) from continuing operations	\$ 14,109	\$ (19,041)
Losses from real estate owned	218,083	24,771
Amortization and impairment of deferred charge, net	1,998	13,980
Amortization and impairment of mortgage servicing rights		1,363
Change in fair value of net trust assets, excluding REO	(392,962)	(113,000)
Change in fair value of long-term debt	(682)	