



PRESS RELEASE

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IMPAC MORTGAGE HOLDINGS, INC. TO CREATE NATIONAL RETAIL FRANCHISE AND BOLSTER WHOLESALE LENDING THROUGH STRATEGIC TRANSACTION WITH PINNACLE FINANCIAL CORPORATION

Irvine, CA – May 21, 2007 – /PRNewswire-FirstCall/ – Impac Mortgage Holdings, Inc. (NYSE: IMH - News), ("Impac" or the "Company,") a Maryland corporation, being taxed as a real estate investment trust ("REIT"), announced today that its wholly-owned subsidiary, Impac Funding Corporation, has entered into a definitive agreement to acquire certain assets comprising the retail and wholesale lending platform of Orlando, Florida based Pinnacle Financial Corporation ("Pinnacle"), in a transaction that will create a retail network for one of the nation's largest residential mortgage lenders. Pinnacle, a prime and Alt-A residential mortgage lender, was founded in 1988 by Douglas F. Long and Jeffrey J. Vratana and operates more than 133 branches in 26 states.

As part of the transaction, Impac Funding Corporation will acquire the operating assets of the Pinnacle mortgage lending platform and will assume certain lease liabilities including leases related to Pinnacle's retail and wholesale lending offices. Impac Funding Corporation will offer employment to substantially all of Pinnacle's employees. Pinnacle's co-Founders, Mr. Long and Mr. Vratana, will each become Executive Vice President and Managing Directors of Impac Home Lending, a newly formed division of Impac Funding Corporation upon the closing.

Mr. Joseph R. Tomkinson, Chairman and Chief Executive Officer of Impac Mortgage Holdings, Inc. commented, "The Company has been looking to strategically diversify its Alt-A correspondent and wholesale lending franchise in a number of different ways. The transaction with Pinnacle, which has been a long-time customer of the Company, is a critical step in this strategy." Mr. Tomkinson further commented, "With this transaction, we immediately become a nation wide retail lender with specific expertise in the Prime Agency business including the first-time homebuyer and emerging markets." Pinnacle's East Coast operations centers and wholesale lending division complements the Company's growing wholesale lending franchise. The retail lending platform will also be a great distribution channel for other product initiatives we anticipate deploying, including FHA and reverse mortgages."

Mr. Long, CEO and Co-Founder of Pinnacle commented, "My partner and I are excited about the opportunity to help Impac create one of the country's leading diversified financial services companies. The ability to add our proven retail model to Impac's wholesale and correspondent lending strategy is what attracted us to this opportunity." Mr. Long further commented, "plus, having access to Impac's long-term investment portfolio gives us maximum flexibility in creating new mortgage loan products for today's ever-evolving market."



The transaction is subject to customary closing conditions and is expected to close by the end of the end of May, 2007.

Latham & Watkins LLP served as legal counsel to Impac Mortgage Holdings, Inc. Milestone Advisors, LLC acted as financial advisor and Foley & Lardner LLP served as legal counsel to Pinnacle Financial Corporation on the transaction.

The official press release can be found at:

<http://biz.yahoo.com/prnews/070521/lam104.html?.v=71>

