Shellhaas S Scott
Form 3
August 19, 2009

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â Shellhaas S Scott
(Last) (First) (Middle)

C/O THOMPSON CREEK METALS COMPANY,Â 26 WEST DRY CREEK CIRCLE, SUITE 810
(Street)

LITTLETON,Â COÂ 80120
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
08/10/2009

3. Issuer Name **and** Ticker or Trading Symbol
Thompson Creek Metals CO Inc. [TC]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP & COO

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
No securities beneficially owned.	0	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership

	Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	(Instr. 5)
Option Grant	08/06/2009 (1)	08/06/2014	Common Shares	200,000	$ 15.45 (2)	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Shellhaas S Scott C/O THOMPSON CREEK METALS COMPANY 26 WEST DRY CREEK CIRCLE, SUITE 810 LITTLETON, Â COÂ 80120	Â	Â	Â VP & COO	Â

Signatures

/s/ Dale Huffman, Attorney-In-Fact	08/18/2009
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Option vests one-third on grant date, one-third on first anniversary of grant date and remaining one-third on second anniversary of grant date.

(2) Canadian dollars.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. in this Quarterly Report on Form 10-Q, in future filings with the Securities and Exchange Commission, or SEC, or in press releases or other written or oral communications issued or made by us, statements which are not historical in nature, including those containing words such as “believe,” “expect,” “anticipate,” “estimate,” “plan “continue,” “intend,” “should,” “would,” “could,” “goal,” “objective,” “will,” “may” or similar expressions, are intended to ide “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act, and, as such, may involve known and unknown risks, uncertainties and assumptions.

Forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. The following factors are examples of those that could cause actual results to vary from our forward-looking statements: changes in interest rates and the market value of our securities, changes in credit spreads, the impact of the downgrade of the long-term credit ratings of the U.S., Fannie Mae, Freddie Mac, and Ginnie Mae; market volatility; changes in the prepayment rates on the mortgage loans underlying our investment securities; increased rates of default and/or decreased recovery rates on our assets; our ability to borrow to finance our assets; changes in government laws, regulations or policies affecting our business, including actions taken by the U.S. Federal Reserve and the U.S. Treasury; our ability to maintain our qualification as a REIT for federal tax purposes; our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended; and risks associated with investing in real estate assets, including changes in business conditions and the general economy. These and other risks, uncertainties and factors, including the risk factors described in this report and in Part I, Item 1A – “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2013 and as updated by our subsequent filings with the SEC under the Exchange Act, could cause our actual results to differ materially from those projected in any forward-looking statements we make. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Defined Terms

In this Quarterly Report on Form 10-Q we refer to New York Mortgage Trust, Inc., together with its consolidated subsidiaries, as “we,” “us,” “Company,” and “our,” unless we specifically state otherwise or the context indicates otherwise. We refer to our wholly-owned taxable REIT subsidiaries as “TRSs” and our wholly-owned qualified REIT subsidiaries as “QRSs.” In addition, the following defines certain of the commonly used terms in this report: “RMBS” refers to residential mortgage-backed securities comprised of adjustable-rate, hybrid adjustable-rate, fixed-rate, interest only and inverse interest only, and principal only securities; “Agency RMBS” refers to RMBS representing interests in or obligations backed by pools of mortgage loans issued or guaranteed by a federally chartered corporation (“GSE”), such as the Federal National Mortgage Association (“Fannie Mae”) or the Federal Home Loan Mortgage Corporation (“Freddie Mac”), or an agency of the U.S. government, such as the Government National Mortgage Association (“Ginnie Mae”); “Agency ARMs” refers to Agency RMBS comprised of adjustable-rate and hybrid adjustable-rate RMBS; “non-Agency RMBS” refers to RMBS backed by prime jumbo and Alternative A-paper (“Alt-A”) mortgage loans; “IOs” refers collectively to interest only and inverse interest only mortgage-backed securities that represent the right to the interest component of the cash flow from a pool of mortgage loans; “Agency IOs” refers to IOs that represent the right to the interest components of the cash flow from a pool of mortgage loans issued or guaranteed by a GSE or an agency of the U.S. government; “POs” refers to mortgage-backed securities that represent the right to the principal component of the cash flow from a pool of mortgage loans; “ARMs” refers to adjustable-rate residential mortgage loans; “prime ARM loans” and “residential securitized loans” each refer to prime credit quality residential ARM loans (“prime ARM loans”) held in securitization trusts; “distressed residential loans” refers to pools of performing and re-performing, fixed-rate and adjustable-rate, fully amortizing, interest-only and balloon, seasoned mortgage loans secured by first liens on one- to four-family properties; “CMBS” refers to commercial mortgage-backed securities comprised of commercial mortgage pass-through securities, as well as IO or PO securities that represent the right to a specific component of the cash flow from a pool of commercial mortgage loans; and “CLO” refers to collateralized loan obligations.

General

We are a REIT, for federal income tax purposes, in the business of acquiring, investing in, financing and managing primarily mortgage-related assets and financial assets. Our objective is to manage a portfolio of investments that will deliver stable distributions to our stockholders over diverse economic conditions. We intend to achieve this objective through a combination of net interest margin and net realized capital gains from our investment portfolio. Our portfolio includes certain credit sensitive assets and investments sourced from distressed markets in recent years that create the potential for capital gains, as well as more traditional types of mortgage-related investments that generate interest income.

We have endeavored to build in recent years a diversified investment portfolio that includes elements of interest rate and credit risk, as we believe a portfolio diversified among interest rate and credit risks are best suited to delivering stable cash flows over various economic cycles. Under our investment strategy, our targeted assets currently include multi-family CMBS, mezzanine loans to and preferred equity investments in owners of multi-family properties, residential mortgage loans, including loans sourced from distressed markets, and Agency RMBS. Subject to maintaining our qualification as a REIT, we also may opportunistically acquire and manage various other types of mortgage-related and financial assets that we believe will compensate us appropriately for the risks associated with them, including, without limitation, non-Agency RMBS (which may include IOs and POs), collateralized mortgage obligations and securities issued by newly originated residential securitizations, including credit sensitive securities from these securitizations.

We strive to maintain and achieve a balanced and diverse funding mix to finance our assets and operations. To this end, we rely primarily on a combination of short-term borrowings, such as repurchase agreements with terms typically of 30 days, and longer term structured financings, such as securitization and re-securitization transactions, with terms longer than one year.

We internally manage a certain portion of our portfolio, including Agency ARMs, fixed-rate Agency RMBS, non-Agency RMBS, CLOs and certain residential mortgage loans held in securitization trusts. In addition, as part of our investment strategy, we also contract with certain external investment managers to manage specific asset types targeted by us. We are a party to separate investment management agreements with Headlands Asset Management LLC (“Headlands”), The Midway Group, LP (“Midway”) and RiverBanc, LLC (“RiverBanc”), with Headlands providing investment management services with respect to our investments in certain distressed residential mortgage loans, Midway providing investment management services with respect to our investments in Agency IOs, and RiverBanc providing investment management services with respect to our investments in multi-family CMBS and certain commercial real estate-related debt investments.

Key First Quarter 2014 Developments

Public Offering of Common Stock

On January 10, 2014, we closed on the issuance of 11,500,000 shares of common stock in an underwritten public offering (including 1,500,000 shares issuable pursuant to an option granted to the underwriters), resulting in net proceeds of approximately $75.8 million after deducting offering expenses.

Sales and Refinancing of Distressed Residential Mortgage Loans

During the first quarter of 2014, the Company sold and refinanced distressed residential mortgage loans with a carrying value, including advances, of approximately $32.7 million for aggregate proceeds of approximately $40.9 million, which resulted in a net realized gain, before income taxes, to the Company of approximately $8.2 million.

First Quarter 2014 Common Stock and Preferred Stock Dividends

On March 13, 2014, our Board of Directors declared a regular quarterly cash dividend of $0.27 per common share for the quarter ended March 31, 2014. The dividend was paid on April 25, 2014 to our common stockholders of record as of March 24, 2014.

Also, in accordance with the terms of our Series B Preferred Stock, on March 13, 2014, our Board of Directors declared a Series B Preferred Stock quarterly cash dividend of $0.484375 per share of Series B Preferred Stock. The dividend was paid on April 15, 2014 to our preferred stockholders of record as of April 1, 2014.

Subsequent Events

On April 7, 2014, we closed on the issuance of 14,950,000 shares of common stock to the underwriters (including the 1,950,000 shares issuable pursuant to the option granted to the underwriters), resulting in net proceeds to the Company of approximately $109.9 million, after deducting estimated offering expenses.

Current Market Conditions and Commentary

General. The U.S. economy grew less than initially expected during the first quarter of 2014 due, in part, to adverse weather in parts of the United States. U.S. real gross domestic product ("GDP") expanded by 0.1% during the first quarter of 2014, as compared to growth of 4.1% and 2.6% in the third and fourth quarters of 2013, respectively. According to the U.S. Department of Labor, the U.S. unemployment rate at the end of March 2014 held steady at 6.7%, unchanged from the unemployment rate as of the end of December 2013, while total nonfarm payroll employment posted an estimated average monthly increase of approximately 178,000 jobs during the first quarter of 2014 as compared to an average monthly increase of 194,000 jobs during the year ended December 31, 2013. The lower average monthly employment growth numbers for the first quarter of 2014 was significantly impacted by the jobs number in January 2014, which recorded just 144,000 new jobs. However, other signs have suggested that labor conditions are improving modestly, including a recent jobs report that indicated that the economy added 288,000 new jobs in April and an unemployment rate of 6.3% at the end of April 2014. In light of the slower than expected economic growth during the first quarter of 2014, U.S. Federal Reserve, or Federal Reserve, policymakers slightly reduced the high end of their range for GDP growth projections for 2014 and 2015, with the central tendency projections for GDP growth ranging from 2.8% to 3.0% for 2014 and 3.0% to 3.2% for 2015.

As previously publicized, in December 2013, given indications that the U.S. economy had improved sufficiently, the Federal Reserve announced that it would reduce the pace of its purchases under QE3 of (i) longer-term U.S. Treasury securities to $40 billion per month and (ii) Agency RMBS to $35 billion per month, and that it would likely reduce the pace of asset purchases in further measured steps to be announced at future meetings. In late January 2014, the Federal Reserve announced that it would reduce its asset purchases by an additional $10 billion per month beginning in February 2014. The Federal Reserve has maintained that pace of reductions in its asset purchase program throughout the first quarter of 2014. In April 2014, the Federal Reserve indicated that, beginning in May 2014, it would reduce the pace of its purchases of (i) longer-term U.S. Treasury securities to $25 billion per month and (ii) Agency RMBS to $20 billion per month. These reductions have been in-line with the market's expectations for asset purchase reductions under QE3.

While the Federal Reserve maintained its asset purchase reductions as expected, the Federal Reserve announced in March 2014 an update to its forward guidance for the target range of the federal funds rate. The Federal Reserve maintained its intent to keep the target range for the federal funds rate between 0% and 0.25%, but indicated that in determining how long to maintain the current target range, the Federal Reserve will assess progress, both realized and expected, towards its objectives of maximum employment and 2% inflation. Recognizing that unemployment was likely to drop below 6.5% in the near term, the Federal Reserve elected to eliminate this quantitative unemployment rate threshold that had previously been part of its forward guidance relating to the federal fund rate.

With most of the reports out of the Federal Reserve during the first quarter of 2014 relatively in-line with the market's expectations for Federal Reserve actions, the rate on the ten-year U.S. Treasury note has traded in a range from 2.60% to 3.01% during the first quarter of 2014, finishing the quarter at 2.72%.

Single-Family Homes and Residential Mortgage Market. The residential real estate market has started to show signs of slowing in recent months. Data released by S&P Indices for its S&P/Case-Shiller Home Price Indices for January 2014 showed that, while on average, home prices increased by 13.2% for the 20-City Composite in January 2014 as compared to January 2013, January 2014 represented the third consecutive monthly decline in prices for the 20-City Composite. In addition, according to data provided by the U.S. Department of Commerce, privately-owned housing starts for single family homes averaged a seasonally adjusted annual rate of 605,300 during the first quarter of 2014, as compared to an annual rate of 617,600 in the year ended December 31, 2013. We expect the single-family residential real estate market to continue to improve modestly in the near term, but believe that higher interest rates and tepid job creation will contribute to slowing housing gains for single family homes over the next 12 months.

Multi-family Housing. Apartments and other residential rental properties remain one of the better performing segments of the commercial real estate market. According to data provided by the U.S. Department of Commerce, starts on multi-family homes containing five units or more averaged a seasonally adjusted annual rate of 305,300 during the first quarter of 2014, as compared to an annual rate of 293,700 in the year ended December 31, 2013. Strength in the multi-family housing sector has contributed to valuation improvements for multi-family properties and, in turn, many of the multi-family CMBS that we own.

Developments at Fannie Mae and Freddie Mac. Payments on the Agency ARMs and fixed-rate Agency RMBS in which we invest are guaranteed by Fannie Mae and Freddie Mac. In addition, although not guaranteed by Freddie Mac, all of our multi-family CMBS has been issued by securitization vehicles sponsored by Freddie Mac. As broadly publicized, Fannie Mae and Freddie Mac are presently under federal conservatorship as the U.S. Government continues to evaluate the future of these entities and what role the U.S. Government should continue to play in the housing markets in the future. Since being placed under federal conservatorship, there have been a number of proposals introduced, both from industry groups and by the U.S. Congress, relating to changing the role of the U.S. government in the mortgage market and reforming or eliminating Fannie Mae and Freddie Mac. One of the proposed bills that has received serious consideration is the Housing Finance Reform and Taxpayer Protection Act of 2013, also known as the Corker-Warner Bill, which was introduced in the U.S. Senate. This legislation, among other things, would eliminate Freddie Mac and Fannie Mae and replace them with a new agency which would provide a financial guarantee that would only be tapped after private institutions and investors stepped in. It remains unclear how this or any other proposal will become law or, should a proposal become law, if or how the enacted law will differ from the current draft of this bill. It is unclear how the proposal or any other similar proposal would impact housing finance, and what impact, if any, they will have on mortgage REITs.

Credit Spreads. Credit spreads in the residential and commercial markets have generally continued to tighten further during the first quarter of 2014, continuing a trend exhibited during a significant part of 2012 and 2013. Typically when credit spreads widen, credit-sensitive assets such as CLOs, multi-family CMBS, distressed residential loans, as well as Agency IOs, are negatively impacted, while tightening credit spreads typically have a positive impact on the value of such assets.

Asset gathering in the first quarter of 2014 has been more difficult as an increased supply of investable capital focused more on credit sensitive assets which has put upward pressure on pricing on certain of our targeted assets. While this has had a positive impact on the valuation of many of the assets in our current portfolio, it has caused the sourcing of new investments at attractive risk-adjusted return levels to become more challenging in recent months.

Financing markets and liquidity. The 30-day London Interbank Offered Rate (“LIBOR”) was 0.15% at March 31, 2014, marking a decrease of approximately 2 basis points from December 31, 2013. Longer term interest rates were lower as of March 31, 2014 as compared to the 2013 year end, with the rate on the 10-year U.S. Treasury note decreasing by approximately 31 basis points to 2.72%.

Significant Estimates and Critical Accounting Policies

A summary of our critical accounting policies is included in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2013 and “Note 2 – Summary of Significant Accounting Policies” to the condensed consolidated financial statements included therein.

Revenue Recognition. Interest income on our investment securities available for sale and on our mortgage loans is accrued based on the outstanding principal balance and their contractual terms. Premiums and discounts associated with investment securities and mortgage loans at the time of purchase or origination are amortized into interest income over the life of such securities using the effective yield method. Adjustments to premium amortization are made for actual prepayment activity.

Interest income on our credit sensitive securities, such as our non-Agency RMBS and certain of our CMBS that were purchased at a discount to par value, is recognized based on the security's effective interest rate. The effective interest rate on these securities is based on management's estimate from each security of the projected cash flows, which are estimated based on the Company's assumptions related to fluctuations in interest rates, prepayment speeds and the timing and amount of credit losses. On at least a quarterly basis, the Company reviews and, if appropriate, makes adjustments to its cash flow projections based on input and analysis received from external sources, internal models, and its judgment about interest rates, prepayment rates, the timing and amount of credit losses, and other factors. Changes in cash flows from those originally projected, or from those estimated at the last evaluation, may result in a prospective change in the yield/interest income recognized on these securities.

Based on the projected cash flows from the Company's first loss principal only CMBS purchased at a discount to par value, a portion of the purchase discount is designated as non-accretable purchase discount or credit reserve, which partially mitigates the Company's risk of loss on the mortgages collateralizing such CMBS, and is not expected to be accreted into interest income. The amount designated as a credit reserve may be adjusted over time, based on the actual performance of the security, its underlying collateral, actual and projected cash flow from such collateral, economic conditions and other factors. If the performance of a security with a credit reserve is more favorable than forecasted, a portion of the amount designated as credit reserve may be accreted into interest income over time. Conversely, if the performance of a security with a credit reserve is less favorable than forecasted, the amount designated as credit reserve may be increased, or impairment charges and write-downs of such securities to a new cost basis could result.

With respect to interest rate swaps that have not been designated as hedges, any net payments under, or fluctuations in the fair value of, such swaps will be recognized in current earnings.

Fair value. The Company has established and documented processes for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, then fair value is based upon internally developed models that primarily use inputs that are market-based or independently-sourced market parameters, including interest rate yield curves. Such inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Company's IOs, POs, multi-family loans held in securitization trusts and multi-family CDOs are considered to be the most significant of its fair value estimates.

The Company's valuation methodologies are described in "Note 13 – Fair Value of Financial Instruments" included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Residential Mortgage Loans Held in Securitization Trusts – Impaired Loans (net). Impaired residential mortgage loans held in the securitization trusts are recorded at amortized cost less specific loan loss reserves. Impaired loan value is based on management's estimate of the net realizable value taking into consideration local market conditions of the distressed property, updated appraisal values of the property and estimated expenses required to remediate the impaired loan.

Variable Interest Entities – A variable interest entity ("VIE") is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is defined as an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The Company consolidates a VIE when it is the primary beneficiary of such VIE. As primary beneficiary, it has both the power to direct the activities that most significantly impact the economic performance of the VIE and a right to receive benefits or absorb losses of the entity that could be potentially significant to the VIE. The Company is required to reconsider its evaluation of whether to consolidate a VIE each reporting period, based upon changes in the facts and circumstances pertaining to the VIE.

Loan Consolidation Reporting Requirement for Certain Multi-Family K-Series Securitizations. As of March 31, 2014 and December 31, 2013, we owned 100% of the first loss, tranche of securities of the "Consolidated K-Series". The Consolidated K-Series, collectively represents six separate Freddie Mac sponsored multi-family loan K-Series securitizations, of which we, or one of our special purpose entities, or SPEs, own the first loss PO securities and certain IO securities. We determined that the Consolidated K-Series were VIEs and that we are the primary beneficiary of the Consolidated K-Series. As a result, we are required to consolidate the Consolidated K-Series' underlying multi-family loans including their liabilities, income and expenses in our consolidated financial statements. We have elected the fair value option on the assets and liabilities held within the Consolidated K-Series, which requires that changes in valuations in the assets and liabilities of the Consolidated K-Series will be reflected in our consolidated statement of operations.

Fair Value Option – The fair value option provides an election that allows companies to irrevocably elect fair value for financial assets and liabilities on an instrument-by-instrument basis at initial recognition. Changes in fair value for assets and liabilities for which the election is made will be recognized in earnings as they occur. The Company elected the fair value option for its Agency IO strategy and the Consolidated K-Series (as defined in Note 2 to our unaudited condensed consolidated financial statements included in this report).

Acquired Distressed Residential Mortgage Loans – Acquired distressed residential mortgage loans that have evidence of deteriorated credit quality at acquisition are accounted for under ASC Subtopic 310-30, "Loans and Debt Securities Acquired with Deteriorated Credit Quality" ("ASC 310-30"). Under ASC 310-30, the acquired loans may be aggregated and accounted for as a pool of loans if the loans being aggregated have common risk characteristics. A pool is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows. Once a pool is assembled, it is treated as if it was one loan for purposes of applying the accounting guidance. The Company applied pool accounting on distressed residential mortgage loans acquired starting January 1, 2013; distressed residential mortgage loans acquired prior to 2013 are accounted for individually (i.e., not in pools).

Under ASC 310-30, the excess of cash flows expected to be collected over the carrying amount of the loans, referred to as the “accretable yield,” is accreted into interest income over the life of the loans in each pool or individually using a level yield methodology. Accordingly, our acquired distressed residential mortgage loans accounted for under ASC 310-30 are not subject to classification as nonaccrual classification in the same manner as our residential mortgage loans that were not distressed when acquired by us. Rather, interest income on acquired distressed residential mortgage loans relates to the accretable yield recognized at the pool level or on an individual loan basis, and not to contractual interest payments received at the loan level. The difference between contractually required principal and interest payments and the cash flows expected to be collected, referred to as the “non-accretable difference,” includes estimates of both the impact of prepayments and expected credit losses over the life of the individual loan, or the pool (for loans grouped into a pool).

The Company monitors actual cash collections against its expectations, and revised cash flow expectations are prepared as necessary. A decrease in expected cash flows in subsequent periods may indicate that the loan pool or individual loan, as applicable, is impaired thus requiring the establishment of an allowance for loan losses by a charge to the provision for loan losses. An increase in expected cash flows in subsequent periods initially reduces any previously established allowance for loan losses by the increase in the present value of cash flows expected to be collected, and results in a recalculation of the amount of accretable yield for the loan pool. The adjustment of accretable yield due to an increase in expected cash flows is accounted for prospectively as a change in estimate. The additional cash flows expected to be collected are reclassified from the non-accretable difference to the accretable yield, and the amount of periodic accretion is adjusted accordingly over the remaining life of the loans in the pool or individual loan, as applicable.

Recent Accounting Pronouncements

A discussion of recent accounting pronouncements and the possible effects on our financial statements is included in “Note 2 — Summary of Significant Accounting Policies” included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Capital Allocation

The following tables set forth our allocated capital by investment type at March 31, 2014 and December 31, 2013, respectively (dollar amounts in thousands):

At March 31, 2014:

	Agency RMBS(1)	**Agency IOs**	**Multi-Family(2)**	**Distressed Residential Loans**	**Residential Securitized Loans(3)**	**Other(4)**	**Total**
Carrying value	$729,377	$144,978	$380,606	$235,265	$159,512	$41,221	$1,690,959
Liabilities:							
Callable(5)	(665,139)	(94,238)	—	—	—	(8,450)	(767,827)
Non-callable	—	—	(135,191)	(163,009)	(154,456)	(45,000)	(497,656)
Hedges (Net)(6)	3,337	5,241	—	—	—	—	8,578
Cash	11,000	38,711	—	—	—	65,508	115,219

Other	1,820	2,015	1,295	28,533	1,370	(18,464)	16,569
Net capital allocated	$80,395	$96,707	$246,710	$100,789	$6,426	$34,815	$565,842

(1) Includes both Agency ARMs and Agency fixed rate RMBS.

(2) The Company determined it is the primary beneficiary of the Consolidated K-Series and has consolidated the Consolidated K-Series into the Company's financial statements. A reconciliation to our financial statements as of March 31, 2014 follows:

Multi-family loans held in securitization trusts, at fair value	$8,221,642
Multi-family CDOs, at fair value	(7,975,421)
Multi-family real estate owned	3,545
Net carrying value	249,766
Investment securities available for sale, at fair value held in securitization trusts	96,124
Total CMBS, at fair value	345,890
First mortgage loan, mezzanine loan and preferred equity investments	34,716
Securitized debt	(135,191)
Other	1,295
Net Capital in Multi-Family	$246,710

(3) Represents our residential mortgage loans held in securitization trusts.

(4) Other includes CLOs having a carrying value of $34.7 million, non-Agency RMBS and loans held for investment. Other callable liabilities include an $8.5 million repurchase agreement on our CLO securities and other non-callable liabilities consist of $45.0 million in subordinated debentures.

(5) Includes repurchase agreements.

(6) Includes derivative assets, derivative liabilities, payable for securities purchased and restricted cash posted as margin.

At December 31, 2013:

	Agency RMBS(1)	Agency IOs	Multi-Family(2)	Distressed Residential Loans	Residential Securitized Loans(3)	Other(4)	Total
Carrying value	$745,265	$131,609	$360,430	$265,390	$163,237	$39,825	$1,705,756
Liabilities:							
Callable(5)	(687,927)	(94,698)	—	—	—	(8,500)	(791,125)
Non-callable	—	—	(135,093)	(169,871)	(158,410)	(45,000)	(508,374)
Hedges (Net)(6)	3,474	11,256	—	—	—	—	14,730
Cash	—	30,441	—	—	—	31,798	62,239
Other	1,916	1,861	1,218	7,975	1,745	(17,275)	(2,560)
Net capital allocated	$62,728	$80,469	$226,555	$103,494	$6,572	$848	$480,666

(1) Includes both Agency ARMs and Agency fixed rate RMBS.

(2) The Company determined it is the primary beneficiary of the Consolidated K-Series and has consolidated the Consolidated K-Series into the Company's financial statements. A reconciliation to our financial statements as of December 31, 2013 follows:

Multi-family loans held in securitization trusts, at fair value	$	8,111,022
Multi-family CDOs, at fair value		(7,871,020)
Net carrying value		240,002
Investment securities available for sale, at fair value held in securitization trusts		92,578
Total CMBS, at fair value		332,580
First mortgage loan, mezzanine loan and preferred equity investments		27,850
Securitized debt		(135,093)
Other		1,218
Net Capital in Multi-Family	$	226,555

(3) Represents our residential mortgage loans held in securitization trusts.

(4) Other includes CLOs having a carrying value of $33.2 million, non-Agency RMBS and loans held for investment. Other callable liabilities include an $8.5 million repurchase agreement on our CLO securities and other non-callable liabilities consist of $45.0 million in subordinated debentures.

(5) Includes repurchase agreements.

(6) Includes derivative assets, derivative liabilities, payables for securities purchased and restricted cash posted as margin.

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Results of Operations

Comparison of the Three Months Ended March 31, 2014 to the Three Months Ended March 31, 2013

For the three months ended March 31, 2014, we reported net income attributable to common stockholders of $21.3 million as compared to net income attributable to common stockholders of $15.4 million for the same period in 2013. The main components of the change in net income for the three months ended March 31, 2014, as compared to the same period in 2013 are detailed in the following table (dollar amounts in thousands, except per share data):

	For the Three Months Ended March 31,		
	2014	2013	$ Change
Net interest income	$19,825	$12,984	$6,841
Total other income	$13,475	$6,466	$7,009
Total general, administrative and other expenses	$7,559	$3,936	$3,623
Income from operations before income taxes	$25,741	$15,514	$10,227
Income tax expense	$3,030	$131	$2,899
Net income	$22,711	$15,383	$7,328
Preferred stock dividends	$(1,453)	$—	$(1,453)
Net income attributable to common stockholders	$21,258	$15,383	$5,875
Basic income per common share	$0.29	$0.31	$(0.02)
Diluted income per common share	$0.29	$0.31	$(0.02)

In general, the significant increases in a number of the line items set forth above is largely a function of the growth in the Company’s stockholders’ equity from $328.4 million as of March 31, 2013 to $565.8 million as of March 31, 2014 and the corresponding growth in the size of the Company’s portfolio of interest earning assets, combined with a high demand for many credit sensitive assets, such as our multi-family CMBS, which has favorably impacted the valuation of these assets, and greater sale and refinancing activity in our distressed residential portfolio, which resulted in a realized gain of $8.2 million. The increase in tax expense was primarily due to the increase in realized gains resulting from loan sales in our distressed loan portfolio, as loan sale activity is transacted in a taxable REIT subsidiary for REIT compliance purposes and accordingly is subject to federal, state and local taxes.

Net Interest Income

The significant increase in net interest income for the three months ended March 31, 2014 is directly attributable to the growth in our average interest earning assets, which increased by $186.1 million at March 31, 2014 as compared to the first quarter of 2013. During the past year, the Company increasingly allocated capital to credit sensitive, higher yielding investments and allocated less capital to its Agency RMBS portfolio, which is lower-yielding. As of March 31, 2014, 61% of the Company's capital was allocated to investments in multi-family CMBS, other multi-family investments and distressed residential loans, up from 48% at March 31, 2013. This selective allocation of capital favorably impacted net interest margin in recent quarters, including the first quarter of 2014. In addition, the first quarter of 2014 was also favorably impacted by a slowdown in prepayment rates in our Agency RMBS and Agency IO portfolios as compared to our prepayment experience in 2013 (See "Quarterly Comparative Net Interest Spread" section below).

The combination of investment allocation to credit sensitive assets and decreased prepayment rates resulted in a 91 basis point increase in net interest spread when comparing the first quarter of 2014 to the first quarter of 2013.

Other Income

Total other income increased by $7.0 million for the three months ended March 31, 2014 as compared to the same period in 2013. The changes in total other income for the three months ended March 31, 2014 as compared to the same period in 2013 were primarily driven by:

an increase in realized gains on distressed residential mortgage loans of $8.1 million for the three months ended March 31, 2014 as compared to the same period in 2013. The realized gains are derived from loan refinancings, workouts and resales, with the majority of the realized income on these assets in the first quarter of 2014 from loan resales.

a decrease in net unrealized gains on multi-family loans and debt held in securitization trusts of $2.1 million for the three months ended March 31, 2014 as compared to the same period in 2013, primarily due to a less favorable credit spread environment for our multi-family CMBS investments during the first quarter of 2014 as compared to the first quarter of 2013; and

an increase in realized gain on investment securities and related hedges of $5.2 million partially offset by an increase in unrealized loss on investment securities and related hedges of $4.2 million for the three months ended March 31, 2014, respectively, as compared to the same period in 2013, which is primarily related to our Agency IO portfolio. The Agency IO portfolio performed better in the first quarter of 2014 due to lower interest rate volatility and improved IO pricing as compared to the first quarter of 2013.

Comparative Expenses *(dollar amounts in thousands)*

	For the Three Months Ended March 31,		
General, Administrative and Other Expenses	**2014**	**2013**	**$ Change**
Salaries, benefits and directors' compensation	$1,050	$597	$ 453
Professional fees	891	680	211
Base management and incentive fees	3,778	1,555	2,223
Expenses on distressed residential mortgage loans	1,212	432	780
Other	628	672	(44)
Total	$7,559	$3,936	$ 3,623

The increase in general, administrative and other expenses was largely attributable to the increase in management fees, expenses related to our distressed residential mortgage loan investments and salaries, benefits and directors' compensation. The increase in base management and incentive fees was driven in large part by the increase in assets managed by our external managers, which closely corresponds to the growth in our stockholders' equity since the first quarter of 2013, and the performance of the assets they manage for us during the period, which resulted in incentive fees earned. The increase in expenses related to distressed residential mortgage loans is due to the significant increase in our investment in this asset class as compared to the same period in 2013. The distressed residential mortgage loan strategy typically has a higher cost, as loan servicing and resolution processing on distressed loans is more operationally intensive than performing loans. The increase in salaries, benefits and directors' compensation can be attributed to internalization of the Company's accounting function.

Quarterly Comparative Net Interest Spread

Our results of operations for our investment portfolio during a given period typically reflect the net interest income earned on our investment portfolio of Agency and non-Agency RMBS, CMBS (including CMBS held in securitization trusts), residential securitized loans, distressed residential loans including, distressed residential loans held in securitization trusts, loans held for investment, loans held for sale and CLOs (collectively, our "Interest Earning Assets"). The net interest spread is impacted by factors such as our cost of financing, the interest rate that our investments bear and our interest rate hedging strategies. Furthermore, the amount of premium or discount paid on purchased portfolio investments and the prepayment rates on portfolio investments will impact the net interest spread as such factors will be amortized over the expected term of such investments. Realized and unrealized gains and losses on TBAs, Eurodollar and Treasury futures and other derivatives associated with our Agency IO investments, which do not utilize hedge accounting for financial reporting purposes, are included in other income (expense) in our statement of operations, and therefore, not reflected in the data set forth below.

The following table sets forth, among other things, the net interest spread for our portfolio of Interest Earning Assets by quarter for the eight most recently completed quarters, excluding the costs of our subordinated debentures:

Quarter Ended	**Average Interest Earning Assets ($ millions)**[2]	**Weighted Average Yield on Interest Earning Assets**[3]		**Cost of Funds**[4]		**Net Interest Spread**[5]	
March 31, 2014[1]	$ 1,632.2	6.40	%	2.01	%	4.39	%
December 31, 2013[1]	$ 1,644.7	5.99	%	1.89	%	4.10	%
September 30, 2013[1]	$ 1,586.6	5.21	%	1.62	%	3.59	%
June 30, 2013[1]	$ 1,524.1	4.89	%	1.41	%	3.48	%
March 31, 2013[1]	$ 1,446.1	4.86	%	1.38	%	3.48	%
December 31, 2012	$ 1,350.2	4.46	%	1.13	%	3.33	%
September 30, 2012	$ 698.5	5.99	%	1.29	%	4.70	%
June 30, 2012	$ 409.4	7.28	%	1.33	%	5.95	%

(1) Average Interest Earning Assets for the quarter excludes all Consolidated K-Series assets other than those securities issued by the securitizations comprising the Consolidated K-Series that are actually owned by us.

(2) Our Average Interest Earning Assets is calculated each quarter as the daily average balance of our Interest Earning Assets for the quarter, excluding unrealized gains and losses.

(3) Our Weighted Average Yield on Interest Earning Assets was calculated by dividing our annualized interest income from Interest Earning Assets for the quarter by our average Interest Earning Assets for the quarter.

(4) Our Cost of Funds was calculated by dividing our annualized interest expense from our Interest Earning Assets for the quarter by our average financing arrangements, portfolio investments, Residential CDOs and Securitized Debt for the quarter. Our cost of funds includes the impact of our liability interest rate hedging activities.

(5) Net Interest Spread is the difference between our Weighted Average Yield on Interest Earning Assets and our Cost of Funds.

Prepayment Experience

The following table sets forth the actual constant prepayment rates ("CPR") for selected asset classes, by quarter, for the periods indicated:

Quarter Ended	**Agency ARMs**		**Agency Fixed Rate**		**Agency IOs**		**Non-Agency RMBS**		**Residential Securitizations**		**Weighted Average for Overall Portfolio**	
March 31, 2014	8.8	%	5.2	%	11.3	%	9.7	%	7.5	%	8.8	%
December 31, 2013	6.7	%	5.3	%	13.5	%	16.8	%	12.6	%	10.0	%
September 30, 2013	16.8	%	8.5	%	20.4	%	23.6	%	12.0	%	15.3	%
June 30, 2013	22.2	%	6.4	%	21.9	%	18.3	%	6.5	%	15.4	%
March 31,2013	20.8	%	3.8	%	21.6	%	15.9	%	10.2	%	12.9	%
December 31, 2012	14.5	%	1.9	%	21.8	%	16.2	%	11.6	%	12.5	%
September 30, 2012	17.5	%	2.0	%	19.2	%	15.1	%	4.6	%	15.1	%
June 30, 2012	24.8	%	N/A		19.4	%	15.2	%	7.4	%	16.6	%

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When prepayment expectations over the remaining life of assets increase, we have to amortize premiums over a shorter time period resulting in a reduced yield to maturity on our investment assets. Conversely, if prepayment expectations decrease, the premium would be amortized over a longer period resulting in a higher yield to maturity. In addition, the market values and cash flows from our Agency IOs can be adversely affected during periods of elevated prepayments. We monitor our prepayment experience on a monthly basis and adjust the amortization rate to reflect current market conditions.

As a result of the significant increase in long-term treasury rates and mortgage rates during the quarter ended June 30, 2013, mortgage originations related to refinancing decreased, resulting in lower prepayment speeds for many of our Agency RMBS in the latter part of 2013 and early 2014.

Portfolio Asset Yields for the Quarter Ended March 31, 2014

The following table summarizes the Company’s significant assets at and for the quarter ended March 31, 2014, classified by relevant categories (dollar amount in thousands):

	Carrying Value	**Coupon[1]**		**Yield[1]**		**CPR[1]**	
Agency Fixed Rate RMBS	$525,631	2.94	%	2.07	%	5.2	%
CMBS[2]	$345,890	0.14	%	12.27	%	N/A	
Distressed Residential Loans[3]	$234,459	5.93	%	6.84	%	N/A	
Agency ARMs	$203,746	2.91	%	2.15	%	8.8	%
Residential Securitized Loans	$159,512	2.44	%	2.34	%	7.5	%
Agency IOs	$144,978	5.57	%	16.15	%	11.3	%
CLOs	$34,695	4.13	%	40.15	%	N/A	

(1) Coupons, yields and CPRs are based on first quarter 2014 daily average balances. Yields are calculated on amortized cost basis.

(2) CMBS carrying value, coupons and yield calculations are based on the underlying CMBS that are actually owned by the Company and do not include the other consolidated assets and liabilities of the Consolidated K-Series not owned by the Company.

(3) Distressed residential loan yield is net of provision for loan losses.

Financial Condition

As of March 31, 2014, we had approximately $10.1 billion of total assets, as compared to approximately $9.9 billion of total assets as of December 31, 2013. The increase is primarily due to cash proceeds from our public offering of common stock in the first quarter. A significant portion of our assets represents the assets comprising the Consolidated K-Series, which we consolidate under the accounting rules. See "Loan Consolidation Reporting Requirement for Certain Multi-Family K-Series Securitizations."

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Balance Sheet Analysis

Investment Securities Available for Sale. At March 31, 2014, our securities portfolio includes Agency RMBS, including Agency fixed-rate and ARM pass-through certificates, Agency IOs, non-Agency RMBS and CLOs, which are classified as investment securities available for sale. At March 31, 2014, we had no investment securities in a single issuer or entity that had an aggregate book value in excess of 10% of our total assets. The decrease in investment securities available for sale as of March 31, 2014 as compared to December 31, 2013 is primarily a result of principal paydowns.

The following tables set forth the balances of our investment securities available for sale by vintage (i.e., by issue year) as of March 31, 2014 and December 31, 2013, respectively (dollar amounts in thousands):

	March 31, 2014		**December 31, 2013**	
	Par Value	**Carrying Value**	**Par Value**	**Carrying Value**
Agency RMBS				
ARMs				
Prior to 2011	$23,774	$25,082	$24,500	$25,815
2011	24,412	25,764	25,795	27,243
2012	149,921	152,900	153,863	156,264
Total ARMs	198,107	203,746	204,158	209,322
Fixed				
2011	2,724	2,798	3,028	3,085
2012	511,550	522,833	526,465	532,858
Total Fixed	514,274	525,631	529,493	535,943
IO				
Prior to 2011	248,201	35,964	247,739	34,793
2011	154,003	25,477	160,856	26,350
2012	307,500	55,292	293,322	52,388
2013	138,412	25,879	100,656	18,078
2014	18,212	2,366	—	—
Total IOs	866,328	144,978	802,573	131,609
Total Agency RMBS	1,578,709	874,355	1,536,224	876,874
Non Agency RMBS				
2006	2,924	2,274	3,001	2,361
CLOs				
2007	35,550	34,695	35,550	33,208

Total	$1,617,183	$911,324	$1,574,775	$912,443

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Investment Securities Available for Sale Held in Securitization Trusts. At March 31, 2014, our securities portfolio includes multi-family CMBS classified as investment securities available for sale held in securitization trusts, which are multi-family CMBS transferred to securitization trusts as part of securitization transactions. The increase in carrying value at March 31, 2014 is primarily due to improved pricing on our CMBS investments. The following table sets forth the balances of our investment securities available for sale held in securitization trusts by vintage (i.e., by issue year) as of March 31, 2014 and December 31, 2013 (dollar amounts in thousands):

	March 31, 2014		**December 31, 2013**	
	Par Value	**Carrying Value**	**Par Value**	**Carrying Value**
CMBS:				
2011	$897,500	$ 30,331	$900,137	$ 29,289
2012	1,100,627	65,793	1,101,549	63,289
Total	$1,998,127	$ 96,124	$2,001,686	$ 92,578

Residential Mortgage Loans Held in Securitization Trusts (net). Included in our portfolio are prime ARM loans that we originated or purchased in bulk from third parties that met our investment criteria and portfolio requirements and that we subsequently securitized in 2005.

At March 31, 2014, residential mortgage loans held in securitization trusts totaled approximately $159.5 million. The Company’s net investment in the residential securitization trusts, which is the maximum amount of the Company’s investment that is at risk to loss and represents the difference between the carrying amount of the ARM mortgage loans and real estate owned held in residential securitization trusts and the amount of Residential CDOs outstanding, was $6.4 million. Of the residential mortgage loans held in securitized trusts, 100% are traditional ARMs or hybrid ARMs, 82.9% of which are ARM loans that are interest only. With respect to the hybrid ARMs included in these securitizations, interest rate reset periods were predominately five years or less and the interest-only period is typically 9 years, which mitigates the “payment shock” at the time of interest rate reset. None of the residential mortgage loans held in securitization trusts are pay option-ARMs or ARMs with negative amortization.

The following table details our residential mortgage loans held in securitization trusts at March 31, 2014 and December 31, 2013, respectively (dollar amounts in thousands):

	Number of Loans	**Par Value**	**Carrying Value**
March 31, 2014	416	$161,337	$159,512

December 31, 2013	422	$165,173	$163,237

Characteristics of Our Residential Mortgage Loans Held in Securitization Trusts:

The following table sets forth the composition of our residential mortgage loans held in securitization trusts as of March 31, 2014 and December 31, 2013 respectively (dollar amounts in thousands):

	March 31, 2014			**December 31, 2013**		
	Average	**High**	**Low**	**Average**	**High**	**Low**
General Loan Characteristics:						
Original Loan Balance	436	2,950	48	$438	$2,950	$48
Current Coupon Rate	2.76 %	7.25 %	1.25 %	2.77 %	7.25 %	1.25 %
Gross Margin	2.37 %	4.13 %	1.13 %	2.37 %	4.13 %	1.13 %
Lifetime Cap	11.32%	13.25%	9.13 %	11.32%	13.25%	9.13 %
Original Term (Months)	360	360	360	360	360	360
Remaining Term (Months)	253	261	220	256	264	223
Average Months to Reset	3	11	1	3	11	1
Original FICO Score	727	818	593	727	818	593
Original LTV	70.26%	95.00%	13.94%	70.21%	95.00%	13.94%

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The following tables detail the activity for the residential mortgage loans held in securitization trusts (net) for the three months ended March 31, 2014 and 2013, respectively (dollar amounts in thousands):

	Principal	Premium	Allowance for Loan Losses	Net Carrying Value
Balance, January 1, 2014	$ 165,173	$ 1,053	$ (2,989)	$ 163,237
Principal repayments	(4,365)	—	—	(4,365)
Provision for loan loss	—	—	(16)	(16)
Transfer to real estate owned	(212)	—	157	(55)
Charge-Offs	741	—	—	741
Amortization of premium	—	(30)	—	(30)
Balance, March 31, 2014	$ 161,337	$ 1,023	$ (2,848)	$ 159,512

	Principal	Premium	Allowance for Loan Losses	Net Carrying Value
Balance, January 1, 2013	$ 189,009	$ 1,198	$ (2,978)	$ 187,229
Principal repayments	(6,181)	—	—	(6,181)
Provision for loan loss	—	—	(280)	(280)
Transfer to real estate owned	(71)	—	53	(18)
Charge-Offs	—	—	—	—
Amortization of premium	—	(37)	—	(37)
Balance, March 31, 2013	$ 182,757	$ 1,161	$ (3,205)	$ 180,713

Acquired Distressed Residential Mortgage Loans. Distressed residential mortgage loans held in securitization trusts and distressed residential mortgage loans are comprised of pools of fixed and adjustable rate residential mortgage loans acquired by the Company at a discount to par value (that is due, in part, to the credit quality of the borrower). Distressed residential mortgage loans held in securitization trusts are distressed residential mortgage loans transferred to Consolidated VIEs that have been securitized into beneficial interests.

At March 31, 2014 and December 31, 2013, distressed residential mortgage loans held in securitization trusts, had a carrying value of $229.2 million and $254.7 million, respectively. The Company’s net investment in the securitization trusts, which is the maximum amount of the Company’s investment that is at risk to loss and represents the difference between the carrying amount of the net assets and liabilities associated with the distressed residential mortgage loans held in securitization trusts, was $95.6 million and $93.9 million at March 31, 2014 and December 31, 2013, respectively.

At March 31, 2014 and December 31, 2013, distressed residential mortgage loans included in receivables and other assets account in the accompanying condensed consolidated balance sheets had a carrying value of $5.2 million and $9.7 million, respectively.

The following table details our portfolio of distressed residential mortgage loans, including those distressed residential mortgage loans held in securitization trusts, at March 31, 2014 and December 31, 2013, respectively (dollar amounts in thousands):

	Number of Loans	**Unpaid principal**	**Carrying Value**
March 31, 2014	2,348	$ 294,585	$ 234,459
December 31, 2013	2,580	$ 339,578	$ 264,434

Characteristics of Our Distressed Residential Mortgage Loans, including Distressed Residential Mortgage Loans Held in Securitization Trusts:

Loan to Value at Purchase			**March 31, 2014**		**December 31, 2013**	
50.00%	or	less	4.5	%	4.3	%
50.01%	-	60.00%	4.4	%	4.2	%
60.01%	-	70.00%	7.5	%	7.4	%
70.01%	-	80.00%	10.3	%	9.9	%
80.01%	-	90.00%	14.7	%	14.5	%
90.01%	-	100.00%	13.0	%	12.2	%
100.01%	and	over	45.6	%	47.5	%
Total			100.0	%	100.0	%

FICO Scores at Purchase			March 31, 2014		December 31, 2013	
550	or	less	15.4	%	16.4	%
551	to	600	21.9	%	22.6	%
601	to	650	24.1	%	24.6	%
651	to	700	19.4	%	18.8	%
701	to	750	12.6	%	11.7	%
751	to	800	5.8	%	5.2	%
801	and	over	0.8	%	0.7	%
Total			100.0	%	100.0	%

Current Coupon			March 31, 2014		December 31, 2013	
3.00%	or	less	16.7	%	17.9	%
3.01%	-	4.00%	7.9	%	9.9	%
4.01%	-	5.00%	10.3	%	10.1	%
5.01%	-	6.00%	13.3	%	14.6	%
6.01%	and	over	51.8	%	47.5	%
Total			100.0	%	100.0	%

Delinquency Status			March 31, 2014		December 31, 2013	
Current			80.7	%	79.5	%
31	–	60 days	13.4	%	12.0	%
61	–	90 days	0.9	%	4.1	%
90+ days			5.0	%	4.4	%
Total			100.0	%	100.0	%

Origination Year	March 31, 2014		December 31, 2013	
2005 or earlier	35.5	%	33.4	%
2006	16.1	%	15.6	%
2007	41.5	%	44.0	%
2008 or later	6.9	%	7.0	%
Total	100.0	%	100.0	%

Consolidated K-Series As of March 31, 2014 and December 31, 2013, we owned 100% of the first loss securities of the Consolidated K-Series. The Consolidated K-Series are comprised of multi-family mortgage loans held in six Freddie Mac-sponsored multi-family K-Series securitizations as of March 31, 2014 and December 31, 2013, respectively, of which we, or one of our SPEs, own the first loss securities and certain IOs. We determined that the securitizations comprising the Consolidated K-Series were VIEs and that we are the primary beneficiary of these securitizations. Accordingly, we are required to consolidate the Consolidated K-Series' underlying multi-family loans and related debt, income and expense in our financial statements. We have elected the fair value option on the assets and liabilities held within the Consolidated K-Series, which requires that changes in valuations in the assets and liabilities of the Consolidated K-Series will be reflected in our consolidated statement of operations. As of March 31, 2014 and December 31, 2013, the Consolidated K-Series was comprised of $8.2 billion and $8.1 billion, respectively, in multi-family loans held in securitization trusts and $8.0 billion and $7.9 billion, respectively, in multi-family CDOs outstanding with a weighted average interest rate of 4.16%. As a result of the consolidation of the Consolidated K-Series, our condensed consolidated statements of operations for the three months ended March 31, 2014 included $74.9 million in interest income and $68.7 million in interest expense, respectively. Also, we recognized a $4.9 million unrealized gain in the statement of operations for the three months ended March 31, 2014 as a result of the fair value accounting method election. We do not have any claims to the assets (other than the security represented by our first loss piece) or obligations for the liabilities of the Consolidated K-Series. Our investment in the Consolidated K-Series is limited to the multi-family CMBS comprised of first loss tranche PO securities and or/certain IOs issued by these K-Series securitizations with an aggregate net carrying value of $249.8 million and $240.0 million as of March 31, 2014 and December 31, 2013, respectively.

Multi-Family CMBS Loan Characteristics:

The following table details the loan characteristics of the loans that back our multi-family CMBS (including the Consolidated K-Series) in our portfolio as of March 31, 2014 and December 31, 2013, respectively (dollar amounts in thousands, except as noted):

	March 31, 2014		**December 31, 2013**	
Current balance of loans	$12,518,863		$12,585,131	
Number of loans	739		742	
Weighted average original LTV	69.0	%	69.0	%
Weighted average underwritten debt service coverage ratio	1.50	x	1.50	x
Current average loan size	$16,940		$16,961	
Weighted average original loan term (in months)	112		112	
Weighted average current remaining term (in months)	86		85	
Weighted average loan rate	4.37	%	4.37	%
First mortgages	100	%	100	%
Geographic state concentration (greater than 5.0%):				
California	14.1	%	14.0	%
Texas	13.6	%	13.7	%
New York	7.3	%	7.2	%
Florida	6.4	%	6.5	%
Washington	5.3	%	5.3	%

Financing Arrangements, Portfolio Investments. As of March 31, 2014 and December 31, 2013, we had approximately $767.8 million and $791.1 million of repurchase borrowings outstanding, respectively. As of March 31, 2014 and December 31, 2013, the current weighted average borrowing rate on these financing facilities was 0.44% and 0.49%, respectively. Our repurchase agreements typically have terms of 30 days.

As of March 31, 2014 and December 31, 2013, we had no counterparties where the amount at risk was in excess of 5% of Stockholders' Equity. The amount at risk is defined as the fair value of securities pledged as collateral to the repurchase agreement in excess of the repurchase agreement liability.

As of March 31, 2014 and December 31, 2013, the outstanding balance under our repurchase agreements was funded at an advance rate of 92.2% that implies an average haircut of 7.8%. The weighted average "haircut" related to our repurchase agreement financing for our Agency RMBS (excluding Agency IOs), Agency IOs and CLOs was approximately 5%, 25% and 35%, respectively, for a total weighted average "haircut" of 7.8% as of March 31, 2014 and December 31, 2013.

The following table details the ending balance, quarterly average balance and maximum balance at any month-end during the quarter over the last three years for repurchase agreement borrowings outstanding (dollar amounts in thousands):

Quarter Ended	**Quarterly Average Balance**	**End of Quarter Balance**	**Maximum Balance at any Month-End**
March 31, 2014	$774,545	$767,827	$ 784,019
December 31, 2013	$796,044	$791,125	$ 800,193
September 30, 2013	$799,341	$794,181	$ 810,506
June 30, 2013	$885,942	$855,153	$ 924,667
March 31, 2013	$879,732	$878,824	$ 882,611
December 31, 2012	$878,201	$889,134	$ 889,134
September 30, 2012	$446,610	$580,176	$ 592,976
June 30, 2012	$129,101	$138,871	$ 138,871
March 31, 2012	$113,092	$118,385	$ 118,385

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Residential Collateralized Debt Obligations. As of March 31, 2014 and December 31, 2013, we had Residential CDOs, of $154.5 million and $158.4 million, respectively. As of March 31, 2014 and December 31, 2013, the weighted average interest rate of these Residential CDOs was 0.54% and 0.55%, respectively. The Residential CDOs are collateralized by ARM loans with a principal balance of $161.3 million and $165.2 million at March 31, 2014 and December 31, 2013, respectively. The Company retained the owner trust certificates, or residual interest for three securitizations, and, as of March 31, 2014 and December 31, 2013, had a net investment in the residential securitization trusts of $6.4 million and $6.6 million, respectively.

Securitized Debt. The following table summarizes the Company's securitized debt collateralized by multi-family CMBS and distressed residential mortgage loans (dollar amounts in thousands):

	Multi-family CMBS Re-securitization	Collateralized Recourse Financings	Distressed Residential Mortgage Loan Securitizations
Original Face amount of Notes issued by the VIE and purchased by 3rd party investors	$ 35,000	$ 107,853	$176,970
Principal Amount at March 31, 2014	$ 34,431	$ 107,853	$163,009
Principal Amount at December 31, 2013	$ 34,508	$ 107,853	$169,871
Carrying Value at March 31, 2014	$ 27,338	$ 107,853	$163,009
Carrying Value at December 31, 2013	$ 27,240	$ 107,853	$169,871
Pass-through rate of Notes issued	5.35%	One-month LIBOR plus 5.25% - 6.50%	4.25% - 4.85%

Refer to Note 7 of our condensed consolidated financial statements included in this report for more information on Securitized Debt.

Subordinated Debentures. As of March 31, 2014, certain of our wholly owned subsidiaries had trust preferred securities outstanding of $45.0 million with a weighted average interest rate of 4.07%. The securities are fully guaranteed by us with respect to distributions and amounts payable upon liquidation, redemption or repayment. These securities are classified as subordinated debentures in the liability section of our condensed consolidated balance sheets.

Derivative Assets and Liabilities. We generally hedge the risks related to changes in interest rates related to our borrowings as well as market values of our overall portfolio.

In order to reduce our interest rate risk related to our borrowings, we may utilize various hedging instruments, such as interest rate swap agreement contracts whereby we receive floating rate payments in exchange for fixed rate payments, effectively converting our short term repurchase agreement borrowings or Residential CDOs to a fixed rate. At March 31, 2014, the Company had $350.0 million of notional amount of interest rate swaps outstanding with a fair market asset value of $1.9 million. At December 31, 2013, the Company had $350.0 million of notional amount of interest rate swaps outstanding with a fair market asset value of $2.0 million. The interest rate swaps qualify as cash flow hedges for financial reporting purposes.

In addition to utilizing interest rate swaps, we may purchase or sell short U.S. Treasury securities or enter into Eurodollar or other futures contracts or options on futures to help mitigate the potential impact of changes in interest rates on the performance of our Agency IOs. We may borrow securities to cover short sales of U.S. Treasury securities under reverse repurchase agreements. Realized and unrealized gains and losses associated with purchases and short sales of U.S. Treasury securities, Eurodollar or other futures and swaptions are recognized through earnings in the condensed consolidated statements of operations.

The Company uses To-Be-Announced securities, or TBAs, U.S. Treasury securities and U.S. Treasury futures and options to hedge interest rate risk, as well as spread risk associated with its investments in Agency IOs. For example, we may utilize TBAs to hedge the interest rate or yield spread risk inherent in our long Agency RMBS positions associated with our investments in Agency IOs by taking short positions in TBAs that are similar in character. In a TBA transaction, we would agree to purchase or sell, for future delivery, Agency RMBS with certain principal and interest terms and certain types of underlying collateral, but the particular Agency RMBS to be delivered is not identified until shortly before the TBA settlement date. The Company typically does not take delivery of TBAs, but rather settles with its trading counterparties on a net basis. TBAs are liquid and have quoted market prices and represent the most actively traded class of RMBS. For TBA contracts that we have entered into, we have not asserted that physical settlement is probable. Because we have not designated these forward commitments associated with our Agency IOs as hedging instruments, realized and unrealized gains and losses associated with these TBAs, U.S. Treasury securities and U.S. Treasury futures and options are recognized through earnings in the condensed consolidated statements of operations.

The use of TBAs exposes the Company to market value risk, as the market value of the securities that the Company is required to purchase pursuant to a TBA transaction may decline below the agreed-upon purchase price. Conversely, the market value of the securities that the Company is required to sell pursuant to a TBA transaction may increase above the agreed upon sale price. The use of TBAs associated with our Agency IO investments creates significant short term payables (and/or receivables) on our balance sheet.

Derivative financial instruments may contain credit risk to the extent that the institutional counterparties may be unable to meet the terms of the agreements. We minimize this risk by limiting our counterparties to major financial institutions with good credit ratings. In addition, we regularly monitor the potential risk of loss with any one party resulting from this type of credit risk. Accordingly, we do not expect any material losses as a result of default by other parties, but we cannot guarantee that we will not experience counterparty failures in the future.

In connection with our investment in Agency IOs, we utilize several types of derivative instruments to hedge the overall risk profile of these investments. This hedging technique is dynamic in nature and requires frequent adjustments, which accordingly makes it very difficult to qualify for hedge accounting treatment. Hedge accounting treatment requires specific identification of a risk or group of risks and then requires that we designate a particular trade to that risk with no minimal ability to adjust over the life of the transaction. Because we and Midway are frequently adjusting these derivative instruments in response to current market conditions, we have determined to account for all the derivative instruments related to our Agency IO investments as derivatives not designated as hedging instruments.

Balance Sheet Analysis - Stockholders' Equity

Stockholders' equity at March 31, 2014 was $565.8 million and included $11.4 million of accumulated other comprehensive income. The accumulated other comprehensive income consisted of $14.6 million in unrealized gains primarily related to our CLOs, $20.2 million in net unrealized gains related to our CMBS and $1.9 million in unrealized derivative gains related to cash flow hedges, partially offset by $25.3 million in unrealized losses related to our Agency RMBS and non-Agency RMBS. Stockholders' equity at December 31, 2013 was $480.7 million and included $3.1 million of accumulated other comprehensive income. The accumulated other comprehensive income consisted of $14.7 million in unrealized gains primarily related to our CLOs, $18.3 million in net unrealized gains related to our CMBS and $2.0 million in unrealized derivative gains related to cash flow hedges, partially offset by $31.9 million in unrealized losses related to our Agency RMBS and non-Agency RMBS. The increase in stockholders' equity at March 31, 2014, as compared to December 31, 2013, is primarily due to our issuance of common stock in public offerings with net proceeds to us of $75.8 million, after deducting offering expenses, during the three months ended March 31, 2014.

Analysis of Changes in Book Value

The following table analyzes the changes in book value of our common stock for the three months ended March 31, 2014 (amounts in thousands, except per share):

	Three Months Ended March 31, 2014		
	Amount	**Shares**	**Per Share** [(1)]
Beginning Balance [(2)]	$405,666	64,102	$6.33
Common stock issuance, net	76,038	11,605	
Balance after share issuance activity	481,704	75,707	6.35
Dividends declared	(20,441)		(0.27)
Net change AOCI: [(3)]			
Hedges	(129)		0.00
RMBS	6,636		0.09
CMBS	1,920		0.03
CLOs	(106)		0.00
Net income attributable to common stockholders	21,258		0.28
Ending Balance	$490,842	75,707	$6.48

(1) Outstanding shares used to calculate book value per share for the quarter ended period is based on outstanding shares as of March 31, 2014 of 75,706,546
(2) Includes preferred stock liquidation preference amounting to $75 million.
(3) Accumulated other comprehensive income (“AOCI”).

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain investments, comply with margin requirements, fund our operations, pay management, incentive and consulting fees, pay dividends to our stockholders and other general business needs. Our investments and assets, excluding the principal only multi-family CMBS we invest in, generate liquidity on an ongoing basis through principal and interest payments, prepayments, net earnings retained prior to payment of dividends and distributions from unconsolidated investments, while the principal only multi-family CMBS we invest in are backed by balloon non-recourse mortgage loans that provide for the payment of principal at maturity date, which is typically seven to ten years. In addition, depending on market conditions, the sale of investment securities, structured financings or capital market transactions may provide additional liquidity. However, our intention is to meet our liquidity needs through normal operations with the goal of avoiding unplanned sales of assets or emergency borrowing of funds.

During the three months ended March 31, 2014, net cash increased $44.7 million, as a result of $27.8 million provided by investing activities, $6.3 million provided by financing activities and $10.6 million of cash provided by operating activities. Our investing activities primarily included $21.3 million in principal paydowns received on investment securities available for sale, $16.6 million in principal repayments received on multi-family loans held in securitization trusts, $4.0 million in principal repayments received on residential mortgage loans held in securitization trusts, $42.8 million in principal repayments and proceeds from sales and refinancings of distressed residential mortgage loans, partially offset by $4.8 million of purchases of distressed residential mortgage loans, $12.5 million of purchases of investment securities, $6.9 million in the funding of a mezzanine loan and $34.7 million decrease in restricted cash. Our financing activities primarily included net proceeds from common stock issuances of $75.8 million, partially offset by $23.3 million in payments of financing arrangements, $16.6 million in payments made on multi-family CDOs, $18.7 million in dividends paid on common stock and Series B Preferred Stock, $4.0 million in payments made on Residential CDOs, and $6.9 million in payments made on securitized debt.

We fund our investments and operations through a balanced and diverse funding mix, which includes proceeds from equity offerings, short-term and longer-term repurchase agreement borrowings, CDOs, securitized debt, and trust preferred debentures. The type and terms of financing used by us depends on the asset being financed. In those cases where we utilize some form of structured financing, be it through CDOs, longer-term repurchase agreements or securitized debt (including financings similar to our CMBS Master Repurchase Agreements), the cash flow produced by the assets that serve as collateral for these structured finance instruments may be restricted in terms of its use or applied to pay principal or interest on CDOs, repurchase agreements, or notes that are senior to our interests. At March 31, 2014, we had cash and cash equivalents balances of $76.5 million, which increased from December 31, 2013. Based on our current investment portfolio, new investment initiatives, leverage ratio and available and future possible borrowing arrangements, we believe our existing cash balances, funds available under our various financing arrangements and cash flows from operations will meet our liquidity requirements for at least the next 12 months.

Liquidity – Financing Arrangements

We rely primarily on short-term repurchase agreements (typically 30 days) to finance the more liquid assets in our investment portfolio, such as Agency RMBS and CLOs. Recently, certain repurchase agreement lenders have elected to exit the repo lending market for various reasons, including capital requirement regulations. However, as certain lenders have exited the space, other financing counterparts that had not participated in the repo lending market historically have begun to step in to replace many of the lenders that have elected to exit.

As of March 31, 2014, we have outstanding short-term repurchase agreements, a form of collateralized short-term borrowing, with eleven different financial institutions. These agreements are secured by certain of our investment securities and bear interest rates that have historically moved in close relationship to LIBOR. Our borrowings under repurchase agreements are based on the fair value of our investment securities portfolio. Interest rate changes and increased prepayment activity can have a negative impact on the valuation of these securities, reducing the amount we can borrow under these agreements. Moreover, our repurchase agreements allow the counterparties to determine a new market value of the collateral to reflect current market conditions and because these lines of financing are not committed, the counterparty can call the loan at any time. Market value of the collateral represents the price of such collateral obtained from generally recognized sources or most recent closing bid quotation from such source plus accrued income. If a counterparty determines that the value of the collateral has decreased, the counterparty may initiate a margin call and require us to either post additional collateral to cover such decrease or repay a portion of the outstanding borrowing in cash, on minimal notice. Moreover, in the event an existing counterparty elected to not renew the outstanding balance at its maturity into a new repurchase agreement, we would be required to repay the outstanding balance with cash or proceeds received from a new counterparty or to surrender the securities that serve as collateral for the outstanding balance, or any combination thereof. If we are unable to secure financing from a new counterparty and had to surrender the collateral, we would expect to incur a loss. In addition, in the event one of our lenders under the repurchase agreement defaults on its obligation to "re-sell" or return to us the securities that are securing the borrowings at the end of the term of the repurchase agreement, we would incur a loss on the transaction equal to the amount of "haircut" associated with the short-term repurchase agreement, which we sometimes refer to as the "amount at risk." As of March 31, 2014, we had an aggregate amount at risk under our repurchase agreements with eleven counterparties of approximately $61.1 million, with no greater than approximately $21.1 million at risk with any single counterparty.

At March 31, 2014, the Company had short-term repurchase agreement borrowings of $767.8 million as compared to $791.1 million as of December 31, 2013. In addition to our excess cash, the Company has $82.4 million in unencumbered securities, including $62.7 million of RMBS, of which $60.4 million are Agency RMBS. The $76.5 million of cash, the $62.7 million in RMBS, and $38.7 million held in overnight deposits in our Agency IO portfolio included in restricted cash that is available to meet margin calls as it relates to our Agency IO portfolio repurchase agreements, which collectively represent 23.2% of our financing arrangements, portfolio investments, are liquid and could be monetized to pay down or collateralize the liability immediately.

At March 31, 2014, we also had other longer-term debt, including Residential CDOs outstanding of $154.5 million, multi-family CDOs outstanding of $8.0 billion (which represent obligations of the Consolidated K-Series), subordinated debt of $45.0 million and securitized debt of $298.2 million. The CDOs are collateralized by residential and multi-family loans held in securitization trusts, respectively. The securitized debt represents the notes issued in (i) our May 2012 multi-family re-securitization transaction, (ii) our November 2012 and November 2013 multi-family CMBS collateralized recourse financing transaction, and (iii) our December 2012, July 2013 and September 2013 distressed residential mortgage loan securitization transactions, which are described in Note 7 in our condensed consolidated financial statements.

As of March 31, 2014, our overall leverage ratio, including both our short- and longer-term financing (and excluding the CDO’s issued by the Consolidated K-Series and our Residential CDOs) divided by stockholders’ equity, was approximately 2.0 to 1. As of March 31, 2014, our leverage ratio on our short term financings or callable debt was approximately 1.4 to 1. We monitor all at risk or short term borrowings to ensure that we have adequate liquidity to satisfy margin calls and have the ability to respond to other market disruptions.

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Liquidity – Hedging and Other Factors

Certain of our hedging instruments may also impact our liquidity. We use interest rate swaps, swaptions, TBAs, Eurodollar or other futures contracts to hedge interest rate risk associated with our investments in Agency RMBS (including Agency IOs). With respect to interest rate swaps, futures contracts and TBAs, initial margin deposits will be made upon entering into these contracts and can be either cash or securities. During the period these contracts are open, changes in the value of the contract are recognized as unrealized gains or losses by marking to market on a daily basis to reflect the market value of these contracts at the end of each day's trading. We may be required to satisfy variable margin payments periodically, depending upon whether unrealized gains or losses are incurred.

We also use TBAs to hedge interest rate risk associated with our investments in Agency IOs. Since delivery for these securities extends beyond the typical settlement dates for most non-derivative investments, these transactions are more prone to market fluctuations between the trade date and the ultimate settlement date, and thereby are more vulnerable to increasing amounts at risk with the applicable counterparties. The use of TBAs associated with our Agency IO investments creates significant short term payables (and/or receivables), amounting to $199.2 million at March 31, 2014, and is included in payable for securities purchased on our condensed consolidated balance sheet.

We also use U.S. Treasury securities and U.S. Treasury futures and options to hedge interest rate risk associated with our investments in Agency IOs and interest rate swap agreements and swaptions as a mechanism to reduce the interest rate risk of our Agency ARMs and mortgage loans held in securitization trusts.

For additional information regarding the Company's derivative instruments and hedging activities for the periods covered by this report, including the fair values and notional amounts of these instruments and realized and unrealized gains and losses relating to these instruments, please see Note 8 to our consolidated financial statements included in this report. Also, please see Item 3. Quantitative and Qualitative Disclosures about Market Risk, under the caption, "Fair Value Risk", for a tabular presentation of the sensitivity of the market value and net duration changes of the Company's portfolio across various changes in interest rates, which takes into account the Company's hedging activities.

Liquidity — Equity Offerings

In addition to the financing arrangements described above under the caption “Liquidity—Financing Arrangements,” we also rely on secondary equity offerings as a source of both short-term and long-term liquidity. During the three months ended March 31, 2014 and before the filing of the Company’s Quarterly Form 10-Q, we closed on the following public equity offerings:

On January 7, 2014, we entered into an underwriting agreement whereby the underwriters agreed to purchase 11,500,000 shares of our common stock (including the 1,500,000 shares that were issuable pursuant to an over-allotment option) from us at a price of $6.61 per share. On January 10, 2014, we closed on the issuance of 11,500,000 shares of common stock to the underwriters, resulting in net proceeds to the Company of approximately $75.8 million, after deducting offering expenses.

On April 2, 2014, we entered into an underwriting agreement whereby the underwriters agreed to purchase 13,000,000 shares of our common stock (including the 1,950,000 shares that were issuable pursuant to an over-allotment option) from us at a price of $7.36 per share. On April 7, 2014, we closed on the issuance of 14,950,000 shares of common stock to the underwriters, resulting in net proceeds to the Company of approximately $109.9 million, after deducting offering expenses.

We intend to invest substantially all of the net proceeds from the respective offerings to fund additional investments in our targeted assets, particularly, distressed residential mortgage loans and mezzanine loans to or preferred equity investments in owners of multi-family properties.

We also may generate liquidity through the sale of shares of our common stock in an “at the market” offering program pursuant to an equity distribution agreement, as well as through the sale of shares of our common stock pursuant to our Dividend Reinvestment Plan, or DRIP. On January 14, 2013, we filed a registration statement on Form S-3 to enable us to issue up to $20,000,000 of shares of our common stock pursuant to our DRIP. On June 11, 2012, we entered into an equity distribution agreement with JMP Securities LLC as the placement agent, pursuant to which we may sell up to $25,000,000 of shares of our common stock from time to time through the placement agent. Pursuant to the equity distribution agreement, the shares may be offered and sold through the placement agent in transactions that are deemed to be “at the market” offerings as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on The Nasdaq Global Select Market or sales made to or through a market maker other than on an exchange or, subject to the terms of a written notice from us, in privately negotiated transactions. We have no obligation to sell any of the shares under the equity distribution agreement and may at any time suspend solicitations and offers under the equity distribution agreement. During the three months ended March 31, 2014, we did not issue any shares under the equity distribution agreement.

Management Agreements

We have investment management agreements with RiverBanc, Midway and Headlands, pursuant to which we pay these managers a base management and incentive fee, if earned, quarterly in arrears. See "- Results of Operations - Comparison of the Three Months Ended March 31, 2014 to Three Months Ended March 31, 2013 - Comparative Expenses" for more information regarding the management fees paid during the three months ended March 31, 2014. In addition, pursuant to the terms of our former advisory relationship with Harvest Capital Strategies LLC, or HCS, we also may pay incentive compensation to HCS with respect to those assets of our company that were managed by HCS at the time the advisory relationship with HCS concluded (the “Incentive Tail Assets”) until such time as such Incentive Tail Assets are disposed of by us or mature.

Dividends

On March 13, 2014, we declared a Series B Preferred Stock cash dividend of $0.484375 per share of Series B Preferred Stock for the quarterly period that began on January 15, 2014 and ended on April 14, 2014. This dividend was paid on April 15, 2014 to holders of record of Series B Preferred Stock as of April 1, 2014.

On March 13, 2014, we declared a 2014 first quarter cash dividend of $0.27 per common share, which is the same amount that was declared for the fourth quarter of 2013. The dividend was paid on April 25, 2014 to common stockholders of record as of March 24, 2014. The dividend was paid out of our working capital.

We expect to continue to pay quarterly cash dividends on our common stock during the near term. However, our Board of Directors will continue to evaluate our dividend policy each quarter and will make adjustments as necessary, based on a variety of factors, including, among other things, the need to maintain our REIT status, our financial condition, liquidity, earnings projections and business prospects. Our dividend policy does not constitute an obligation to pay dividends.

We intend to make distributions to our stockholders to comply with the various requirements to maintain our REIT status and to minimize or avoid corporate income tax and the nondeductible excise tax. However, differences in timing between the recognition of REIT taxable income and the actual receipt of cash could require us to sell assets or to borrow funds on a short-term basis to meet the REIT distribution requirements and to minimize or avoid corporate income tax and the nondeductible excise tax.

Exposure to European financial counterparties

We finance the acquisition of a significant portion of our mortgage-backed securities with repurchase agreements. In connection with these financing arrangements, we pledge our securities as collateral to secure the borrowings. The amount of collateral pledged will typically exceed the amount of the financing with the extent of over-collateralization from 5% of the amount borrowed (in the case of Agency ARM and Agency fixed rate RMBS collateral), 25% (in the case of Agency IOs) and up to 35% (in the case of CLO collateral).While our repurchase agreement financing results in us recording a liability to the counterparty in our consolidated balance sheet, we are exposed to the counterparty, if during the term of the repurchase agreement financing, a lender should default on its obligation and we are not able to recover our pledged assets. The amount of this exposure is the difference between the amount loaned to us plus interest due to the counterparty and the fair value of the collateral pledged by us to the lender (including accrued interest receivable on such collateral).

Several large European banks have experienced financial difficulty in recent years, some of whom have required a rescue or assistance from other large European banks or the European Central Bank. Some of these banks have U.S. banking subsidiaries which have provided repurchase agreement financing or interest rate swap agreements to us in connection with the acquisition of various investments, including mortgage-backed securities investments. We have outstanding repurchase agreement borrowings with Credit Suisse First Boston LLC in the amount of $76.8 million at March 31, 2014 with a net exposure of $4.1 million. We have outstanding repurchase agreement borrowings with Barclays Capital Inc. in the amount of $41.4 million at March 31, 2014 with a net exposure of $2.9 million. We have outstanding interest rate swap agreements with Credit Suisse International as a counterparty in the amount of $245.0 million notional with a net exposure of $0.9 million. In addition, certain of our U.S. based counterparties may have significant exposure to the financial and economic turmoil in Europe which could impact their future lending activities or cause them to default under agreements with us. In the event one or more of these counterparties or their affiliates experience liquidity difficulties in the future, our liquidity could be materially adversely affected.

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Inflation

For the periods presented herein, inflation has been relatively low and we believe that inflation has not had a material effect on our results of operations. The impact of inflation is primarily reflected in the increased costs of our operations. Virtually all our assets and liabilities are financial in nature. Our consolidated financial statements and corresponding notes thereto have been prepared in accordance with GAAP, which require the measurement of financial position and operating results in terms of historical dollars without considering the changes in the relative purchasing power of money over time due to inflation. As a result, interest rates and other factors influence our performance far more than inflation. Inflation affects our operations primarily through its effect on interest rates, since interest rates typically increase during periods of high inflation and decrease during periods of low inflation. During periods of increasing interest rates, demand for mortgages and a borrower’s ability to qualify for mortgage financing in a purchase transaction may be adversely affected. During periods of decreasing interest rates, borrowers may prepay their mortgages, which in turn may adversely affect our yield and subsequently the value of our portfolio of mortgage assets.

Off-Balance Sheet Arrangements

We did not maintain any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Further, we have not guaranteed any obligations of unconsolidated entities nor do we have any commitment or intent to provide funding to any such entities.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

This section should be read in conjunction with “Item 1A. Risk Factors” in our Annual Report on Form 10-K and our subsequent periodic reports filed with the SEC.

We seek to manage risks that we believe will impact our business including, interest rates, liquidity, prepayments, credit quality and market value. When managing these risks we consider the impact on our assets, liabilities and derivative positions. While we do not seek to avoid risk completely, we believe the risk can be quantified from historical experience and seek to actively manage that risk, to generate risk-adjusted total returns that we believe compensate us appropriately for those risks and to maintain capital levels consistent with the risks we take.

The following analysis includes forward-looking statements that assume that certain market conditions occur. Actual results may differ materially from these projected results due to changes in our portfolio assets and borrowings mix and due to developments in the domestic and global financial and real estate markets. Developments in the financial markets include the likelihood of changing interest rates and the relationship of various interest rates and their impact on our portfolio yield, cost of funds and cash flows. The analytical methods that we use to assess and mitigate these market risks should not be considered projections of future events or operating performance.

Interest Rate Risk

Interest rates are sensitive to many factors, including governmental, monetary, tax policies, domestic and international economic conditions, and political or regulatory matters beyond our control. Changes in interest rates affect the value of the financial assets we manage and hold in our investment portfolio and the variable-rate borrowings we use to finance our portfolio. Changes in interest rates also affect the interest rate swaps and caps, Eurodollar and other futures, TBAs and other securities or instruments we use to hedge our portfolio. As a result, our net interest income is particularly affected by changes in interest rates.

For example, we hold RMBS, some of which may have fixed rates or interest rates that adjust on various dates that are not synchronized to the adjustment dates on our repurchase agreements. In general, the re-pricing of our repurchase agreements occurs more quickly than the re-pricing of our variable-interest rate assets. Thus, it is likely that our floating rate borrowings, such as our repurchase agreements, may react to interest rates before our RMBS because the weighted average next re-pricing dates on the related borrowings may have shorter time periods than that of the RMBS. In addition, the interest rates on our Agency ARMs backed by hybrid ARMs may be limited to a “periodic cap,” or an increase of typically 1% or 2% per adjustment period, while our borrowings do not have comparable limitations. Moreover, changes in interest rates can directly impact prepayment speeds, thereby affecting our net return on RMBS. During a declining interest rate environment, the prepayment of RMBS may accelerate (as borrowers may opt to refinance at a lower interest rate) causing the amount of liabilities that have been extended by the use of interest rate swaps to increase relative to the amount of RMBS, possibly resulting in a decline in our net return on RMBS, as replacement RMBS may have a lower yield than those being prepaid. Conversely, during an increasing interest rate environment, RMBS may prepay more slowly than expected, requiring us to finance a higher amount of RMBS than originally forecast and at a time when interest rates may be higher, resulting in a decline in our net return on RMBS. Accordingly, each of these scenarios can negatively impact our net interest income.

We seek to manage interest rate risk in our portfolio by utilizing interest rate swaps, swaptions, caps, Eurodollar and other futures, options and U.S. Treasury securities with the goal of optimizing the earnings potential while seeking to maintain long term stable portfolio values. We continually monitor the duration of our mortgage assets and have a policy to hedge the financing of those assets such that the net duration of the assets, our borrowed funds related to such assets, and related hedging instruments, is less than one year. In addition, we utilize TBAs to mitigate the risks on our long Agency RMBS positions associated with our investments in Agency IOs.

We utilize a model-based risk analysis system to assist in projecting portfolio performances over a scenario of different interest rates. The model incorporates shifts in interest rates, changes in prepayments and other factors impacting the valuations of our financial securities and instruments, including mortgage-backed securities, repurchase agreements, interest rate swaps and interest rate caps, TBAs and Eurodollar futures.

Based on the results of the model, the instantaneous changes in interest rates specified below would have had the following effect on net interest income for the next 12 months based on our assets and liabilities as of March 31, 2014 (dollar amounts in thousands):

Changes in Net Interest Income

Changes in Interest Rates	**Changes in Net Interest Income**
+200	$ 1,809
+100	$ 4,495
-100	$ (8,512)

Interest rate changes may also impact our net book value as our financial assets and related hedge derivatives are marked-to-market each quarter. Generally, as interest rates increase, the value of our mortgage assets, other than IOs, decreases, and conversely, as interest rates decrease, the value of such investments will increase. The value of an IO will likely be negatively affected in a declining interest rate environment due to the risk of increasing prepayment rates because the IOs' value is wholly contingent on the underlying mortgage loans having an outstanding balance. In general, we expect that, over time, decreases in the value of our portfolio attributable to interest rate changes will be offset, to the degree we are hedged, by increases in the value of our interest rate swaps or other financial instruments used for hedging purposes, and vice versa. However, the relationship between spreads on securities and spreads on our hedging instruments may vary from time to time, resulting in a net aggregate book value increase or decline. That said, unless there is a material impairment in value that would result in a payment not being received on a security or loan, changes in the book value of our portfolio will not directly affect our recurring earnings or our ability to make a distribution to our stockholders.

Liquidity Risk

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain investments, pay dividends to our stockholders and other general business needs. We recognize the need to have funds available to operate our business. It is our policy to have adequate liquidity at all times. We plan to meet liquidity through normal operations with the goal of avoiding unplanned sales of assets or emergency borrowing of funds.

Our principal sources of liquidity are the repurchase agreements on our mortgage-backed securities, the CDOs we have issued to finance our loans held in securitization trusts, securitized debt, trust preferred securities, the principal and interest payments from our assets and cash proceeds from the issuance of equity or debt securities (as market and other conditions permit). We believe our existing cash balances and cash flows from operations will be sufficient for our liquidity requirements for at least the next 12 months.

We are subject to “margin call” risk under the terms of our repurchase agreements. In the event the value of our assets pledged as collateral suddenly decreases, margin calls relating to our repurchase agreements could increase, causing an adverse change in our liquidity position. Additionally, if one or more of our repurchase agreement counterparties chooses not to provide ongoing funding, we may be unable to replace the financing through other lenders on favorable terms or at all. As such, we provide no assurance that we will be able to roll over our repurchase agreements as they mature from time to time in the future. See Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources" in this Quarterly Report on Form 10-Q for further information about our liquidity and capital resource management.

Derivative financial instruments used to hedge interest rate risk are subject to “margin call” risk. For example, under our interest rate swaps, typically we pay a fixed rate to the counterparties while they pay us a floating rate. If interest rates drop below the fixed rate we are paying on an interest rate swap, we may be required to post cash margin.

Prepayment Risk

When borrowers repay the principal on their residential mortgage loans before maturity or faster than their scheduled amortization, the effect is to shorten the period over which interest is earned, and therefore, reduce the yield for residential mortgage assets purchased at a premium to their then current balance, as with our portfolio of Agency RMBS. Conversely, residential mortgage assets purchased for less than their then current balance, such as our distressed residential mortgage loans, exhibit higher yields due to faster prepayments. Furthermore, actual prepayment speeds may differ from our modeled prepayment speed projections impacting the effectiveness of any hedges we have in place to mitigate financing and/or fair value risk. Generally, when market interest rates decline, borrowers have a tendency to refinance their mortgages, thereby increasing prepayments. The impact of increasing prepayment rates, whether as a result of declining interest rates, government intervention in the mortgage markets or otherwise, is particularly acute with respect to our Agency IOs. Because the value of an IO security is wholly contingent on the underlying mortgage loans having an outstanding principal balance, an unexpected increase in prepayment rates on the pool of mortgage loans underlying the IOs could significantly negatively impact the performance of our Agency IOs.

Our modeled prepayments will help determine the amount of hedging we use to off-set changes in interest rates. If actual prepayment rates are higher than modeled, the yield will be less than modeled in cases where we paid a premium for the particular residential mortgage asset. Conversely, when we have paid a premium, if actual prepayment rates experienced are slower than modeled, we would amortize the premium over a longer time period, resulting in a higher yield to maturity.

In an environment of increasing prepayment speeds, the timing difference between the actual cash receipt of principal paydowns and the announcement of the principal paydown may result in additional margin requirements from our repurchase agreement counterparties.

We mitigate prepayment risk by constantly evaluating our residential mortgage assets relative to prepayment speeds observed for assets with similar structures, quantities and characteristics. Furthermore, we stress-test the portfolio as to prepayment speeds and interest rate risk in order to further develop or make modifications to our hedge balances. Historically, we have not hedged 100% of our liability costs due to prepayment risk.

Credit Risk

Credit risk is the risk that we will not fully collect the principal we have invested in our credit sensitive assets, including distressed residential and other mortgage loans, CMBS, and CLOs, due to borrower defaults. In selecting the credit sensitive assets in our portfolio, we seek to identify and invest in assets with characteristics that we believe offset or limit the exposure of borrower defaults to the Company.

We seek to manage credit risk through our pre-acquisition due diligence process, and by factoring projected credit losses into the purchase price we pay for all of our credit sensitive assets. In general, we evaluate relative valuation, supply and demand trends, prepayment rates, delinquency and default rates, vintage of collateral and macroeconomic factors as part of this process. Nevertheless, these procedures do not guarantee unanticipated credit losses which would materially affect our operating results.

With respect to the $234.4 million of distressed residential loans the Company owned at March 31, 2014, the mortgage loans were purchased at a discount to par reflecting their distressed state or perceived higher risk of default, which may include higher loan to value ratios and, in certain instances, delinquent loan payments. Prior to the acquisition of distressed residential mortgage loans, the Company validates key information provided by the sellers that is necessary to determine the value of the distressed residential mortgage loans. We then seek to maximize the value of the mortgage loans that we acquire either through borrower assisted refinancing, outright loan sale or through foreclosure and resale of the underlying home. We evaluate credit quality on an ongoing basis by reviewing borrower’s payment status and current financial and economic condition. Additionally, we look at the carrying value of any delinquent loan and compare to the current value of the underlying collateral.

As of March 31, 2014, we own $274.3 million of first loss CMBS comprised primarily of first loss POs that are backed by commercial mortgage loans on multi-family properties at a weighted average amortized purchase price of approximately 29.5% of current par. Prior to the acquisition of each of our first loss CMBS securities, the Company completes an extensive review of the underlying loan collateral, including loan level cash flow re-underwriting, site inspections on selected properties, property specific cash flow and loss modeling, review of appraisals, property condition and environmental reports, and other credit risk analyses. We continue to monitor credit quality on an ongoing basis using updated property level financial reports provided by borrowers and periodic site inspection of selected properties. We also reconcile on a monthly basis the actual bond distributions received against projected distributions to assure proper allocation of cash flow generated by the underlying loan pool. As of March 31, 2014, we own approximately $34.7 million of notes issued by a CLO at a discounted purchase price equal to 56% of par. The securities are backed by a portfolio of corporate loans. We also own approximately $34.7 million of first mortgage loan, mezzanine financing and preferred equity investments at March 31, 2014, backed by residential and multi-family properties.

Fair Value Risk

Changes in interest rates also expose us to market value (fair value) fluctuation on our assets, liabilities and hedges. While the fair value of the majority of our assets (when excluding all Consolidated K-Series assets other than the securities we actually own) that are measured on a recurring basis are determined using Level 2 fair values, we own certain assets, such as our CMBS, for which fair values may not be readily available if there are no active trading markets for the instruments. In such cases, fair values would only be derived or estimated for these investments using various valuation techniques, such as computing the present value of estimated future cash flows using discount rates commensurate with the risks involved. However, the determination of estimated future cash flows is inherently subjective and imprecise. Minor changes in assumptions or estimation methodologies can have a material effect on these derived or estimated fair values. Our fair value estimates and assumptions are indicative of the interest rate environments as of March 31, 2014, and do not take into consideration the effects of subsequent interest rate fluctuations.

We note that the values of our investments in derivative instruments, primarily interest rate hedges on our debt, will be sensitive to changes in market interest rates, interest rate spreads, credit spreads and other market factors. The value of these investments can vary and has varied materially from period to period.

The following describes the methods and assumptions we use in estimating fair values of our financial instruments:

Fair value estimates are made as of a specific point in time based on estimates using present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, discount rates, estimate of future cash flows, future expected loss experience and other factors.

Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in an immediate sale of the instrument. Also, because of differences in methodologies and assumptions used to estimate fair values, the fair values used by us should not be compared to those of other companies.

The table below presents the sensitivity of the market value and net duration changes of our portfolio as of March 31, 2014, using a discounted cash flow simulation model assuming an instantaneous interest rate shift. Application of this method results in an estimation of the fair market value change of our assets, liabilities and hedging instruments per 100 basis point (“bp”) shift in interest rates.

The use of hedging instruments is a critical part of our interest rate risk management strategies, and the effects of these hedging instruments on the market value of the portfolio are reflected in the model's output. This analysis also takes into consideration the value of options embedded in our mortgage assets including constraints on the re-pricing of the interest rate of assets resulting from periodic and lifetime cap features, as well as prepayment options. Assets and liabilities that are not interest rate-sensitive such as cash, payment receivables, prepaid expenses, payables and accrued expenses are excluded.

Changes in assumptions including, but not limited to, volatility, mortgage and financing spreads, prepayment behavior, defaults, as well as the timing and level of interest rate changes will affect the results of the model. Therefore, actual results are likely to vary from modeled results.

Market Value Changes

Changes in Interest Rates	**Changes in Market Value**	**Net Duration**
	(Amounts in thousands)	
+200	$ (76,086)	3.31
+100	$ (40,103)	2.54
Base		1.55
-100	$ 24,340	0.16

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It should be noted that the model is used as a tool to identify potential risk in a changing interest rate environment but does not include any changes in portfolio composition, financing strategies, market spreads or changes in overall market liquidity.

Although market value sensitivity analysis is widely accepted in identifying interest rate risk, it does not take into consideration changes that may occur such as, but not limited to, changes in investment and financing strategies, changes in market spreads and changes in business volumes. Accordingly, we make extensive use of an earnings simulation model to further analyze our level of interest rate risk.

There are a number of key assumptions in our earnings simulation model. These key assumptions include changes in market conditions that affect interest rates, the pricing of ARM products, the availability of investment assets and the availability and the cost of financing for portfolio assets. Other key assumptions made in using the simulation model include prepayment speeds and management's investment, financing and hedging strategies, and the issuance of new equity. We typically run the simulation model under a variety of hypothetical business scenarios that may include different interest rate scenarios, different investment strategies, different prepayment possibilities and other scenarios that provide us with a range of possible earnings outcomes in order to assess potential interest rate risk. The assumptions used represent our estimate of the likely effect of changes in interest rates and do not necessarily reflect actual results. The earnings simulation model takes into account periodic and lifetime caps embedded in our assets in determining the earnings at risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures - We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosures. An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of March 31, 2014. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2014.

Changes in Internal Control Over Financial Reporting. There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 10, 2014.

Item 6. Exhibits

The information set forth under “Exhibit Index” below is incorporated herein by reference.

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 thereunto duly authorized.

NEW YORK MORTGAGE TRUST, INC.

Date: May 8, 2014 By: /s/ Steven R. Mumma
Steven R. Mumma
Chief Executive Officer and President
(Principal Executive Officer)

Date: May 8, 2014 By: /s/ Fredric S. Starker
Fredric S. Starker
Chief Financial Officer
(Principal Financial and Accounting Officer)

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EXHIBIT INDEX

Exhibit	Description
3.1(a)	Articles of Amendment and Restatement of New York Mortgage Trust, Inc., as amended (Incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K filed on March 10, 2014 (File No. 001-32216)).
3.2	Bylaws of New York Mortgage Trust, Inc., as amended (Incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K filed on March 4, 2011).
3.3	Articles Supplementary designating the Company's 7.75% Series B Cumulative Redeemable Preferred Stock (the "Series B Preferred Stock") (Incorporated by reference to Exhibit 3.3 of the Company's Registration Statement on Form 8-A filed on May 31, 2013).
4.1	Form of Common Stock Certificate. (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-11 as filed with the Securities and Exchange Commission (Registration No. 333-111668), effective June 23, 2004).
4.2(a)	Junior Subordinated Indenture between The New York Mortgage Company, LLC and JPMorgan Chase Bank, National Association, as trustee, dated September 1, 2005. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K as filed with the Securities and Exchange Commission on September 6, 2005).
4.2(b)	Parent Guarantee Agreement between New York Mortgage Trust, Inc. and JPMorgan Chase Bank, National Association, as guarantee trustee, dated September 1, 2005. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Securities and Exchange Commission on September 6, 2005 (File No 001-32216)).
4.3(a)	Junior Subordinated Indenture between The New York Mortgage Company, LLC and JPMorgan Chase Bank, National Association, as trustee, dated March 15, 2005 (Incorporated by reference to Exhibit 4.3(a) to the Company's Quarterly Report on Form 10-Q filed on August 9, 2012 (File No. 001-32216)).
4.3(b)	Parent Guarantee Agreement between New York Mortgage Trust, Inc. and JPMorgan Chase Bank, National Association, as guarantee trustee, dated March 15, 2005. (Incorporated by reference to Exhibit 4.3(b) to the Company's Quarterly Report on Form 10-Q filed on August 9, 2012 (File No. 001-32216)).
	Certain instruments defining the rights of holders of long-term debt securities of the Registrant and its subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. The Registrant hereby undertakes to furnish to the SEC, upon request, copies of any such instruments.
4.4	Form of Certificate representing the Series B Preferred Stock. (Incorporated by reference to Exhibit 3.4 of the Company's Registration Statement on Form 8-A filed on May 31, 2013).
10.1	Underwriting Agreement, dated as of January 7, 2014, by and among the Company, UBS Securities LLC, Barclays Capital Inc. and Credit Suisse Securities (USA), LLC. (Incorporated by reference to

	Exhibit 1.1 to the Company’s Current Report on Form 8-K filed on January 10, 2014 (File No. 001-32216)).
10.2	New York Mortgage Trust, Inc. 2013 Incentive Compensation Plan (Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K as filed with the SEC on March 26, 2013 (File No. 001-32216)).
12.1	Statement re: Computation of Ratios.
31.1	Section 302 Certification of Chief Executive Officer.
31.2	Section 302 Certification of Chief Financial Officer.
32.1	Section 906 Certification of Chief Executive Officer and Chief Financial Officer.*
101.INS	XBRL Instance Document **
101.SCH	Taxonomy Extension Schema Document **
101.CAL	Taxonomy Extension Calculation Linkbase Document **
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document **
101.LAB	Taxonomy Extension Label Linkbase Document **
101.PRE	Taxonomy Extension Presentation Linkbase Document **

* Furnished herewith. Such certification shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

** Submitted electronically herewith. Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at March 31, 2014 and December 31, 2013; (ii) Condensed Consolidated Statements of Operations for the three months ended March 31, 2014 and 2013; (iii) Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2014 and 2013; (iv) Condensed Consolidated Statement of Changes in Stockholders’ Equity for the three months ended March 31, 2014; (v) Condensed Consolidated Statements of Cash Flows for the three months ended

March 31, 2014 and 2013; and (vi) Notes to Condensed Consolidated Financial Statements.

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