

NEW YORK MORTGAGE TRUST INC
Form 424B5
October 03, 2012
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration Nos. 333-179314 and 333-184239

PROSPECTUS SUPPLEMENT

(To prospectus dated April 11, 2012)

13,500,000 Shares

Common Stock

This is a public offering of common stock of New York Mortgage Trust, Inc. We are selling 13,500,000 shares of common stock. Our common stock is listed on The Nasdaq Capital Market, or Nasdaq, under the symbol NYMT. On October 2, 2012, the last reported sale price of our common stock was \$7.10 per share.

To preserve our status as a real estate investment trust for federal income tax purposes, we impose restrictions on the ownership and transfer of our common stock. See Summary Change in Ownership Limit under Our Charter in this prospectus supplement and Description of Common Stock Restrictions on Ownership and Transfer in the accompanying prospectus.

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described under Risk Factors beginning on page S-5 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2011, as updated by our Quarterly Reports on Form 10-Q for the periods ended March 31, 2012 and June 30, 2012, before making an investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discount and Commission	Proceeds to Us (1)
Per Share	\$ 6.89	\$ 0.17	\$ 6.72
Total	\$ 93,015,000	\$ 2,295,000	\$ 90,720,000

(1) Before deducting approximately \$150,000 in estimated expenses payable by us.

We have granted the underwriters an option to purchase a maximum of 2,025,000 additional shares of common stock from us on the same terms and conditions set forth above within 30 days after the date of this prospectus supplement.

The underwriters expect to deliver the shares of common stock to investors in this offering on or about October 9, 2012.

Sole Bookrunner

Deutsche Bank Securities

Co-Managers

Ladenburg Thalmann & Co. Inc.

Maxim Group LLC

The date of this prospectus supplement is October 3, 2012.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>About This Prospectus Supplement</u>	S-ii
<u>Cautionary Note Regarding Forward-Looking Statements</u>	S-ii
<u>Summary</u>	S-1
<u>The Offering</u>	S-3
<u>Risk Factors</u>	S-5
<u>Use of Proceeds</u>	S-6
<u>Capitalization</u>	S-7
<u>Additional Federal Income Tax Considerations</u>	S-9
<u>Underwriting</u>	S-10
<u>Where You Can Find More Information</u>	S-14
<u>Incorporation by Reference of Information Filed with the SEC</u>	S-14
<u>Experts</u>	S-15
<u>Legal Matters</u>	S-15

Prospectus

<u>About This Prospectus</u>	ii
<u>Cautionary Note Regarding Forward-Looking Information</u>	1
<u>Our Company</u>	2
<u>Risk Factors</u>	3
<u>Use Of Proceeds</u>	3
<u>Description Of The Securities We May Offer</u>	3
<u>Description Of Common Stock</u>	3
<u>Description Of Preferred Stock</u>	7
<u>Description Of Debt Securities</u>	9
<u>Global Securities</u>	20
<u>Certain Provisions Of Maryland Law And Our Charter Bylaws</u>	21
<u>Material Federal Income Tax Considerations</u>	26
<u>Plan Of Distribution</u>	48
<u>Certain Legal Matters</u>	51
<u>Experts</u>	51
<u>Where You Can Find More Information</u>	51
<u>Incorporation By Reference Of Information Filed With The SEC</u>	52

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If any one provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer of the common stock covered by this prospectus supplement and the accompanying prospectus in any jurisdiction where the offer thereof is not permitted.

You should assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the offering, and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. Before you buy any shares of our common stock, it is important for you to read and consider the information contained in this prospectus supplement and the accompanying prospectus together with additional information described under the headings "Incorporation by Reference of Information Filed with the SEC" and "Where You Can Find More Information."

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

In this prospectus supplement, we refer to New York Mortgage Trust, Inc., together with its consolidated subsidiaries, as we, us, the Company, or our, unless we specifically state otherwise or the context indicates otherwise. In addition, the following defines certain of the commonly used terms in this prospectus supplement.

RMBS refers to residential mortgage-backed securities that are adjustable-rate, hybrid adjustable-rate, fixed-rate, interest only and inverse interest only or principal only securities;

Agency RMBS refers to RMBS representing interests in or obligations backed by pools of residential mortgage loans issued or guaranteed by a federally chartered corporation, 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);

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;

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 refers to prime credit quality residential ARM loans held in securitization trusts; and

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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

When used in this prospectus supplement and in the accompanying prospectus, in future filings with the Securities and Exchange Commission, or SEC, or in press releases or other written or oral communications, 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, are intended to identify 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.

Table of Contents

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 United States, 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 regulations affecting our business; our ability to maintain our qualification as a real estate investment trust 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 Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011, as updated by those risk factors included in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012 and our subsequent filings 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.

Table of Contents

SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. Because this is a summary, it may not contain all of the information that is important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors and the documents incorporated by reference herein before making an investment decision.

We are a real estate investment trust, or REIT, in the business of acquiring, investing in, financing and managing primarily mortgage-related assets and, to a lesser extent, 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 investment portfolio includes investments sourced from distressed markets over recent years that create the potential for capital appreciation, as well as more traditional types of mortgage-related investments, such as Agency RMBS consisting of adjustable-rate and hybrid adjustable-rate RMBS, which we sometimes refer to as Agency ARMs, and Agency RMBS comprised of IOs, which we sometimes refer to as Agency IOs, that generate interest income.

Under our investment strategy, our targeted assets currently include Agency ARMs, Agency IOs and CMBS backed by commercial mortgage loans on multi-family properties, which we sometimes refer to as multi-family CMBS. 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, residential mortgage loans and certain commercial real estate-related debt investments.

As part of our investment strategy, we are a party to separate investment management agreements with The Midway Group, L.P., or Midway, and RiverBanc, LLC, or RiverBanc, pursuant to which Midway and RiverBanc provide investment management services with respect to our investments in Agency IOs and multi-family CMBS, respectively.

We have elected to be taxed as a REIT and have complied, and intend to continue to comply, with the provisions of the Internal Revenue Code of 1986, as amended, or the Code, with respect thereto. Accordingly, we do not expect to be subject to federal income tax on our REIT taxable income that we currently distribute to our stockholders if certain asset, income and ownership tests and recordkeeping requirements are fulfilled. Even if we maintain our qualification as a REIT, we expect to be subject to some federal, state and local taxes on our income generated in our taxable REIT subsidiaries, or TRSs.

Our principal executive offices are located at 52 Vanderbilt Avenue, Suite 403, New York, New York 10017, and our telephone number is (212) 792-0107. Our website address is www.nymtrust.com. Our website and the information contained at or connected to our website do not constitute a part of this prospectus supplement or the accompanying prospectus.

Change in Ownership Limit under Our Charter

On May 4, 2012, our Board of Directors, pursuant to Section 7.2.8 of Article VII of our charter, approved (i) an increase in the Common Stock Ownership Limit (as defined in our charter) to 9.9% (in value or number of shares, whichever is more restrictive), of the aggregate of the outstanding shares of Common Stock (as defined in our charter), and (ii) an increase in the Aggregate Stock Ownership Limit (as defined in our charter) to 9.9% in value of the aggregate of the outstanding shares of Capital Stock (as defined in our charter). The change in the

Table of Contents

Common Stock Ownership Limit and the Aggregate Stock Ownership Limit became effective on the same day it was approved by our Board of Directors. Each of the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit was previously set at 5.0%.

Recent Developments

Multi-Family CMBS Transactions

During the quarter ending December 31, 2012, we expect to purchase the first loss PO security and certain IO securities from two separate Freddie Mac-sponsored multi-family loan securitizations being completed in the fourth quarter of 2012 for an aggregate purchase price of approximately \$53 million. We expect to finance these purchases, in part, with a portion of the net proceeds from this offering, with the remaining balance funded with proceeds from working capital and/or available short-term or longer-term structured financing. These purchases are pending. As a result, there can be no assurance that we will complete these purchases during the expected period, if at all.

Third Quarter 2012 Common Stock Dividend

On September 18, 2012, our Board of Directors declared a regular quarterly cash dividend of \$0.27 per share on shares of our common stock for the quarter ending September 30, 2012. The dividend is payable on October 25, 2012 to our common stockholders of record as of September 28, 2012. Because any shares of common stock issued in this offering will not be deemed to be held of record as of September 28, 2012, purchasers of common stock in this offering will not receive the cash dividend payable on October 25, 2012.

Public Offerings of Common Stock

On August 21, 2012, we completed the sale of 10,000,000 shares of our common stock pursuant to an underwritten public offering (excluding 1,500,000 shares issuable pursuant to the exercise of a 30-day option granted to the underwriters) at a price to the public of \$6.73 per share and net proceeds to us of \$6.51 per share. On September 4, 2012, we completed the sale of an additional 1,500,000 shares of common stock pursuant to the exercise of the underwriters' 30-day option to purchase additional shares at the same price per share. We received aggregate net proceeds of approximately \$74.7 million from the issuance and sale of the 11,500,000 shares after deducting the underwriting discount and offering expenses payable by us. We used substantially all of the net proceeds from the offering to purchase Agency RMBS, including adjustable-rate and fixed-rate Agency RMBS.

On July 17, 2012, we completed the sale of 5,175,000 shares of our common stock pursuant to an underwritten public offering (including 675,000 shares issuable pursuant to the exercise of the 30-day over-allotment option granted to the underwriters) at a price to the public of \$6.70 per share and net proceeds to us of \$6.432 per share. We received aggregate net proceeds from the offering of approximately \$33.1 million after deducting the underwriting discount and offering expenses payable by us. We used substantially all of the net proceeds from the offering to purchase Agency ARMs and repay short-term indebtedness.

Table of Contents

THE OFFERING

Common Stock Offered 13,500,000 shares

Shares Outstanding After the Offering⁽¹⁾ 47,544,374 shares

Use of Proceeds We intend to use the net proceeds of this offering to acquire certain of our targeted assets, including Agency RMBS and certain multi-family CMBS described under Summary Recent Developments Multi-Family CMBS Transactions. With respect to the net proceeds that will be used to acquire Agency RMBS, we expect to borrow against the Agency RMBS through repurchase agreements and to use the proceeds of the borrowings to acquire additional Agency RMBS. We may also use net proceeds for general working capital purposes, including opportunistic purchases of residential mortgage loans and commercial real estate-related debt investments and the repayment of indebtedness. See Use of Proceeds.

Listing Our common stock is listed on Nasdaq under the symbol NYMT.

Dividend Policy We intend to pay quarterly dividends and to make distributions to our common stockholders in amounts such that all or substantially all of our REIT taxable income in each year, subject to certain adjustments, is distributed. We have not, however, established a minimum dividend payment level for shares of our common stock. All distributions to holders of our common stock will be made at the discretion of our Board of Directors and will depend on our earnings, our financial condition, maintenance of our REIT qualification and such other factors as our Board of Directors may deem relevant from time to time. There are no assurances of our ability to pay dividends in the future at the current rate or at all. See Risk Factors.

On September 18, 2012, our Board of Directors declared a regular quarterly cash dividend of \$0.27 per share on shares of our common stock for the quarter ending September 30, 2012. The dividend is payable on October 25, 2012 to our common stockholders of record as of September 28, 2012. Purchasers of common stock in this offering will not receive the cash dividend payable on October 25, 2012.

Ownership Restrictions Our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Code, either (i) more than 9.9% in value of the aggregate of our outstanding shares of capital stock or (ii) more than 9.9% in value or in number of shares, whichever is more restrictive, of the aggregate of our outstanding common stock. Our Board of Directors has discretion to grant exemptions from the 9.9% ownership limitation, subject to such terms and conditions as it deems appropriate. These restrictions on ownership of our common stock and capital stock are intended to preserve our qualification as a REIT for federal income tax purposes.

⁽¹⁾ Assumes no exercise of the underwriters' option to purchase additional shares of common stock. Based on 34,044,374 shares of common stock outstanding as of September 27, 2012.

Table of Contents

See Summary Change in Ownership Limit under Our Charter in this prospectus supplement and Description of Common Stock Restrictions on Ownership and Transfer and Material Federal Income Tax Considerations in the accompanying prospectus.

Risk Factors

An investment in our common stock is subject to a high degree of risk. Please refer to Risk Factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before investing in shares of our common stock.

S-4

Table of Contents

RISK FACTORS

Investing in our shares of common stock involves a high degree of risk. Please see the risk discussed below and the risks described under the caption "Risk Factors" beginning on page 18 of our Annual Report on Form 10-K for the year ended December 31, 2011, on page 62 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 and on page 70 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, which documents are incorporated by reference into this prospectus supplement. Such risks are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect us and the market value of our common stock. The risks described could affect our business, financial condition, liquidity, results of operations and the market value of our common stock. In such a case, you may lose all or part of your original investment. You should carefully consider the risks described below and in these reports, as well as other information and data set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein before making an investment decision with respect to the shares of our common stock.

Failure to obtain and maintain an exemption from being regulated as a commodity pool operator could subject us and our directors and officers to additional regulation and compliance requirements and may result in fines, penalties and other actions or proceedings which could materially adversely affect our business and financial condition.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, provided the U.S. Commodity Futures Trading Commission, or CFTC, with jurisdiction over derivative contracts commonly referred to as swaps. As part of the amendments to the Dodd-Frank Act's amendments to the Commodity Exchange Act, any investment fund that trades in swaps may be considered a commodity pool, which would cause its operators (in some cases the fund's directors), to be regulated as commodity pool operators, or CPOs. Under these amended statutory provisions, which become effective on October 12, 2012 for those funds that become commodity pools solely because of their use of swaps, CPOs must register with the CFTC and the National Futures Association, or NFA. Registration as a CPO requires, among other things, compliance with the CFTC's regulations and the NFA's rules with respect to disclosure, reporting, recordkeeping and business conduct.

We do not currently engage in any speculative derivatives activities or other non-hedging transactions using swaps, futures or options on futures. We do not use these instruments for the purpose of trading in commodity interests and we do not consider our company or its operations to be a commodity pool as to which CPO registration or compliance is required. Nonetheless, we intend to submit a no-action letter request to the staff of the CFTC seeking relief for our directors and officers from CPO registration and compliance. Consequently, at this time, our directors and officers do not intend to register as CPOs with the NFA. However, there can be no assurance that the CFTC staff will provide the relief requested from these new rules prior to October 12, 2012, or at all.

The CFTC may suspend or revoke the registration of a person who fails to comply with commodities laws, rules and regulations, prohibit such a person from trading or doing business with registered entities, impose civil money penalties, require restitution and seek fines or imprisonment for criminal violations. In addition, in the event that we are viewed to be a commodity pool, we may be obligated to provide you with additional disclosures regarding our hedging instruments. Further, a private right of action exists against those who violate the laws over which CFTC has jurisdiction. In the event that we are viewed to be a commodity pool and we fail to receive no-action relief from the CFTC on this matter and our directors and officers fail to comply with the regulatory requirements of these new statutory provisions, we may be subject to significant fines, penalties and other civil or governmental actions or proceedings, any of which could have a materially adverse effect on our business, financial condition and results of operations.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately \$90.6 million (or approximately \$104.2 million if the underwriters exercise their option to purchase additional shares in full) after deducting the underwriting discount and commissions, as well as estimated offering expenses of approximately \$150,000 payable by us.

We expect to use the net proceeds of this offering to acquire certain of our targeted assets, including Agency RMBS and certain multi-family CMBS described under [Summary Recent Developments Multi-Family CMBS Transactions](#) . With respect to the net proceeds that will be used to acquire Agency RMBS, we expect to borrow against the Agency RMBS through repurchase agreements and to use the proceeds of the borrowings to acquire additional Agency RMBS. We may also use net proceeds for general working capital purposes, including opportunistic purchases of residential mortgage loans and commercial real estate-related debt investments and the repayment of indebtedness.

Pending these uses, we intend to maintain the net offering proceeds in interest-bearing, short-term, marketable investment grade securities or money market accounts or (interest or non-interest bearing) checking (or escrow) accounts that are consistent with our intention to maintain our qualification as a REIT. These investments may include, for example, government securities other than agency securities, certificates of deposit and interest-bearing bank deposits. These investments are expected to provide a lower net return than we will seek to achieve from our targeted assets.

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and total capitalization as of June 30, 2012 (1) on an actual basis (2) on an as adjusted basis to give effect to the consummation of our public offerings of common stock in July 2012 and August 2012 and (3) on a pro forma as adjusted basis to give effect to the consummation of this offering. This table should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our condensed consolidated financial statements and the notes thereto incorporated by reference in this prospectus supplement.

	As of June 30, 2012		
	Actual	As Adjusted ⁽¹⁾	Pro Forma As Adjusted ⁽¹⁾⁽²⁾
(Dollars in thousands) unaudited			
Cash and cash equivalents	\$ 8,621	\$ 116,447	\$ 207,017
Debt:			
Financing arrangements, portfolio investments	\$ 138,871	\$ 138,871	\$ 138,871
Residential collateralized debt obligations ⁽³⁾	190,637	190,637	190,637
Multi-family collateralized debt obligations, at fair value ⁽⁴⁾	3,768,116	3,768,116	3,768,116
Securitized debt	26,044	26,044	26,044
Subordinated debentures	45,000	45,000	45,000
Total debt	\$ 4,168,668	\$ 4,168,668	\$ 4,168,668
Stockholders' equity			
Common stock, \$0.01 par value, 400,000,000 shares authorized, 17,369,374 shares issued and outstanding actual, 34,044,374 shares issued and outstanding as adjusted and 47,544,374 shares issued and outstanding pro forma as adjusted	\$ 174	\$ 340	\$ 475
Additional paid-in capital	165,785	273,445	363,880
Accumulated other comprehensive income	15,919	15,919	15,919
Accumulated deficit	(68,887)	(68,887)	(68,887)
Total stockholders' equity	\$ 112,991	\$ 220,817	\$ 311,387
Total capitalization	\$ 4,281,659	\$ 4,389,485	\$ 4,480,055

- (1) The as adjusted and pro forma as adjusted amounts reflect (a) the sale of 5,175,000 shares of common stock in our public offering in July 2012 (including 675,000 shares issued pursuant to the exercise in full of the underwriters' option to purchase additional shares) and the receipt of total net proceeds of approximately \$33.1 million, and (b) the sale of 11,500,000 shares of common stock in our public offering in August 2012 (including 1,500,000 shares issued pursuant to the exercise in full of the underwriters' option to purchase additional shares) and the receipt of total net proceeds of approximately \$74.7 million.
- (2) The pro forma as adjusted amount reflects the transactions reflected on the As Adjusted column and the net proceeds to us from the sale of 13,500,000 shares of common stock in this offering at a net price of \$6.72 per share, and the receipt of the total estimated net proceeds of approximately \$90.6 million (assuming no exercise of the underwriters' option to purchase additional shares), after deducting the underwriting discount and commissions, as well as estimated offering expenses payable by us.
- (3) The residential collateralized debt obligations (Residential CDOs) permanently finance our residential mortgage loans held in securitization trusts. For financial reporting purposes, the ARM loans held as collateral in the securitization trusts are recorded as our assets and the Residential CDOs are recorded as our debt. We have completed four securitizations since inception, the first three of which were accounted for as a permanent financing and the fourth of which was accounted for as a sale and, accordingly, not included in our financial statements. We had a net equity investment of \$7.2 million in these residential securitization trusts as of June 30, 2012.

Table of Contents

- (4) Multi-family collateralized debt obligations, at fair value, or Multi-Family CDOs, are comprised of Multi-Family CDOs that permanently finance the multi-family mortgage loans held in the COMM 2009-K3 Mortgage Trust (K-3 Series), the FREMF 2010-K6 Mortgage Trust, Multi-Family Mortgage Pass Through Certificates, Series 2010-K6 (the K-6 Series), and the FREMF 2012-K18 Mortgage Trust, Multi-Family Mortgage Pass Through Certificates, Series 2012-K18 (the K-18 Series and together with the K-3 Series and the K-6 Series, the Consolidated K-Series), each of which is a Freddie Mac-sponsored multi-family mortgage loan securitization. As of June 30, 2012, we owned 100% of the first loss PO securities and certain IO securities issued by the Consolidated K-Series. Based on a number of factors, we determined that the Consolidated K-Series were variable interest entities, or VIEs, that we were the primary beneficiary of each VIE within the Consolidated K-Series and that the Consolidated K-Series met the criteria for consolidation. Accordingly, we have consolidated these securitizations and their related debt, interest income and expense in our financial statements. As of June 30, 2012, we had a net investment in the Consolidated K-Series of \$86.8 million.

Table of Contents

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

We have entered into a securitization transaction pursuant to which one of our entities that is disregarded for federal income tax purposes issued two classes of notes secured by certain multi-family CMBS. The senior note was sold to a third-party and the subordinate note was retained. This securitization transaction could become a taxable mortgage pool that could produce excess inclusion income if we transferred the retained, subordinate note to a third-party or one of our TRSs. We have no current intention of transferring the retained, subordinate note, and therefore do not anticipate generating excess inclusion income. For a discussion of the federal income tax considerations to us and our stockholders with respect to excess inclusion income, see **Material Federal Income Tax Considerations** **Requirements for Qualification** in the accompanying prospectus.

S-9

Table of Contents**UNDERWRITING**

In accordance with the terms and conditions contained in the underwriting agreement, we have agreed to sell to each of the underwriters named below, and each of the underwriters, for whom Deutsche Bank Securities Inc. is acting as the representative, has, severally, and not jointly, agreed to purchase from us on a firm commitment basis the shares offered in this offering set forth opposite their respective names below:

Underwriters	Number of Shares
Deutsche Bank Securities Inc.	9,450,000
Ladenburg Thalmann & Co. Inc.	2,025,000
Maxim Group LLC	2,025,000
 Total	 13,500,000

We have been advised by the representative of the underwriters that the underwriters propose to offer the shares directly to the public at the public offering price set forth on the cover page of this prospectus supplement. Any shares sold by the underwriters to securities dealers will be sold at the public offering price less a selling concession not in excess of \$0.09 per share.

The underwriting agreement provides that the underwriters' obligations to purchase the shares are subject to conditions contained in the underwriting agreement. The underwriters are obligated to purchase and pay for all of the shares offered by this prospectus supplement other than those covered by the option to purchase additional shares, if any of these securities are purchased.

Underwriting Discount

The following table summarizes the underwriting discount to be paid to the underwriters by us.

	Total, Without Option Exercise	Total, With Full Option Exercise
Underwriting discount to be paid to the underwriters by us for the shares	\$ 2,295,000	\$ 2,639,250

The expenses of the offering, exclusive of the underwriting discount, are estimated at approximately \$150,000 and payable by us.

Option to Purchase Additional Shares

We have granted to the underwriters an option, exercisable not later than 30 days after the date of this prospectus supplement, to purchase up to 2,025,000 shares at \$6.72 per share. To the extent that the underwriters exercise this option, each of the underwriters will become obligated, subject to conditions, to purchase approximately the same percentage of these additional shares of common stock as the number of shares of common stock to be purchased by it in the above table bears to the total number of shares of common stock offered by this prospectus supplement. We will be obligated to sell these additional shares of common stock to the underwriters to the extent the option is exercised. If any additional shares are purchased pursuant to this option, the underwriters will offer these additional shares on the same terms as those on which the other shares are being offered hereby.

Lock-Ups

We have agreed that we will not directly or indirectly, issue, sell, offer, agree to sell, contract or grant any option to sell (including, without limitation, pursuant to any short sale), pledge, make any short sale of, maintain any short position with respect to, transfer, establish or maintain an open put equivalent position within the meaning of Rule 16a-1(h) under the Exchange Act, enter into any swap, derivative transaction or other arrangement (whether such transaction is to be settled by delivery of our common stock, other securities, cash or

Table of Contents

other consideration) that transfers to another, in whole or in part, any of the economic consequences of ownership, or otherwise dispose of any shares of our common stock, options or warrants to acquire shares of our common stock, or securities exchangeable or exercisable for or convertible into shares of our common stock, or publicly disclose the intention to take any such action, without, in each case, the prior written consent of the representative for a period of 30 days after the date of this prospectus supplement. However, we may, during this 30-day lock-up period, grant shares of common stock or options to purchase shares of our common stock to our directors, officers, employees and consultants in the ordinary course under our existing 2010 Stock Incentive Plan.

Each of our directors and executive officers has agreed that they will not sell or offer or contract to sell or offer, grant any option or warrant for the sale of, assign, transfer, pledge, hypothecate, or otherwise encumber or dispose of any legal or beneficial interest in any shares of our common stock, enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of the representative for a period of 30 days after the date of this prospectus supplement. However, each of our directors and executive officers may transfer or dispose of our shares during this 30-day lock-up period, provided, that (i) such transfer shall not involve a disposition for value, (ii) the transferee agrees to be bound in writing by the restrictions set forth in this paragraph for the remainder of the 30-day lock-up period prior to such transfer, and (iii) no filing by the transferor or transferee under the Exchange Act is required or voluntarily made in connection with such transfer (other than a filing on a Form 5 made after the expiration of the 30-day lock-up period).

Stabilization, Short Positions and Penalty Bids

The underwriters may engage in over-allotment, syndicate covering transactions, stabilizing transactions and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of our common stock:

Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by an underwriter is not greater than the number of shares that it may purchase in the option granted to the underwriters to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in the option granted to the underwriters to purchase additional shares. An underwriter may close out any short position by exercising its option, in whole or in part, or by purchasing shares in the open market.

Syndicate covering transactions involve purchases of securities in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of securities needed to close out the short position, the representative will consider, among other things, the price of the securities available for purchase in the open market as compared to the price at which it may purchase the securities through the option granted to the underwriters to purchase additional shares. If the underwriters sell more securities than could be covered by the option granted to the underwriters to purchase additional shares, which would constitute a naked short position, the position can only be closed out by buying securities in the open market. A naked short position is more likely to be created if the representative is concerned that there could be downward pressure on the price of the securities in the open market after pricing that could adversely affect investors who purchase in the offering.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specific maximum.

Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the securities originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

Table of Contents

These syndicate covering transactions, stabilizing transactions and penalty bids may have the effect of raising or maintaining the market prices of our securities or preventing or retarding a decline in the market prices of our securities. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on Nasdaq, in the over-the-counter market or on any trading market and, if commenced, may be discontinued at any time.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of our securities. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these stabilizing transactions or that any transactions, once commenced, will not be discontinued without notice.

In the ordinary course of business, the underwriters or their affiliates have engaged and may in the future engage in various financing, commercial banking and investment banking services with, and provide financial advisory services to, us and our affiliates, for which they have received or may receive customary fees and expenses, including acting as underwriters for our equity offerings. We are a party to a master repurchase agreement and an international swaps and derivatives contract with Deutsche Bank Securities Inc. or its affiliates pursuant to which Deutsche Bank Securities Inc. or its affiliates may receive customary fees and expenses. As of September 30, 2012, we had approximately \$55.7 million of repurchase agreement borrowings and no notional amounts outstanding under these agreements.

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make with respect to any of these liabilities.

This prospectus supplement and the accompanying prospectus in electronic format may be made available on websites maintained by one or more underwriters, and the underwriters or any selling group member may distribute the prospectus supplement and accompanying prospectus electronically.

Nasdaq Listing

The shares are listed on Nasdaq under the symbol NYMT.

Selling Restrictions

European Economic Area. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) an offer of the shares to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive if they have been implemented in the Relevant Member State:

(a) if the offer of shares is addressed solely to persons who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Qualified Investors). Qualified Investors, including:

- (i) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; and

Table of Contents

- (ii) any legal entity which meets two or more of the following criteria: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or
- (b) in any other circumstances falling within Article 3 (2) of the Prospectus Directive; provided, that no such offer of shares shall result in a requirement for the publication by the company or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision: (a) the expression an offer of shares to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares and shall include the placing of shares through financial intermediaries, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and (b) the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this prospectus supplement and the accompanying prospectus are being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to wh