

NEW YORK MORTGAGE TRUST INC  
Form 10-Q  
November 05, 2010

---

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-32216

NEW YORK MORTGAGE TRUST, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Maryland  
(State or Other Jurisdiction of  
Incorporation or Organization)

47-0934168  
(I.R.S. Employer  
Identification No.)

52 Vanderbilt Avenue, Suite 403, New York, New York 10017  
(Address of Principal Executive Office) (Zip Code)

(212) 792-0107  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

Edgar Filing: NEW YORK MORTGAGE TRUST INC - Form 10-Q

company” in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller Reporting Company

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

The number of shares of the registrant’s common stock, par value \$.01 per share, outstanding on November 2, 2010 was 9,425,442.

---

NEW YORK MORTGAGE TRUST, INC.

FORM 10-Q

PART I. Financial Information	2
Item 1. Condensed Consolidated Financial Statements	2
Condensed Consolidated Balance Sheets as of September 30, 2010 (Unaudited) and December 31, 2009	2
Unaudited Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2010 and September 30, 2009	3
Unaudited Condensed Consolidated Statement of Stockholders' Equity for the Nine Months Ended September 30, 2010	4
Unaudited Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2010 and September 30, 2009	5
Unaudited Notes to the Condensed Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 3. Quantitative and Qualitative Disclosures about Market Risk	46
Item 4. Controls and Procedures	51
PART II. OTHER INFORMATION	52
Item 1A. Risk Factors	52
Item 6. Exhibits	52
SIGNATURES	53

## PART I. FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements (unaudited)

NEW YORK MORTGAGE TRUST, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (amounts in thousands, except share and per share amounts)

	September 30, 2010 (unaudited)	December 31, 2009
<b>ASSETS</b>		
Investment securities - available for sale, at fair value (including pledged securities of \$40,937 and \$91,071, respectively)	\$99,191	\$176,691
Mortgage loans held in securitization trusts (net)	236,050	276,176
Investment in limited partnership	10,150	-
Cash and cash equivalents	40,514	24,522
Receivable for securities sold	7,743	-
Receivables and other assets	10,394	11,425
<b>Total Assets</b>	<b>\$404,042</b>	<b>\$488,814</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities:</b>		
Financing arrangements, portfolio investments	\$38,465	\$85,106
Collateralized debt obligations	227,665	266,754
Derivative liabilities	1,633	2,511
Accounts payable, accrued expenses and other liabilities	3,849	6,713
Convertible preferred debentures (net)	19,963	19,851
Subordinated debentures (net)	45,000	44,892
<b>Total liabilities</b>	<b>336,575</b>	<b>425,827</b>
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity:</b>		
Common stock, \$0.01 par value, 400,000,000 authorized, 9,425,442 and 9,415,094, shares issued and outstanding, respectively	94	94
Additional paid-in capital	138,608	142,519
Accumulated other comprehensive income	14,422	11,818
Accumulated deficit	(85,657)	(91,444)
<b>Total stockholders' equity</b>	<b>67,467</b>	<b>62,987</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$404,042</b>	<b>\$488,814</b>

See notes to condensed consolidated financial statements.

NEW YORK MORTGAGE TRUST, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(amounts in thousands, except per share amounts)  
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
<b>INTEREST INCOME</b>	\$4,536	\$7,994	\$15,942	\$24,200
<b>INTEREST EXPENSE:</b>				
Investment securities and loans held in securitization trusts	1,211	1,864	3,887	7,041
Subordinated debentures	563	785	1,995	2,417
Convertible preferred debentures	537	662	1,737	1,807
Total interest expense	2,311	3,311	7,619	11,265
<b>NET INTEREST INCOME</b>	2,225	4,683	8,323	12,935
<b>OTHER INCOME (EXPENSE):</b>				
Provision for loan losses	(734)	(526)	(1,336)	(1,414)
Impairment loss on investment securities	-	-	-	(119)
Income from investment in limited partnership	150	-	150	-
Realized gain on investment securities and related hedges	1,860	359	3,958	623
Total other income (expense)	1,276	(167)	2,772	(910)
General, administrative and other expenses	2,222	1,875	6,185	5,047
<b>INCOME FROM CONTINUING OPERATIONS</b>	1,279	2,641	4,910	6,978
Income from discontinued operation - net of tax	298	236	877	500
<b>NET INCOME</b>	\$1,577	\$2,877	\$5,787	\$7,478
Basic income per common share	\$0.17	\$0.31	\$0.61	\$0.80
Diluted income per common share	\$0.17	\$0.30	\$0.61	\$0.78
Dividends declared per common share	\$-	\$0.25	\$0.43	\$0.66
Weighted average shares outstanding-basic	9,425	9,406	9,421	9,349
Weighted average shares outstanding-diluted	9,425	11,906	9,421	11,849

See notes to condensed consolidated financial statements.

NEW YORK MORTGAGE TRUST, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY  
(dollar amounts in thousands)  
(unaudited)

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Comprehensive Income	Total
Balance, December 31, 2009	\$ 94	\$ 142,519	\$ (91,444 )	\$ 11,818	\$ -	\$ 62,987
Net income	-	-	5,787	-	5,787	5,787
Restricted Stock issuance	-	139	-	-	-	139
Dividends declared	-	(4,050 )	-	-	-	(4,050 )
Reclassification adjustment for net gain included in net income	-	-	-	(3,292 )	(3,292 )	(3,292 )
Increase in net unrealized gain on available for sale securities	-	-	-	4,628	4,628	4,628
Increase in fair value of derivative instruments utilized for cash flow hedges	-	-	-	1,268	1,268	1,268
Comprehensive income	-	-	-	-	\$ 8,391	-
Balance, September 30, 2010	\$ 94	\$ 138,608	\$ (85,657 )	\$ 14,422		\$ 67,467

See notes to condensed consolidated financial statements.

NEW YORK MORTGAGE TRUST, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(dollar amounts in thousands)  
(unaudited)

	For the Nine Months Ended September 30,	
	2010	2009
<b>Cash Flows from Operating Activities:</b>		
Net income	\$5,787	\$7,478
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	627	1,069
Net accretion on investment securities and mortgage loans held in securitization trusts	(2,223 )	(126 )
Realized gain on securities and related hedges	(3,958 )	(623 )
Impairment loss on investment securities	-	119
Provision for loan losses	1,336	1,414
Income from investment in limited partnership	(150 )	-
Lower of cost or market adjustment mortgage loans held for sale	-	307
Restricted stock issuance	139	224
<b>Changes in operating assets and liabilities:</b>		
Receivables and other assets	76	71
Accounts payable, accrued expenses and other liabilities	(526 )	(1,489 )
Payments received on loans held for sale	24	975
Net cash provided by operating activities	1,132	9,419
<b>Cash Flows from Investing Activities:</b>		
Restricted cash	690	4,600
Purchases of investment securities	-	(43,440 )
Investment in limited partnership	(10,000 )	-