NEW YORK MORTGAGE TRUST INC
Form 424B5
July 12, 2012

FILED PURSUANT TO RULE 424(b)(5)
SEC FILE NUMBER 333-179314

PROSPECTUS SUPPLEMENT
(To prospectus dated April 11, 2012)
4,500,000 Shares

Common Stock

This is a public offering of common stock of New York Mortgage Trust, Inc. We are selling 4,500,000 shares of common stock. Our common stock is listed on The Nasdaq Capital Market under the symbol "NYMT." On July 11, 2012, the last reported sale price of our common stock was $6.84 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—Recent Developments—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 Report on Form 10-Q for the period ended March 31, 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	$6.700	$0.268	$6.432
Total	$30,150,000	$1,206,000	$28,944,000

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

We have granted the underwriters an option to purchase a maximum of 675,000 additional shares of common stock from us at the public offering price, less the underwriting discount, within 30 days after the date of this prospectus supplement to cover over-allotments, if any.

The underwriters expect to deliver the shares of common stock to investors in this offering on or about July 17, 2012.

Ladenburg Thalmann & Co. Inc.
Bookrunning Manager

Aegis Capital Corp	Maxim Group LLC Co-Managers	National Securities Corporation

The date of this prospectus supplement is July 12, 2012.

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Prospectus

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

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 the 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," "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 adjustable-rate, hybrid adjustable-rate, fixed-rate, interest only and inverse interest only, and principal only mortgage-backed 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," "may" or similar expressions, 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.

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; 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 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 Report on Form 10-Q for the quarter ended March 31, 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.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and, in accordance with those requirements, file reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information, as well as the registration statement and the exhibits and schedules thereto, can be inspected at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of such materials may be obtained at prescribed rates. Information about the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information regarding registrants, including us, that file such information electronically with the SEC. The address of the SEC's website address is www.sec.gov. Our common stock is listed on The Nasdaq Capital Market, or Nasdaq, and our corporate website address is www.nymtrust.com. Our internet website and the information contained therein or connected thereto do not constitute a part of this prospectus supplement, the accompanying prospectus or any amendment or supplement thereto.

We have filed with the SEC a registration statement on Form S-3 (File No.: 333-179314) under the Securities Act with respect to the securities offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus, which form a part of the registration statement, do not contain all of the information set forth in the registration statement and its exhibits and schedules, certain parts of which are omitted in accordance with the SEC's rules and regulations. For further information about us and our common stock, we refer you to the registration statement and to such exhibits and schedules. Statements contained in this prospectus supplement and the accompanying prospectus concerning the provisions of any document filed as an exhibit to the registration statement or otherwise filed with the SEC are not necessarily complete, and in each instance reference is made to the copy of such document so filed. Each such statement is qualified in its entirety by such reference.

INCORPORATION BY REFERENCE OF INFORMATION FILED WITH THE SEC

The SEC allows us to "incorporate by reference" into this prospectus supplement and the accompanying prospectus the information we file with the SEC, which means that we can disclose important business, financial and other information to you by referring you to other documents separately filed with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement and before the date that the offering of the securities by means of this prospectus supplement and the accompanying prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus.

We incorporate by reference the following documents or information filed with the SEC and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement and prior to completion of the offering of the common stock described in this prospectus supplement and the accompanying prospectus (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed on March 12, 2012;
- our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2011, filed on July 9, 2012;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed on May 4, 2012;
- our Current Report on Form 8-K filed on January 5, 2012;

- our Current Report on Form 8-K filed on January 19, 2012;
- our Current Report on Form 8-K filed on January 20, 2012;
- our Current Report on Form 8-K filed on February 1, 2012;
- our Current Report on Form 8-K filed on March 16, 2012;
- our Current Report on Form 8-K filed on March 19, 2012;

- our Current Report on Form 8-K filed on March 30, 2012;
- our Current Report on Form 8-K filed on April 18, 2012;
- our Current Report on Form 8-K filed on May 21, 2012;
- our Current Report on Form 8-K/A filed on May 22, 2012;
- our Current Report on Form 8-K filed on May 24, 2012;
- our Current Report on Form 8-K filed on May 31, 2012;
- our Current Report on Form 8-K filed on June 11, 2012;
- our Current Report on Form 8-K filed on June 15, 2012;
- our Current Report on Form 8-K filed on July 11, 2012;
- the information specifically incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 from our Definitive Proxy Statement on Schedule 14A filed on April 4, 2012; and
- the description of our capital stock in our Registration Statement on Form 8-A filed on June 3, 2008.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus are delivered, upon his or her written or oral request, a copy of any or all documents referred to above that have been or may be incorporated by reference into this prospectus supplement and the accompanying prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request those documents from us by writing to New York Mortgage Trust, Inc., c/o Corporate Secretary, 52 Vanderbilt Avenue, Suite 403, New York, New York 10017 or by calling our Corporate Secretary at (212) 792-0107.

PROSPECTUS SUPPLEMENT 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.

Our Company

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.

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 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.

Recent Developments

Investments in Multi-Family CMBS and Resecuritization Transaction

On May 23, 2012, a subsidiary of our company, RB Commercial Trust 2012-RS1, or the Trust, completed a resecuritization of multi-family CMBS, which we sometimes refer to in this prospectus supplement as the securitization transaction. We received net cash proceeds of approximately $26.1 million after deducting expenses associated with the transaction.

As part of the securitization transaction, the Trust issued a Class A Senior Note, or Class A Note, and a Class B Note, which we collectively refer to in this prospectus supplement as the Notes. The Class A Note was sold to an institutional investor with a coupon of 5.35% in the initial aggregate principal face amount of $35.0 million. The Class A Note was issued at a discount that provides for a bond equivalent yield of 9.5% to the purchaser. The Class A Note holder is entitled to receive all distributions of principal and interest from the multi-family CMBS pledged to secure the Notes until the Class A Note is fully repaid, which is expected to occur by January 2022. After the Class A Note is fully repaid, as the holder of the Class B Note and the Trust ownership certificates, we will receive all remaining cash flow from the Trust. The Notes are not callable due to collateral valuation or performance.

The Notes are secured by the multi-family CMBS contributed to the Trust by us, each of which represents an interest one of three pools that hold fixed rate, balloon (including mortgage loans that require no amortization prior to their stated maturity dates), nonrecourse mortgage loans, secured by first liens on multi-family properties. These multi-family CMBS are comprised of our interest in the first loss tranche (which are PO securities) and certain IO securities issued by the FREMF 2011-K13 Mortgage Trust, Multifamily Mortgage Pass-Through Certificates, Series 2011-K13 (the “K-13 Series”), the FREMF 2011-K15 Mortgage Trust, Multifamily Mortgage Pass-Through Certificates, Series 2011-K15 (the “K-15 Series”), and the FREMF 2011-K18 Mortgage Trust, Multifamily Mortgage Pass-Through Certificates, Series 2012-K18 (the “K-18 Series”), and are collateralized in aggregate by 247 mortgage loans on 251 multifamily properties located throughout the continental United States. As of the closing date of the securitization transaction, we estimated that the market value of the multi-family CMBS contributed to the Trust was approximately $47.7 million. As of the closing date of the securitization transaction, we estimated that the first loss PO securities contributed to the Trust had a face amount of approximately $155.0 million.

We acquired our interest in the K-13 Series and the K-15 Series in 2011, while we acquired our interest in the K-18 Series on May 22, 2012. The K-18 Series’ assets were contributed to the Trust at a fair market value of approximately $26.5 million. We applied substantially all of the net proceeds from the securitization transaction to the purchase of the K-18 Series’ assets.

Payment of the Class A Note is an obligation of the Trust and not an obligation of our company. At any time on or after May 25, 2017, as the holder of the Class B Note, we may redeem the Class A Note. For financial reporting purposes, we expect to consolidate the Trust on our financial statements beginning with the quarter ended June 30, 2012.

In addition, during June 2012, we completed the purchase in the secondary market of certain securities issued by a Freddie Mac-sponsored multi-family loan securitization. The securities purchased include the first loss tranche (PO securities) of a Freddie Mac-sponsored multi-family loan securitization as well as certain IO securities issued by that securitization. These multi-family CMBS assets are collateralized by 68 mortgage loans on 68 multifamily properties located throughout the United States. The purchase price for these assets was approximately $35.3 million. We used the net proceeds from our May 2012 public offering of common stock and short-term indebtedness to fund our purchase of these assets.

As of June 30, 2012, our overall multi-family CMBS portfolio, including the multi-family CMBS we contributed to the Trust, was comprised of the first loss tranche (PO securities) and certain IO securities issued by certain Freddie Mac-sponsored multi-family loan securitizations, which we acquired during the course of 2011 and 2012 for an aggregate purchase price of $101.3 million. Of this amount at June 30, 2012, the first loss PO securities included in our multi-family CMBS portfolio were purchased at an aggregate purchase price of approximately $79.8 million and have an aggregate current par value amount of approximately $322.8 million, while the IO securities included in our multi-family CMBS portfolio were purchased at an aggregate purchase price of approximately $21.6 million and have an aggregate estimated current par value amount of approximately $3.3 billion.

We expect to continue to pursue additional financing opportunities for the acquisition of our targeted assets and our future growth, including, in the near term, through additional structured financings similar to the securitization transaction, short term borrowings under repurchase agreements and proceeds from the issuance of equity securities and corporate-level debt securities of our company, and any combination thereof.

Second Quarter 2012 Common Stock Dividend

On June 15, 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 ended June 30, 2012. The dividend is payable on July 25, 2012 to our common stockholders of record as of June 25, 2012. Purchasers of common stock in this offering will not receive the cash dividend payable on July 25, 2012.

Public Offering of Common Stock and Equity Distribution Program

On May 31, 2012, we closed on the issuance and sale of 3,162,500 shares of our common stock pursuant to an underwritten public offering, including 412,500 shares issued pursuant to the exercise of the underwriters' over-allotment option, at a price to the public of $6.65 per share and received net proceeds of approximately $20.0 million after deducting the underwriting discount and offering expenses payable by us.

On June 11, 2012, we entered into an equity distribution agreement with JMP Securities LLC. In accordance with the terms of the equity distribution agreement, we may offer and sell, from time to time, shares of our common stock having a maximum aggregate offering price of up to $25.0 million. As of June 30, 2012, we had sold no shares of common stock under the equity distribution agreement.

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 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%.

THE OFFERING

Common Stock Offered	4,500,000 shares
Shares Outstanding After the Offering(1)	21,837,994 shares
Use of Proceeds	We intend to use the net proceeds of this offering to acquire certain of our target assets, including multi-family CMBS and Agency RMBS. With respect to the net proceeds that will be used to acquire Agency RMBS, we expect then 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 the repayment of short-term 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 status 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."
Ownership Restrictions	Our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue 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. See “Summary—Recent Developments — 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.

(1) Assumes no exercise of the underwriters' over-allotment option.

RISK FACTORS

Investing in our shares of common stock involves a high degree of risk. Please see the risks described below in addition to the risk factors beginning on page 18 of our Annual Report on Form 10-K for the year ended December 31, 2011 and on page 62 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, which 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.

The stock ownership limit imposed by our charter may inhibit market activity in our common stock and may restrict our business combination opportunities.

In order for us to maintain our qualification as a REIT under the Code, not more than 50% in value of the issued and outstanding shares of our capital stock may be owned, actually or constructively, by five or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of each taxable year (other than our first year as a REIT). This test is known as the “5/50 test.” Attribution rules in the Code apply to determine if any individual or entity actually or constructively owns our capital stock for purposes of this requirement. Additionally, at least 100 persons must beneficially own our capital stock during at least 335 days of each taxable year (other than our first year as a REIT). To help ensure that we meet these tests, our charter restricts the acquisition and ownership of shares of our capital stock. Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT and provides that, unless exempted by our Board of Directors, no person may own more than 9.9% in value of the aggregate of the outstanding shares of our capital stock or more than 9.9% in value or in number of shares, whichever is more restrictive, of the aggregate of our outstanding shares of common stock. The ownership limits contained in our charter could delay or prevent a transaction or a change in control of our company under circumstances that otherwise could provide our stockholders with the opportunity to realize a premium over the then current market price for our common stock or would otherwise be in the best interests of our stockholders.

Your interest in us may be diluted if we issue additional shares.

Existing stockholders of our company and potential investors in the shares of common stock being offered pursuant to this prospectus supplement and the accompanying prospectus do not have preemptive rights to any common stock issued by us in the future. Therefore, investors purchasing shares in this offering may experience dilution of their equity investment if we sell additional common stock in the future, sell securities that are convertible into common stock or issue shares of common stock or options exercisable for shares of common stock. In addition, we could sell securities at a price less than our then-current book value per share.

Investing in our common stock may involve a high degree of risk.

The investments we make in accordance with our investment strategy may result in a high degree of risk, volatility or loss of principal than alternative investment options. Our investments may be highly speculative and aggressive, and therefore, an investment in our common stock may not be suitable for someone with lower risk tolerance.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately $28.8 million (or approximately $33.1 million if the underwriters exercise their option to purchase additional shares in full), after deduction of the underwriting discount and estimated offering expenses payable by us.

We expect to use the net proceeds of this offering to acquire certain of our targeted assets, including multi-family CMBS and Agency RMBS. With respect to the net proceeds that will be used to acquire Agency RMBS, we expect then 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 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.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, total capitalization and total liabilities and equity as of March 31, 2012 (1) on an actual basis and (2) on an as adjusted basis to give effect to the consummation of this offering and the consummation of our public offering on May 25, 2012. 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 March 31, 2012	
	Actual	As Adjusted(1)
	(Dollars in thousands) unaudited	