



**ROTH Capital Partners  
24<sup>th</sup> Annual Conference**

**March 12, 2012**

# Forward Looking Statements

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This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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 REIT for federal tax purposes; our ability to maintain our exemption from registration under the Investment Company Act; 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 our periodic reports filed with the SEC, 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.

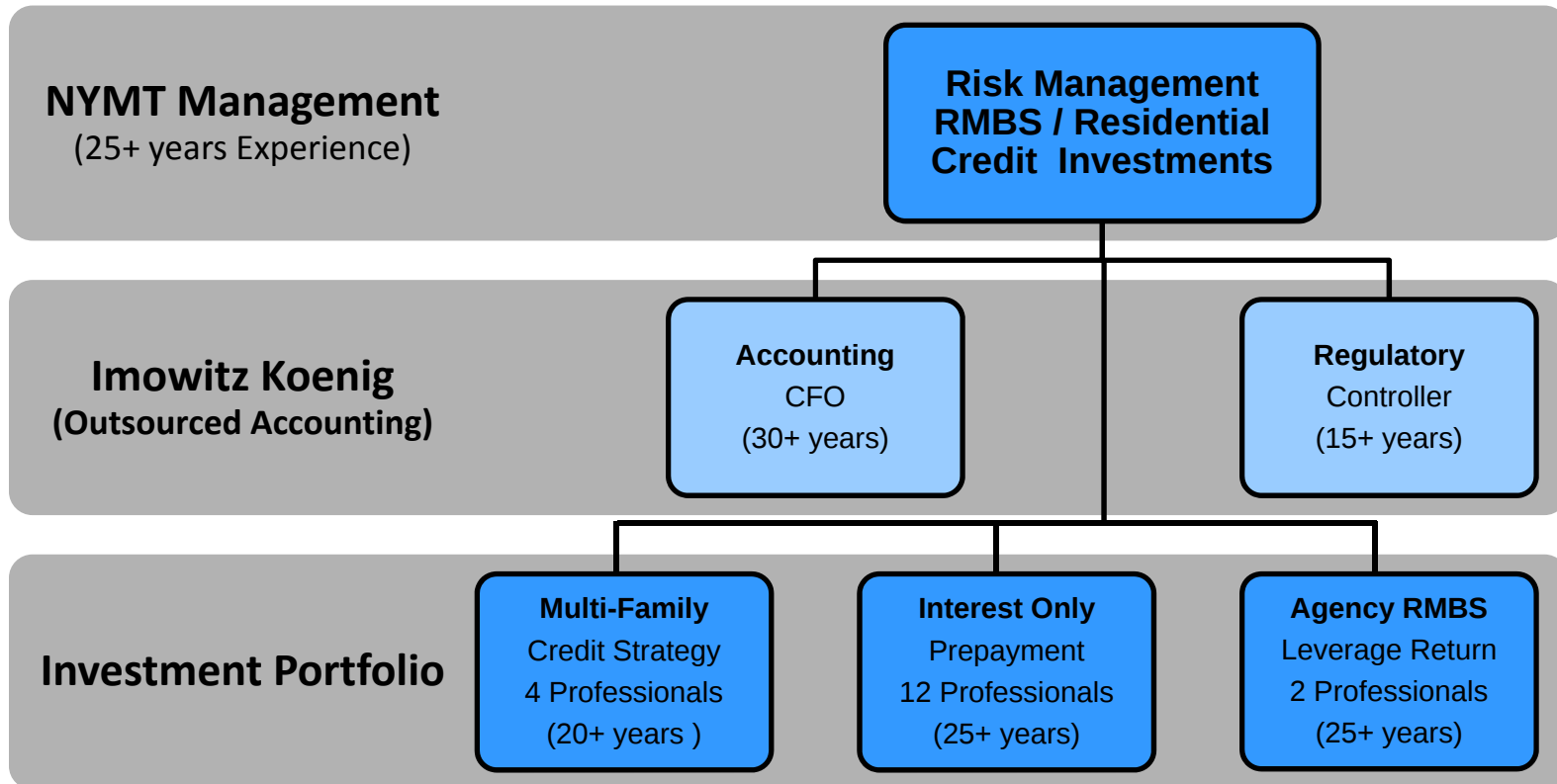


# 2011 Company Highlights

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- Increased quarterly dividend run rate from \$0.18 to \$0.25, an increase of 39% from the previous year (Declared \$1.00 in total dividends in 2011)
- Issued 4.5 million shares of common stock at an average public issuance price of \$7.13 per share
- Invested \$39.5 million in a Agency IO strategy managed by The Midway Group
- Formed strategic relationship with RiverBanc, LLC, \$42.2 million invested in 2011 in multi-family residential credit securities

# Experienced Professional Team



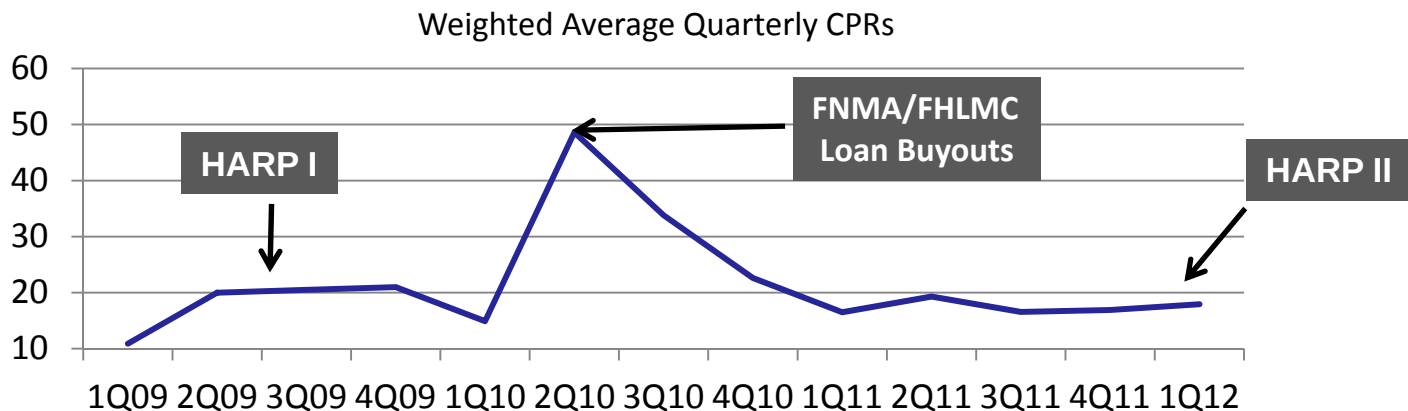
# Core Residential Investments

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- Leveraged Agency ARM Portfolio
- Agency Prepayment Strategy
- Credit Sensitive Multi Family Commercial Real Estate
- Residential Credit

# Agency ARM Portfolio

- Primarily Seasoned 5/1's - 13 months to the roll
- Hedged with Interest Rate Swaps
- Conservative Leverage Ratios - 6:1
- Funded with short term Repos
- Liquidity Trade



Note: Information as of September 30, 2011



# Agency Prepayment Strategy (The Midway Group)

- The Midway Group has a 10-yr audited track record managing residential securities
- Portfolio strategy focuses on prepayment sensitive securities, more specifically Interest-Only structured securities
- Dynamically hedged with the use of TBAs, futures and options
- Invested capital to date of approximately \$40 Million.

STRATEGY: IDENTIFY FAVORABLE MORTGAGE CHARACTERISTICS  
LTV, FICO, GEO, Loan Age, Coupon



# HARP II Exposure

## HARP II Eligible Agency RMBS (Collateralized by loans originated prior to June 2009)

|             | Weighted Average Coupon ("WAC") of Underlying Loans |        |        |          |           |
|-------------|-----------------------------------------------------|--------|--------|----------|-----------|
|             | < 4.0%                                              | < 4.5% | < 5.0% | < 5.5%   | > 5.5%    |
| Agency Arms | \$ 21,556                                           | -      | -      | -        | \$ 15,006 |
| Agency IOs  | -                                                   | -      | -      | \$ 4,261 | \$ 11,211 |

## Prepayment History Agency RMBS Portfolio

|             | Carrying<br>Value<br>12/31/2011 | Quarterly Averages |            | Monthly Averages |            |            |
|-------------|---------------------------------|--------------------|------------|------------------|------------|------------|
|             |                                 | 9/30/2011          | 12/31/2011 | 12/31/2011       | 01/31/2012 | 02/28/2012 |
| Agency Arms | 68,776                          | 16.6               | 16.9       | 21.0             | 23.3       | 23.1       |
| Agency IOs  | 63,681                          | 10.1               | 19.5       | 20.6             | 20.2       | 20.3       |

# Multi-Family Credit – RiverBanc

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- Experienced, dedicated management team with extensive origination and credit underwriting experience
- Multifamily Focus:
  - Subordinate CMBS (Freddie Mac K Series)
  - Mezzanine Loans
  - Preferred Equity directly with property owners
- Targeted unlevered yields of approximately 13% - 16%
- Targeted structured levered returns of approximately 17% - 20%
- NYMT has the ability to acquire up to 17% of RiverBanc
- NYMT owns 7% of RiverBanc as of December 31, 2011



# Residential Securitizations

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## Profitability:

- \$207 mm in loans / \$200 mm in CDO => \$7 mm net investment
- 2.82% Gross WAC / 0.72% Debt => 190 Basis Point Spread
- 144 basis points (annualized) Loan Loss Reserve
- Net 115 Basis Points or approximately 22% ROE

## Risks:

- \$24 million Delinquent loans
- 75% under some form of short term modification
- \$3.5 million Loan Loss Reserve
- State Concentration (NY 37.5% / MA 24.6% / NJ 9.2% / FL 5.7%)

## Portfolio Characteristics:

- 2005 Loans originated by NYMT or purchased in bulk
- 70% LTV and 729 FICO at origination
- 100% ARMs primarily 5/1 with 81% Interest Only for 10 Years
- 73% 6 Month Libor; 16% 1 Year Libor; CMT; 3% 1 Month Libor
- 6.5 Years of Seasoning

Note: As of December 31, 2011



# Portfolio Allocation – December 31, 2011

| (\$ Amounts in Millions)    | Agency RMBS     | Agency IOs      | Multi-Family    | Securitized Loans | Other <sup>(1)</sup> | Total           |
|-----------------------------|-----------------|-----------------|-----------------|-------------------|----------------------|-----------------|
| Carrying Value              | \$68,776        | \$63,681        | \$41,185        | \$206,920         | \$44,301             | \$424,863       |
| Liabilities                 |                 |                 |                 |                   |                      |                 |
| Callable (1)                | (56,913)        | (49,226)        | (21,531)        | -                 | (6,535)              | (134,205)       |
| Non-Callable                |                 |                 |                 | (199,762)         | (45,000)             | (244,762)       |
| Hedges (Net) (2)            | (304)           | 9,317           | -               | -                 | -                    | 9,013           |
| Cash                        | -               | 16,536          | -               | -                 | 16,586               | 33,122          |
| Other                       | -               | 1,333           | -               | -                 | (3,057)              | (1,724)         |
| <b>Net Equity Allocated</b> | <b>\$11,559</b> | <b>\$41,641</b> | <b>\$19,654</b> | <b>\$7,158</b>    | <b>\$6,295</b>       | <b>\$86,307</b> |

<sup>1</sup> Includes CLOs, investment in limited partnership, loans held for sale and non-agency RMBS.



# Hidden Values

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## ***CLO Notes – Cratos***

- \$9 million investment (\$46 million notes)
- Sold \$10.4 million notes – Realized Gain \$4.7 million
- Approximately 28% Interest Yield
- \$35.6 million remaining notes (D & E Classes)

## ***Distress Residential Loans - Headlands Asset Management***

- \$19.4 million invested to purchase \$28.4 million in distressed performing residential loans
- Sold or refinanced \$15.2 million to date for a realized gain of \$1.0 million
- Cash on cash interest yields of approximately 10.2%
- Anticipate full resolution over the next 3 months

## ***Subordinated Debentures (Trust Preferred)***

- \$45 million in issued in 2005, Maturity in 2030
- Cost of funds – Three Month Libor + 384 bps or approximately 4.38%
- Unsecured with minimal debt covenants
- Issued out of our Taxable REIT Subsidiary (Interest deductible for taxes)



