

NEW YORK MORTGAGE TRUST INC  
Form 10-Q  
November 05, 2015  
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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, 2015

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  | 47-0934168                              |
| (State or Other Jurisdiction of<br>Incorporation or Organization) | (I.R.S. Employer<br>Identification No.) |

275 Madison Avenue, New York, New York 10016  
(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

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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 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 \$0.01 per share, outstanding on November 1, 2015 was 109,401,721.

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NEW YORK MORTGAGE TRUST, INC.

FORM 10-Q

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## PART I. FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements

## NEW YORK MORTGAGE TRUST, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollar amounts in thousands, except share data)

|  | September 30,<br>2015<br>(unaudited) | December 31,<br>2014 |
|--|--------------------------------------|----------------------|
| <b>ASSETS</b>  |                                      |                      |
| Investment securities, available for sale, at fair value (including pledged securities of \$636,081 and \$702,684, respectively)   | \$733,227                            | \$816,647            |
| Investment securities, available for sale, at fair value held in securitization trusts   | 40,608                               | 38,594               |
| Residential mortgage loans held in securitization trusts (net)   | 132,882                              | 149,614              |
| Distressed residential mortgage loans held in securitization trusts (net)  | 156,062                              | 221,591              |
| Distressed residential mortgage loans  | 353,357                              | 361,106              |
| Multi-family loans held in securitization trusts, at fair value  | 7,296,462                            | 8,365,514            |
| Derivative assets  | 286,913                              | 288,850              |
| Receivables for securities sold  | 1,480                                | —                    |
| Cash and cash equivalents  | 123,801                              | 75,598               |
| Receivables and other assets   | 237,018                              | 222,491              |
| Total Assets <sup>(1)</sup>  | \$9,361,810                          | \$10,540,005         |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                                      |                      |
| <b>Liabilities:</b>  |                                      |                      |
| Financing arrangements, portfolio investments  | \$586,075                            | \$651,965            |
| Financing arrangements, distressed residential mortgage loans  | 185,452                              | 238,949              |
| Residential collateralized debt obligations  | 129,090                              | 145,542              |
| Multi-family collateralized debt obligations, at fair value  | 7,011,351                            | 8,048,053            |
| Securitized debt   | 140,946                              | 232,877              |
| Derivative liabilities   | 6,670                                | 1,463                |
| Payable for securities purchased   | 283,991                              | 283,537              |
| Accrued expenses and other liabilities (including \$572 and \$6,317 to related parties, respectively)  | 62,587                               | 74,692               |
| Subordinated debentures  | 45,000                               | 45,000               |
| Total liabilities <sup>(1)</sup>   | 8,451,162                            | 9,722,078            |
| <b>Commitments and Contingencies</b>   |                                      |                      |
| <b>Stockholders' Equity:</b>   |                                      |                      |
| Preferred stock, \$0.01 par value, 7.75% Series B cumulative redeemable, \$25 liquidation preference per share, 6,000,000 and 3,450,000 shares authorized as of September 30, 2015 and December 31, 2014, respectively, 3,000,000 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively | 72,397                               | 72,397               |
| Preferred stock, \$0.01 par value, 7.875% Series C cumulative redeemable, \$25 liquidation preference per share, 4,140,000 shares authorized as of September 30, 2015, 3,600,000 and 0 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively  | 86,862                               | —                    |
| Common stock, \$0.01 par value, 400,000,000 shares authorized, 109,401,721 and 105,094,565 shares issued and outstanding as of September 30, 2015 and December   | 1,094                                | 1,051                |

31, 2014, respectively

|  |             |              |
|--|-------------|--------------|
| Additional paid-in capital                 | 734,381     | 701,871      |
| Accumulated other comprehensive income     | 2,222       | 10,015       |
| Retained earnings                          | 13,692      | 32,593       |
| Total stockholders' equity                 | 910,648     | 817,927      |
| Total Liabilities and Stockholders' Equity | \$9,361,810 | \$10,540,005 |

<sup>(1)</sup> Our consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs") as the Company is the primary beneficiary of these VIEs. As of September 30, 2015 and December 31, 2014, assets of consolidated VIEs totaled \$7,674,252 and \$8,847,078, respectively, and the liabilities of consolidated VIEs totaled \$7,307,182 and \$8,457,034, respectively. See Note 7 for further discussion.

The accompanying notes are an integral part of the consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollar amounts in thousands, except per share data)

(unaudited)

|  | For the Three Months<br>Ended<br>September 30, |          | For the Nine Months<br>Ended<br>September 30, |          |
|--|--|----------|---|----------|
|  | 2015   | 2014     | 2015  | 2014     |
| <b>INTEREST INCOME:</b>                                  |  |          |   |          |
| Investment securities and other                          | \$6,792  | \$12,868 | \$28,332                                      | \$42,025 |
| Multi-family loans held in securitization trusts         | 63,431   | 75,891   | 192,715                                       | 226,336  |
| Residential mortgage loans held in securitization trusts | 875  | 970      | 2,950   | 2,772    |
| Distressed residential mortgage loans                    | 11,489   | 5,208    | 31,975  | 14,590   |
| Total interest income                                    | 82,587   | 94,937   | 255,972                                       | 285,723  |
| <b>INTEREST EXPENSE:</b>                                 |  |          |   |          |
| Investment securities and other                          | 3,432  | 1,230    | 10,337  | 4,102    |
| Multi-family collateralized debt obligations             | 57,388   | 69,310   | 174,475                                       | 207,167  |
| Residential collateralized debt obligations              | 219  | 223      | 679   | 686      |
| Securitized debt   | 2,782  | 4,389    | 8,883   | 13,350   |
| Subordinated debentures                                  | 474  | 465      | 1,402   | 1,390    |
| Total interest expense                                   | 64,295   | 75,617   | 195,776                                       | 226,695  |
| NET INTEREST INCOME                                      | 18,292   | 19,320   | 60,196  | 59,028   |
| <b>OTHER INCOME (EXPENSE):</b>                           |  |          |   |          |
| Provision for loan losses                                | (1,117   | ) (82    | )   |          |