

NEW YORK MORTGAGE TRUST INC
 Form 424B5
 December 02, 2011
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PROSPECTUS SUPPLEMENT
 (To prospectus dated December 11, 2009)

2,400,000 Shares
 Common Stock

We are selling 2,400,000 shares of common stock as described in this prospectus supplement and the accompanying prospectus. Our common stock is listed on The Nasdaq Capital Market, or Nasdaq, under the symbol "NYMT." On November 30, 2011, the last reported sale price of our common stock on Nasdaq was \$7.10 per share.

To preserve our status as a real estate investment trust, or REIT, for U.S. federal income tax purposes, we impose restrictions on the ownership and transfer of our common stock. See "Description of Capital 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" in our Annual Report on Form 10-K for the year ended December 31, 2010, our Quarterly Report on Form 10-Q for the period ended March 31, 2011, our Quarterly Report on Form 10-Q for the period ended June 30, 2011 and our Quarterly Report on Form 10-Q for the period ended September 30, 2011 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 Discounts and Commissions	Proceeds to Us (1)
Per Share	\$6.90	\$0.345	\$6.555
Total	\$16,560,000	\$828,000	\$15,732,000

(1) Before deducting approximately \$155,000 in expenses payable by us.

We have granted the underwriters an option to purchase a maximum of 360,000 additional shares 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.

We are offering the shares of common stock for sale on a firm commitment basis. The underwriter expects to deliver the shares of common stock to investors in this offering on or about December 6, 2011.

Ladenburg Thalmann & Co. Inc.

Bookrunning Manager

Maxim Group LLC

National Securities Corporation

Aegis Capital Corp

Co-Managers

The date of this prospectus supplement is December 1, 2011.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference in these documents. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. If anyone provides you with different, inconsistent or unauthorized information or representations, you must not rely on them. This prospectus supplement and the accompanying prospectus are an offer to sell only the securities offered by these documents, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference in these documents is current only as of the respective dates of those documents or the dates that are specified therein.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of the offering of common stock and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general 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.

This prospectus supplement does not contain all of the information that is important to you. You should read the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. See “Where You Can Find More Information” in the accompanying prospectus. 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. We refer to Hypotheca Capital, LLC, our wholly-owned taxable REIT subsidiary, as “Hypotheca,” New York Mortgage Funding, LLC, our wholly-owned qualified REIT subsidiary, as “NYMF,” and RB Commercial Mortgage LLC, our wholly-owned subsidiary, as “RBCM.” 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 mortgage-backed securities consisting of pass-through certificates, collateralized mortgage obligations (“CMOs”), interest only and inverse interest only securities (collectively, “IOs”) and principal-only securities (“POs”); “Agency RMBS” refers to RMBS that are issued or guaranteed by a federally chartered corporation (“GSE”), 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”); “non-Agency RMBS” refers to RMBS backed by prime jumbo and Alternative A-paper (“Alt-A”) mortgage loans; “ARMs” refers to adjustable-rate residential mortgage loans; “prime ARM loans” refers to prime credit quality residential ARM loans (“prime ARM loans”) held in securitization trusts; and “CMBS” refers to commercial mortgage-backed securities.

Unless expressly stated otherwise, the information set forth throughout this prospectus supplement assumes no exercise of the underwriter’s over-allotment option.

FORWARD-LOOKING STATEMENTS

When used in this prospectus supplement, the accompanying prospectus, in future filings with the Securities and Exchange Commission, or the SEC, or in press releases or other written or oral communications, statements which are not historical in nature, including those containing words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “goal,” “objective,” “potential,” “project,” “should,” “will” and “would” or the negative of these terms or other comparable terminology, are intended to identify “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and, as such, may involve known and unknown risks, uncertainties and assumptions. These forward-looking statements may relate to, among other things, our expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account information currently in our possession. These beliefs, assumptions and expectations may change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, the performance of our portfolio and our business, financial condition, liquidity and results of operations may vary materially from those expressed, anticipated or contemplated in our forward-looking statements. You should carefully consider these risks, along with the following factors that could cause actual results to vary from our forward-looking statements, before making an investment in our securities:

changes in our business and strategies;

our ability to successfully diversify our investment portfolio and identify suitable assets to invest in;

the effect of the Federal Reserve’s and the U.S. Treasury’s actions and programs, including future purchases or sales by the Federal Reserve or U.S. Treasury of Agency RMBS, on the liquidity of the capital markets and the impact

and timing of any further programs or regulations implemented by the U.S. Government or its agencies;

any changes in laws and regulations affecting the relationship between Fannie Mae, Freddie Mac or Ginnie Mae and the U.S. Government;

increased prepayments of the mortgages and other loans underlying our investment securities;

the volatility of the markets for our targeted assets;

increased rates of default and/or decreased recovery rates on our assets;

mortgage loan modification programs and future legislative action, including actions that may lead to greater refinancings and higher prepayment spreads;

the degree to which our hedging strategies may or may not protect us from, or expose us to, credit, prepayment or interest rate risk;

changes in the availability, terms and deployment of capital;

changes in interest rates and interest rate mismatches between our assets and related borrowings;

our ability to maintain existing financing agreements, obtain future financing arrangements and the terms of such arrangements;

changes in economic conditions generally and the mortgage, real estate and debt securities markets specifically;

legislative or regulatory changes;

changes to United States generally accepted accounting principles, or GAAP; and

the other important factors identified, or incorporated by reference in this prospectus supplement or the accompanying prospectus, including, but not limited to those under the captions “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures about Market Risk” in our Annual Report on Form 10-K for the year ended December 31, 2010, Quarterly Report on Form 10-Q for the period ended March 31, 2011, Quarterly Report on Form 10-Q for the period ended June 30, 2011 and Quarterly Report on Form 10-Q for the period ended September 30, 2011, and those described under the caption “Risk Factors” in this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2010, Quarterly Report on Form 10-Q for the period ended March 31, 2011, Quarterly Report on Form 10-Q for the period ended June 30, 2011 and Quarterly Report on Form 10-Q for the period ended September 30, 2011.

We cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on forward-looking statements, which apply only as of the date on which they are made. Except as obligated by law, we do not intend and disclaim any duty or obligation to update or revise any industry information or forward-looking statements set forth or incorporated by reference in this prospectus supplement or the accompanying prospectus to reflect new information, future events or otherwise.

INFORMATION INCORPORATED BY REFERENCE

This prospectus supplement and the accompanying prospectus are part of a registration statement that we have filed with the SEC. The SEC allows us to “incorporate by reference” the information that we file with them, which means that we can disclose important information to you by referring you to those documents. 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 accompanying prospectus is terminated will automatically update and, where applicable, supersede any information contained or incorporated by reference in this prospectus supplement and accompanying prospectus. We incorporate by reference into this prospectus supplement and the accompanying prospectus the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

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Our Annual Report on Form 10-K for the year ended December 31, 2010;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011;

Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011;

Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011;

Our Current Reports on Form 8-K filed with the SEC on March 4, 2011, March 18, 2011, May 13, 2011 and May 31, 2011; June 30, 2011; September 20, 2011 and November 23, 2011;

Our Definitive Proxy Statement on Schedule 14A filed on March 29, 2011 other than sections thereof deemed furnished and not filed; and

Our 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 contacting: Corporate Secretary, New York Mortgage Trust, Inc., 52 Vanderbilt Avenue, Suite 403, New York, New York 10017, telephone: (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. Our principal business objective is to generate net income for distribution to our stockholders resulting primarily from the spread between the interest and other income we earn on our interest-earning assets and the interest expense we pay on the borrowings that we use to finance our leveraged assets plus our operating costs. We intend to achieve this objective by investing in a broad class of mortgage-related assets that in aggregate will generate what we believe are attractive risk-adjusted total returns for our stockholders. Our target assets currently include:

Agency RMBS, consisting of pass-through certificates, CMOs, IOs and POs;

CMBS comprised of mortgage loans backed by multi-family properties, or multi-family CMBS; and

other commercial real estate-related debt investments.

Subject to maintaining our qualification as a REIT, we also may opportunistically acquire and manage various other types of 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) and residential mortgage loans.

Prior to 2009, our investment portfolio was primarily comprised of Agency RMBS, certain non-Agency RMBS originally rated in the highest rating category by two rating agencies and prime ARM loans held in securitization trusts. The prime ARM loans held in our three securitization trusts were purchased from third parties or originated by us through our wholly-owned taxable REIT subsidiary, Hypotheca. Since 2009, we have repositioned our investment portfolio away from one primarily focused on leveraged Agency RMBS and prime ARM loans held in securitization trusts to a more diversified portfolio that includes elements of credit risk with reduced leverage, as evidenced by our investments in residential mortgage loans in 2010 and our establishment and initial funding of each of our Midway Residential Mortgage Portfolio and commercial mortgage strategy in 2011. We believe this strategy will enable us to construct a diversified investment portfolio designed to provide attractive risk-adjusted returns across a variety of market conditions and economic cycles. We anticipate continuing to contribute capital to these asset classes in the future such that these investments will become significant contributors to our revenues and earnings and will represent a significant portion of our total assets in the future.

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 Internal Revenue 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. However, even if we maintain our qualification as a REIT, we may be subject to some federal, state and local taxes on our income generated in our taxable REIT subsidiary.

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 is www.nymtrust.com. The information on our website is not, and should not be interpreted to be, part of this prospectus supplement or the accompanying prospectus.

Recent Developments

Third Quarter 2011 Common Stock Dividend

On September 20, 2011, our Board of Directors declared a cash dividend of \$0.25 per share of common stock for the quarter ended September 30, 2011, which was paid on October 25, 2011 to stockholders of record as of September 30, 2011. The third quarter of 2011 common stock dividend represents an increase of \$0.03 per share over the common stock dividend paid by us for the second quarter of 2011.

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Investment in Multi-Family Loan Securitization Assets

During November 2011, we purchased the majority of the privately placed first loss security from the Freddie Mac Multifamily Loan Securitization Series 2011-K015 (the "K-015 Series") in November 2011. In addition, we also invested in an IO strip off of the K-015 Series. Our total investment in these K-015 Series assets was approximately \$15.1 million, which was funded through a combination of working capital and short-term financing. The K-015 Series is backed by approximately 91 multi-family properties with mortgages totaling \$1.2 billion. The investment in the K-015 Series brings our total investment in the multi-family sector to approximately \$20.5 million.

Federal Housing Finance Agency HARP II program

In October, the U.S. Government indicated that it would be implementing a new program to assist borrowers who are current with their mortgage payments but are unable to refinance due to property valuation ratios. Based on the information released by the U.S. Government, the revamped Home Affordable Refinance Program ("HARP"), which we refer to as "HARP II," will target homeowners who did not participate in the original version of HARP and whose mortgages were originated prior to May 31, 2009. The U.S. Government disclosed final details of the HARP II program on November 15, 2011. The following table summarizes the investment securities in our portfolio that contain mortgages which are eligible for refinancing and thus may be prepaid under HARP II given the parameters of the program.

(dollar amount in thousands)

	Constant Prepayment Rates (CPR)									
	9/30/2011 Carrying Value	9/30/2011 Qtr Avg	6/30/2011 Qtr Avg	9/30/2011 Monthly Avg	10/31/11 Monthly Avg	HARP II Exposure (>4% WAC*)				
Agency RMBS**	\$ 73,213	16.6 %	19.3 %	22.9 %	16.9 %	\$ 16,352				
Midway Residential Portfolio***	\$ 69,603	10.1 %	8.0 %	11.4 %	15.8 %	\$ 17,273				

* WAC – Weighted Average Coupon

** Agency RMBS comprised of pass-through certificates

*** Primarily comprised of Agency IOs

Portfolio Results at September 30, 2011

The following table summarizes our significant interest earning assets at September 30, 2011, classified by relevant categories:

(dollar amount in thousands)	Current Par Value	Carrying Value	Coupons *		Yield *		CPR *	
Agency RMBS	\$ 69,414	\$ 73,213	3.71 %		2.66 %		16.6 %	
Non Agency RMBS	7,098	4,862	1.15 %		4.34 %		14.7 %	
Midway Residential Mortgage Portfolio	568,108	69,603	5.25 %		24.96 %		10.1 %	
CLO	35,550	22,715	4.25 %		34.50 %		NA	
Loans held in Limited Partnership	12,293	8,690	7.59 %		11.27 %		NA	
RB Commercial Mortgage**	7,013	7,013	6.32 %		13.49 %		NA	
Loans Held in Securitization Trusts	212,404	210,423	2.70 %		2.60 %		10.2 %	

- * Coupons, yields and CPRs are based on third quarter 2011 average balances.
- ** RB Commercial Mortgage represents our investments in multi-family CMBS.

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THE OFFERING

Common stock offered	2,400,000 shares
Shares outstanding after the offering (1)	13,578,273 shares
Use of proceeds	We expect to use the net proceeds of this offering to acquire certain of our target assets, including multi-family CMBS, such as the Multi-family CMBS issued under other Freddie Mac Multifamily Loan Securitization Series, 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. See “Use of Proceeds” below.
Listing	Our common stock is listed on The Nasdaq Capital Market 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 5.0% in value of our outstanding shares of capital stock or (ii) more than 5.0% in value or in number of shares, whichever is more restrictive, of our outstanding common stock. Our Board of Directors has discretion to grant exemptions from the 5.0% 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 U.S. federal income tax purposes. See “Description of Capital Stock — Restrictions on Ownership and Transfer” and “Federal Income Tax Consequences of Our Status as a REIT” in the accompanying prospectus.

Risk factors

An investment in our common stock is subject to risks. 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) Does not include 1,154,992 additional shares of common stock reserved for issuance under our 2010 Stock Incentive Plan.

RISK FACTORS

Investing in our shares of common stock involves a high degree of risk. Please see the risk factors beginning on page 20 of our Annual Report on Form 10-K for the year ended December 31, 2010, on page 56 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, on page 60 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, and on page 57 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, 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. The risks described could affect our business, financial condition or results of operations. In such a case, you may lose all or part of your original investment. You should carefully consider the risks described 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 common stock.

USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of 2,400,000 shares of our common stock in this offering will be approximately \$15.6 million (or approximately \$17.9 million if the underwriter fully exercises the over-allotment option) after deducting underwriting discounts and commissions of approximately \$0.8 million (or approximately \$1.0 million if the underwriter fully exercises the over-allotment option), and estimated offering expenses of approximately \$155,000 payable by us.

We expect to use the net proceeds of this offering to acquire certain of our target assets, including multi-family CMBS, such as the multi-family CMBS issued under other Freddie Mac Multifamily Loan Securitization Series, 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.

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 qualify 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 target assets.

CAPITALIZATION

The following table shows our cash and cash equivalents and capitalization as of September 30, 2011:

on an actual basis; and

on an as adjusted basis, after giving effect to the sale of 2,400,000 shares of common stock in this offering at an offering price of \$6.90 per share, and the receipt of the total net proceeds of approximately \$15.6 million from this offering (assuming no exercise of the underwriter's over-allotment option).

	As of September 30, 2011	
	Actual	As Adjusted
	(Dollars in thousands) unaudited	
Cash and cash equivalents	\$ 11,679	\$ 27,256
Debt:		
Financing arrangements, portfolio investments	\$ 111,500	\$ 111,500
Collateralized debt obligations	203,054	203,054
Subordinated debentures	45,000	45,000
Total debt	\$ 359,554	\$ 359,554
Stockholders' equity		
Common stock, \$0.01 par value, 400,000,000 shares authorized, 11,178,273 shares issued and outstanding actual and 13,578,273 shares issued and outstanding as adjusted	112	136
Additional paid-in capital	140,843	156,396
Accumulated other comprehensive income	12,453	12,453
Accumulated deficit	(77,971)	(77,971)
Noncontrolling interest	984	984
Total stockholders' equity	\$ 76,421	\$ 91,998
Total liabilities and equity	\$ 524,539	\$ 540,116

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain additional federal income tax considerations with respect to the ownership of our common stock. This summary supplements and should be read together with “Federal Income Tax Consequences of Our Status as a REIT” beginning on page 19 of the accompanying prospectus.

In connection with this offering, Hunton & Williams LLP is rendering an opinion that we qualified to be taxed as a REIT for our taxable years ended December 31, 2004 through December 31, 2010, and our organization and current and proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT for our taxable year ending December 31, 2011 and subsequent taxable years. Investors should be aware that Hunton & Williams LLP’s opinion is based upon customary assumptions, is conditioned upon certain representations made by us as to factual matters, including representations regarding the nature of our assets and the conduct of our business, and is not binding upon the Internal Revenue Service (“IRS”) or any court. In addition, Hunton & Williams LLP’s opinion is based on existing U.S. federal income tax law governing qualification as a REIT, which is subject to change either prospectively or retroactively. Moreover, our qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the federal tax laws. Those qualification tests involve the percentage of income that we earn from specified sources, the percentage of our assets that falls within specified categories, the diversity of our stock ownership, and the percentage of our earnings that we distribute. Hunton & Williams LLP will not review our compliance with those tests on a continuing basis. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year will satisfy such requirements. For a discussion of the tax consequences of our failure to qualify as a REIT, see “Federal Income Tax Consequences of Our Status as a REIT—Failure to Qualify”.

Recently Enacted Legislation

On March 18, 2010, the President signed into law the Hiring Incentives to Restore Employment Act of 2010, or the HIRE Act. On March 30, 2010, the President signed into law the Health Care and Education Reconciliation Act of 2010, or the Reconciliation Act. Finally, on December 17, 2010, the President signed into law the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, or the Jobs Creation Act. The descriptions below describe the impact of the HIRE Act, the Reconciliation Act and the Jobs Creation Act on certain U.S. and Non-U.S. holders of our common stock.

Taxation of Taxable U.S. Stockholders

Pursuant to the HIRE Act and related IRS guidance, a U.S. withholding tax at a 30% rate will be imposed on dividends, for taxable years beginning after December 31, 2013, and proceeds of sale in respect of our common stock, for taxable years beginning after December 31, 2014, received by U.S. stockholders who own their common stock through foreign accounts or foreign intermediaries if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. We will not pay any additional amounts in respect of any amounts withheld.

Pursuant to the Reconciliation Act, for taxable years beginning after December 31, 2012, certain U.S. stockholders who are individuals, estates or trusts will be required to pay a 3.8% Medicare tax on dividends on, and capital gains from the sale or other disposition of, our common stock, subject to certain exceptions. U.S. stockholders should consult their tax advisors regarding the effect, if any, of the Reconciliation Act on their ownership and disposition of our common stock.

Taxation of Non-U.S. Stockholders

Pursuant to the HIRE Act and related IRS guidance, a U.S. withholding tax at a 30% rate will be imposed on dividends, for taxable years beginning after December 31, 2013, and proceeds of sale in respect of our common stock, for taxable years beginning after December 31, 2014, received by certain non-U.S. stockholders if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. If payment of withholding taxes is required, non-U.S. stockholders that are otherwise eligible for an exemption from, or reduction of, U.S. withholding taxes with respect to such dividends and proceeds will be required to seek a refund from the IRS to obtain the benefit or such exemption or reduction. We will not pay any additional amounts in respect of any amounts withheld.

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Sunset of Reduced Tax Rate Provisions

Several of the tax considerations described in the accompanying prospectus are subject to a sunset provision. The Jobs Creation Act prevented an expiration of current federal income tax rates on December 31, 2010 by amending the sunset provisions such that they will take effect on December 31, 2012. The amended sunset provisions generally provide that for taxable years beginning after December 31, 2012, certain provisions that are currently in the Internal Revenue Code will revert back to a prior version of those provisions. These provisions include provisions related to the reduced maximum income tax rate for long-term capital gains of 15% (rather than 20%) for taxpayers taxed at individual rates, the application of the 15% tax rate to qualified dividend income, and certain other tax rate provisions in the accompanying prospectus. Prospective stockholders are urged to consult their tax advisors regarding the effect of sunset provisions on an investment in our common stock.

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 which Ladenburg Thalmann & Co. 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
Ladenburg Thalmann & Co. Inc.	1,820,000
National Securities Corporation	245,000
Maxim Group LLC	185,000
Aegis Capital Corp.	150,000
Total	2,400,000

A copy of the underwriting agreement will be filed as an exhibit to the registration statement of which this prospectus forms a part.

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 \$0.207 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 other than those covered by the over-allotment option, 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 Over-allotment	Total, With Over-allotment
Underwriting discount to be paid to the underwriters by us for the shares (5.0% of gross proceeds)	\$828,000	\$952,200

The expenses of the offering, exclusive of the underwriting discount, are estimated at approximately \$155,000 and payable by us.

We are not under any contractual obligation to engage any of the underwriters to provide investment banking, lending, asset management or financial advisory services to us in the future. If any of the underwriters provide such services to us after this offering, we may pay such underwriter fair and reasonable fees that would be determined at that time in an arm's length negotiation. However, we will not enter into any agreement with any of the underwriters, nor will we pay any fees for such services to any of the underwriters, prior to the date which is 90 days after the date of this offering, unless the Financial Industry Regulatory Authority, Inc. determines that such payment would not be deemed underwriters' compensation in connection with the offering.

Over-allotment Option

We have granted to the underwriters an option, exercisable not later than 30 days after the date of this prospectus, to purchase up to 360,000 shares at the public offering price, less the underwriting discount, set forth on the cover page of this prospectus supplement. The representative may exercise the option solely to cover over-allotments, if any, made in connection with this offering. If any additional shares are purchased pursuant to the over-allotment 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 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 Ladenburg Thalmann & Co. Inc. for a period of 30 days after the date of this prospectus. However, we may, during this 30-day “lock-up” period, (a) grant common stock-based awards to our directors under our existing 2010 Stock Incentive Plan and (b) file any amendments to the registration statement of which this prospectus supplement forms a part.

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 Ladenburg Thalmann & Co. Inc. for a period of 30 days after the date of this prospectus. 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 over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. An underwriter may close out any short position by exercising its over-allotment option, in whole or in part, or 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 over-allotment option. If the underwriters sell more securities than could be covered by the over-allotment option, 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.

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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 representative 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.

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 the 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.

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 the underwriter as selling group member, and the underwriter or selling group member may distribute the prospectus supplement and accompanying prospectus electronically.

EXPERTS

The audited consolidated financial statements incorporated by reference in this prospectus supplement and elsewhere in the registration statement have been so incorporated by reference in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in giving said report.

LEGAL MATTERS

Certain legal matters will be passed upon for us by Hunton & Williams LLP, and for the underwriters by Graubard Miller.

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PROSPECTUS

\$50,000,000

Common Stock

We may offer and sell, from time to time, in one or more offerings, shares of common stock described in this prospectus. The aggregate initial offering price of the common stock that we offer will not exceed \$50,000,000. We may offer and sell these shares of common stock to or through one or more underwriters, dealers and agents, or directly, on a continuous or delayed basis.

The specific terms of any shares of common stock to be offered, and the specific manner in which they may be offered, will be described in one or more supplements to this prospectus. This prospectus may not be used to sell any of the shares of common stock unless it is accompanied by a prospectus supplement. Before investing, you should carefully read this prospectus and any related prospectus supplement.

Our shares of common stock are listed on the NASDAQ Capital Market under the symbol "NYMT." The last reported sale price of our common stock on the NASDAQ Capital Market on December 3, 2009, was \$6.95 per share.

The aggregate market value of our outstanding common stock held by non-affiliates is approximately \$54.4 million based on the last reported sale price of our common stock on the NASDAQ Capital Market on December 3, 2009. We have not offered any of our common stock pursuant to General Instruction I.B.6 of Form S-3 during the 12 calendar months prior to and including the date of this prospectus.

To assist us in qualifying as a real estate investment trust, or REIT, for federal income tax purposes, ownership of our capital stock by any person is generally limited to 5.0% in value or in number of shares, whichever is more restrictive, of any class or series of the outstanding shares of our capital stock. In addition, our charter contains various other restrictions on the ownership and transfer of our common stock, see "Description of Capital Stock—Restrictions on Ownership and Transfer."

Investing in our common stock involves substantial risks. See "Risk Factors" in our most recent Annual Report on Form 10-K, which is incorporated by reference herein, as updated and supplemented by our periodic reports and other information that we file with the Securities and Exchange Commission.

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

The date of this prospectus is December 11, 2009.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or the SEC, utilizing a “shelf” registration process. This prospectus provides you with a general description of the common stock we may issue and sell and the manner in which we may offer these securities. Each time we issue and sell shares of common stock from the registration statement of which this prospectus forms a part, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may add, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and the prospectus supplement, you should rely solely on the information in the prospectus supplement. You should read both this prospectus and the prospectus supplement applicable to any offering, together with the additional information described under the heading “Incorporation by Reference of Information Filed With the SEC” below.

You should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make an offer to sell our common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus, as well as information we previously filed with the SEC and have incorporated by reference, is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

CERTAIN DEFINITIONS

References in this prospectus to “we,” “our,” “us” and “our company” refer to New York Mortgage Trust, Inc., including, as the context requires, our direct and indirect subsidiaries.

RISK FACTORS

Investing in our common stock involves substantial risks, including the risk that you might lose your entire investment. Any one of the risk factors discussed, or other factors, could cause actual results to differ materially from expectations and could adversely affect our business, financial condition and results of operations. These risks are interrelated, and you should treat them as a whole. The risks described are not the only risks that may affect us. Additional risks and uncertainties not presently known to us or not identified, may also materially and adversely affect our business, financial condition and results of operations. Before making an investment decision, you should carefully consider the risk factors incorporated by reference to our most recent Annual Report on Form 10-K, as updated and supplemented by any risk factors in our other SEC filings incorporated by reference herein, in addition to the other information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. In connection with the forward-looking statements that appear in this prospectus, you should also carefully review the cautionary statements referred to in “Forward-Looking Information” below.

FORWARD-LOOKING INFORMATION

This prospectus and the information incorporated by reference into it contains certain “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, including, without limitation, statements containing the words “believes,” “anticipates,” “expects,” “estimates,” “intends,” “plans,” “projects,” “may”, “will” and words import. Any projection of revenues, earnings or losses, capital expenditures, distributions, capital structure or other financial terms is a forward-looking statement. Certain statements regarding the following particularly are forward-looking in nature:

- our business strategy;
- future performance, developments, market forecasts or projected dividends;
- projected investments, rates of return, acquisitions or joint ventures; and
- projected capital expenditures.

It is important to note that the description of our business is a statement about our operations as of a specific point in time. It is not meant to be construed as an investment policy, and the types of assets we hold, the amount of leverage we use, the liabilities we incur and other characteristics of our assets and liabilities are subject to reevaluation and change without notice.

Our forward-looking statements are based upon our management’s beliefs, assumptions and expectations of our future operations and economic performance, taking into account the information currently available to us. Forward-looking statements involve risks and uncertainties, some of which are not currently known to us, that might cause our actual results, performance or financial condition to be materially different from the expectations of future results, performance or financial condition we express or imply in any forward-looking statements. Some of the important factors that could cause our actual results, performance or financial condition to differ materially from expectations are: