

NEW YORK MORTGAGE TRUST INC

Form 424B5

April 29, 2013

Table of Contents

The information in this preliminary prospectus supplement and is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale thereof is not permitted.

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-186017

Subject to Completion

Preliminary Prospectus Supplement, dated April 29, 2013

PROSPECTUS SUPPLEMENT

(To prospectus dated January 28, 2013)

13,600,000 Shares

Common Stock

This is a public offering of common stock of New York Mortgage Trust, Inc. We are selling 13,600,000 shares of common stock. Our common stock is listed on The Nasdaq Capital Market, or Nasdaq, under the symbol NYMT. On April 26, 2013, the last reported sale price of our common stock was \$7.35 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 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-6 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 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.

The underwriters have agreed to purchase our common stock from us at a price of \$ _____ per share, which will result in approximately \$ _____ of total net proceeds to us. The underwriters may offer our common stock in transactions on The NASDAQ Capital Market, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. See Underwriting.

Edgar Filing: NEW YORK MORTGAGE TRUST INC - Form 424B5

We have granted the underwriters an option to purchase a maximum of 2,040,000 additional shares of common stock from us at a price of \$ _____ per share, within 30 days after the date of this prospectus supplement.

The underwriters expect to deliver the shares of common stock to investors in this offering on or about May _____, 2013.

Joint Bookrunners

Deutsche Bank Securities

The date of this prospectus supplement is _____, 2013.

Credit Suisse

Table of Contents

TABLE OF CONTENTS

	Page
Prospectus Supplement	
<u>About This Prospectus Supplement</u>	S-ii
<u>Cautionary Note Regarding Forward-Looking Statements</u>	S-iii
<u>Summary</u>	S-1
<u>The Offering</u>	S-4
<u>Risk Factors</u>	S-6
<u>Use of Proceeds</u>	S-8
<u>Additional Federal Income Tax Considerations</u>	S-8
<u>Capitalization</u>	S-9
<u>Underwriting</u>	S-10
<u>Where You Can Find More Information</u>	S-13
<u>Incorporation by Reference of Information Filed with the SEC</u>	S-14
<u>Experts</u>	S-14
<u>Legal Matters</u>	S-15
Prospectus	
<u>About This Prospectus</u>	ii
<u>Cautionary Note Regarding Forward-Looking Information</u>	1
<u>Our Company</u>	2
<u>Risk Factors</u>	3
<u>Ratio of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Stock Dividends</u>	3
<u>Use Of Proceeds</u>	4
<u>Description Of The Securities We May Offer</u>	4
<u>Description Of Common Stock</u>	5
<u>Description Of Preferred Stock</u>	9
<u>Description Of Debt Securities</u>	11
<u>Global Securities</u>	22
<u>Certain Provisions Of Maryland Law And Our Charter And Bylaws</u>	23
<u>Material Federal Income Tax Considerations</u>	28
<u>Plan Of Distribution</u>	51
<u>Certain Legal Matters</u>	54
<u>Experts</u>	54
<u>Where You Can Find More Information</u>	54
<u>Incorporation By Reference Of Information Filed With The SEC</u>	54

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

Table of Contents

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 this 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, the 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 mortgage-backed securities that are adjustable-rate, hybrid adjustable-rate, fixed-rate, interest only and inverse interest only or principal only 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);

Agency ARMs refers to Agency RMBS comprised of adjustable-rate and hybrid adjustable-rate RMBS;

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;

Agency IOs refers to IOs that represent the right to the interest components of the cash flow from a pool of mortgage loans issued or guaranteed by a GSE or an agency of the U.S. government;

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;

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;

Edgar Filing: NEW YORK MORTGAGE TRUST INC - Form 424B5

multi-family CMBS refers to CMBS backed by commercial mortgage loans on multi-family properties; and

CLO refers to collateralized loan obligations.

S-ii

Table of Contents

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, 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 factors 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 United States, 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 below and in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012, as updated by those risk factors included in 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.

Table of Contents

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.

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 portfolio includes certain credit sensitive assets and investments sourced from distressed markets in recent years that create the potential for capital gains, as well as more traditional types of mortgage-related investments that generate interest income.

Under our investment strategy, our targeted assets currently include Agency ARMs, Agency fixed-rate RMBS, Agency IOs, multi-family CMBS, mezzanine loans to and preferred equity investments in owners of multi-family properties, and residential mortgage loans, including loans sourced from distressed markets. Subject to maintaining our qualification as a REIT, we also may opportunistically acquire and manage various other types of mortgage-related assets 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 and securities issued by newly originated residential securitizations, including credit sensitive securities from these securitizations. In addition, we will continue to seek new areas of opportunity in the residential space, including investments in mortgage servicing rights which may complement our Agency IO strategy.

We strive to maintain and achieve a balanced and diverse funding mix to finance our assets and operations. To this end, we rely primarily on a combination of short-term borrowings, such as repurchase agreements with terms typically of 30 days, and longer term structured financings, such as securitization and resecuritization transactions, with terms longer than one year.

We internally manage a certain portion of our portfolio, including Agency ARMs, Agency fixed-rate RMBS, non-Agency RMBS, collateralized loan obligations and certain residential mortgage loans held in securitization trusts. In addition, as part of our investment strategy, we also contract with certain external investment managers to manage specific asset types targeted by us. We are a party to separate investment management agreements with The Midway Group, L.P., or Midway, RiverBanc, LLC, or RiverBanc, and Headlands Asset Management, LLC, or Headlands, with Midway providing investment management services with respect to our investments in Agency IOs, RiverBanc providing investment management services with respect to our investments in multi-family CMBS and certain commercial real estate-related debt investments, and Headlands providing investment management services with respect to our investments in certain distressed residential mortgage loans.

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 the 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.

Table of Contents

Our principal executive offices are located at 275 Madison Avenue, New York, New York 10016, 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

Preliminary Discussion of First Quarter 2013 Results

The preliminary information and estimates set forth below contain forward-looking statements. You should not place undue reliance on such preliminary information and estimates because they may prove to be materially inaccurate. The preliminary information and estimates have not been compiled or examined by our independent auditors and they are subject to revision as we prepare our unaudited condensed consolidated financial statements as of and for the quarter ended March 31, 2013, including all disclosures required by GAAP, and as our independent auditors conduct their review of these financial statements. While we believe that such preliminary information and estimates are based on reasonable assumptions, actual results may vary, and such variations may be material. Factors that could cause our preliminary information and estimates to differ from the indications presented below include, but are not limited to: (i) additional adjustments in the calculation of, or application of accounting principles for, the financial results for the quarter ended March 31, 2013 (ii) discovery of new information that impacts valuation methodologies underlying these results, (iii) errors in the assessment of preliminary portfolio value and (iv) accounting changes required by GAAP or the Code. Furthermore, taxable net income often differs from GAAP net income.

For the quarter ended March 31, 2013, we estimate that, when finally determined, GAAP net income per common share will be in the range of \$0.28 to \$0.31, which includes, on a per share basis, approximately \$0.12 to \$0.15 of unrealized gain on multi-family loans and debt held in securitization trusts, net. We further estimate that, when finally determined, our GAAP net income per common share for the quarter ended March 31, 2013 will include approximately \$0.05 to \$0.06 of unrealized gain on investment securities and related hedges, net, which will be offset by approximately \$0.06 to \$0.07 of realized loss on investment securities and related hedges, net.

In addition, we estimate that, when finally determined, our net book value per common share as of March 31, 2013 will be in the range of \$6.53 to \$6.56. We further estimate that, when finally determined, the constant prepayment rate on our overall investment portfolio will be 12.9% for the quarter ended March 31, 2013, as compared to 12.5% for the quarter ended December 31, 2012. Furthermore, as of March 31, 2013, we estimate that, when finally determined, our overall leverage ratio, including both our short- and longer-term financing (but excluding the collateralized debt obligations issued by the Consolidated K-Series and our residential collateralized debt obligations) divided by common stockholders' equity, was approximately 3.2 to 1. We estimate that the leverage ratio on our short term financings or callable debt was approximately 2.7 to 1 as of March 31, 2013. For the quarter ended March 31, 2013, we had approximately 49,611,000 weighted average common shares outstanding.

GAAP net income for the quarter ended March 31, 2013 was positively impacted by a continued low interest rate environment for the financing of our assets and a narrowing of credit spreads on our multi-family CMBS. We estimate that general, administrative and other expense was higher for the quarter ended March 31, 2013 by approximately \$1.2 million as compared to the first quarter of 2012, primarily due to an increase in portfolio assets versus the prior period.

The Consolidated K-Series refers to four separate Freddie-Mac sponsored multi-family loan K-Series securitizations, of which we, or one of our special purpose entities, own the first loss principal only securities and

Table of Contents

certain interest only securities issued by the securitizations. We determined that the Consolidated K-Series were VIEs and that we are the primary beneficiary of the Consolidated K-Series. As a result, we are required to consolidate the Consolidated K-Series underlying multi-family loans including their liabilities, interest income and expense in our consolidated financial statements. We have elected the fair value option on the assets and liabilities held within the Consolidated K-Series, which requires that changes in valuations in the assets and liabilities of the Consolidated K-Series will be reflected in our consolidated statement of operations.

Multi-Family CMBS Transaction

In May 2013, we expect to purchase the first loss PO security and certain IO securities issued by a Freddie Mac-sponsored multi-family loan securitization for an aggregate purchase price of approximately \$40 million. We expect to redeploy a portion of the net proceeds from this offering to finance all or a portion of this investment, with the remaining balance, if any, funded with proceeds from working capital. Our purchase of these assets is pending. As a result, there can be no assurance that we will complete the purchase of these assets during the expected period, if at all.

First Quarter 2013 Common Stock Dividend

On March 18, 2013, 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 March 31, 2013. The dividend was paid on April 25, 2013 to our common stockholders of record as of March 28, 2013.

Shares Issued in 2013 Pursuant to Equity Distribution Agreement

Subsequent to December 31, 2012, we sold 480,014 shares of our common stock pursuant to our at-the-market offering program at an average price of \$7.47 per share, raising net proceeds, after sales commissions and fees, of approximately \$3.5 million.

Table of Contents

THE OFFERING

Common Stock Offered	13,600,000 shares
Shares Outstanding After the Offering ⁽¹⁾	63,730,730 shares
Use of Proceeds	<p>We intend to initially use the net proceeds of this offering to acquire primarily Agency RMBS (including Agency IOs) and certain of our other targeted assets. Over time, we expect to redeploy a significant portion of the net proceeds from this offering to acquire the first loss PO security and certain IO securities issued by a Freddie Mac-sponsored multi-family loan securitization, as described above in Summary Recent Developments Multi-Family CMBS Transaction. We may also redeploy a portion of the net proceeds from this offering to opportunistically acquire distressed residential mortgage loans, securities issued by newly originated residential mortgage securitizations backed by jumbo mortgage loans, as well as certain of our other targeted assets. With respect to the net proceeds that will be used to acquire Agency RMBS, we expect 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 a portion of the net proceeds for general working capital purposes, including the repayment of indebtedness. See Use of Proceeds.</p>
Listing	Our common stock is listed on Nasdaq under the symbol NYMT.
Dividend Policy	<p>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 qualification 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.</p>
Ownership Restrictions	<p>Our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the 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 Description of Common Stock Restrictions on Ownership and Transfer and Material Federal Income Tax Considerations in the accompanying prospectus.</p>

Table of Contents

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 option to purchase additional shares of common stock. Based on 50,130,730 shares of common stock outstanding as of April 26, 2013.

Table of Contents

RISK FACTORS

Investing in our shares of common stock involves a high degree of risk. Please see the risks described below as well as those under the caption Risk Factors beginning on page 20 of our Annual Report on Form 10-K for the year ended December 31, 2012. 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 our Annual Report on Form 10-K, 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.

There are material limitations in estimating our results for prior periods before the completion of our and our independent auditors' normal review procedures for such periods.

The preliminary information and estimated results set forth in this prospectus supplement under the heading Our Company Recent Developments Preliminary Discussion of First Quarter 2013 Results are not a comprehensive statement of our financial results for our first fiscal quarter of 2013 and have not been reviewed or audited by our independent registered public accounting firm. Our unaudited condensed consolidated financial statements for the first fiscal quarter of 2013 will not be available until after this offering is completed, and, consequently, will not be available to you prior to investing in this offering. The final financial results for the first fiscal quarter of 2013 may vary from our expectations and may be materially different from the preliminary financial information and estimates we have provided due to completion of quarterly closing procedures, reviewing adjustments and other developments that may arise between now and the time the financial results for the quarter are finalized. Accordingly, investors should not place undue reliance on such financial information.

We have made, and may continue to make, investments in distressed securities.

Our current portfolio includes distressed residential mortgage loans consisting primarily of a pool of distressed residential mortgage loans acquired during the fourth quarter of 2012 that are managed by Headlands. We have in the past invested in pools of distressed residential mortgage loans that are externally sourced and managed by Headlands. We may continue to make investments in distressed mortgage loans and securities when we believe that the discount at which we can obtain such loans and securities will provide us with adequate credit protection or an opportunity to modify such loans and securities and achieve an attractive yield. However, distressed mortgage loans and securities sell at a discount because they may constitute riskier investments than those selling at or above par value. A loan may be distressed because a borrower may have defaulted thereupon or because the loan may otherwise contain credit quality that is considered to be poor, while a mortgage-backed security may be distressed because the loans underlying such security have defaulted or have poor credit quality. The likelihood of full recovery of a distressed loan's principal and contractual interest, or recovery of the face value of distressed mortgage-backed securities, is less than that for loans or securities trading at or above par value. Although we typically expect to receive less than the principal amount or face value of the distressed loans or securities that we purchase, the return that we in fact receive thereupon may be less than our investment in such loans or securities due to the failure of the loans, or the loans underlying the securities, to perform or re-perform. An economic downturn would exacerbate the risks of the recovery either of the full value of the loan or security, or the cost of our investment therein.

We may make investments in jumbo mortgage loans, or in non-Agency RMBS representing interests therein, which makes us particularly vulnerable to a downturn in high-end real estate values.

We may invest in jumbo mortgage loans or in non-Agency RMBS that are backed by jumbo mortgage loans. The Federal Housing Administration, Fannie Mae and Freddie Mac will only purchase or guarantee so-called conforming mortgage loans, which may not exceed certain principal amount thresholds. Jumbo mortgage loans have principal balances exceeding the thresholds of the agencies described above, and tend to be

Table of Contents

less liquid than conforming mortgage loans. Due to macroeconomic conditions, jumbo mortgage loans have, in recent periods, experienced increased rates of delinquency, foreclosure, bankruptcy and loss compared with conforming mortgage loans, and they are likely to continue to experience delinquency, foreclosure, bankruptcy and loss rates that are higher, and that may be substantially higher, than those for conforming mortgage loans. If we choose to invest in jumbo mortgage loans, or in non-Agency RMBS representing interests therein, and the United States or the geographic regions in which these jumbo loans are originated experience an economic downturn, liquidity in the capital markets for such jumbo mortgage loans could be diminished, the value of jumbo mortgage loans generally and the demand therefor may decrease and we could be faced with losses on any jumbo mortgage loans that we own, whether individually or which underlie our non-Agency RMBS, and/or an inability to dispose of such assets, which in turn may decrease the value of your investment in our securities.

S-7

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise their option to purchase additional shares in full) after deducting estimated offering expenses of approximately \$185,000 payable by us.

We intend to initially use the net proceeds of this offering to acquire primarily Agency RMBS (including Agency IOs) and certain of our other targeted assets. Over time, we expect to redeploy a significant portion of the net proceeds from this offering to acquire the first loss PO security and certain IO securities issued by a Freddie Mac-sponsored multi-family loan securitization, as described above in Summary Recent Developments Multi-Family CMBS Transaction. We may also redeploy a portion of the net proceeds from this offering to opportunistically acquire distressed residential mortgage loans, securities issued by newly originated residential mortgage securitizations backed by jumbo mortgage loans, as well as certain of our other targeted assets. With respect to the net proceeds that will be used to acquire Agency RMBS, we expect 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 a portion of the 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.

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of additional federal tax considerations with respect to the ownership of our stock. This summary supplements and, where applicable, supersedes the discussion under Material Federal Income Tax Considerations in the accompanying prospectus, and should be read together with such discussion.

The highest marginal individual income tax rate on ordinary income is 39.6%.

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and total capitalization as of December 31, 2012 (1) on an actual basis and (2) on an as-adjusted basis to give effect to the consummation of this offering. 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 December 31, 2012	
	Actual	As Adjusted ⁽¹⁾
Cash and cash equivalents	\$ 31,777	\$
Debt:		
Financing arrangements, portfolio investments	\$ 889,134	\$ 889,134
Residential collateralized debt obligations ⁽²⁾	180,979	180,979
Multi-family collateralized debt obligations, at fair value ⁽³⁾	5,319,573	5,319,573
Securitized debt	117,591	117,591
Subordinated debentures	45,000	45,000
Total debt	\$ 6,552,277	\$ 6,552,277
Stockholders' equity		
Common stock, \$0.01 par value, 400,000,000 shares authorized, 49,575,331 shares issued and outstanding actual, and 63,175,331 shares issued and outstanding as adjusted	\$ 496	\$ 632
Additional paid-in capital	355,006	
Accumulated other comprehensive income	18,088	18,088
Accumulated deficit	(51,584)	(51,584)
Total stockholders' equity	\$ 322,006	\$
Total capitalization	\$ 6,874,283	\$

- (1) The as-adjusted amount reflects the net proceeds to us from the sale of 13,600,000 shares of common stock in this offering at an offering price of \$ per share, and the receipt of the total estimated net proceeds of approximately \$ (assuming no exercise of the underwriters' option to purchase additional shares).
- (2) The residential collateralized debt obligations (Residential CDO) permanently finance our residential mortgage loans held in securitization trusts. For financial reporting purposes, the ARM loans held as collateral in the securitization trusts are recorded as our assets and the Residential CDO is recorded as our debt. We have completed four securitizations since inception, the first three of which were accounted for as a permanent financing and the fourth of which was accounted for as a sale and, accordingly, not included in our financial statements. We had a net equity investment of \$7.0 million in these residential securitization trusts as of December 31, 2012.
- (3) Multi-family collateralized debt obligations, at fair value, or Multi-Family CDOs, are comprised of Multi-Family CDOs that permanently finance the multi-family mortgage loans held in the Consolidated K-Series. The Consolidated K-Series collectively represents four separate Freddie-Mac sponsored multi-family loan K-Series securitizations, of which we, or one of our special purpose entities, or SPEs, own the first loss PO securities and certain IO securities. As of December 31, 2012, we owned 100% of the first loss securities and certain IO securities of the Consolidated K-Series. We determined that the Consolidated K-Series were VIEs and that we are the primary beneficiary of the Consolidated K-Series. As a result, we are required to consolidate the Consolidated K-Series underlying multi-family loans including their liabilities, interest income and expense in our consolidated financial statements. As of December 31, 2012, we had a net investment in the Consolidated K-Series of \$123.3 million.

Table of Contents**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 Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC are acting as the representatives, 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
Deutsche Bank Securities Inc.	
Credit Suisse Securities (USA) LLC	
Total	13,600,000

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 supplement other than those covered by the option to purchase additional shares, if any of these securities are purchased.

The underwriters have agreed to purchase the shares of common stock from us at a price of \$ _____ per share, which will result in net proceeds to us, after deducting estimated expenses related to this offering payable by us, of approximately \$ _____ assuming no exercise of the option to purchase additional shares granted to the underwriters, and \$ _____ assuming full exercise of the option to purchase additional shares.

The underwriters propose to offer the common shares offered hereby from time to time for sale in one or more transactions on The Nasdaq Capital Market, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt of acceptance by them and subject to their right to reject any order in whole or in part. The underwriters may effect such transactions by selling the common shares to or through dealers and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or purchasers of common shares for whom they may act as agents or to whom they may sell as principal. The difference between the price at which the underwriters purchase shares and the price at which the underwriters resells such shares may be deemed underwriting compensation. Additionally, we have agreed to reimburse the underwriters for their expenses in an amount of up to \$10,000, which may be incurred in connection with the review by Financial Industry Regulatory Authority, Inc. of the terms of the shares offered hereby. We estimate that our portion of the total expenses of this offering will be approximately \$185,000.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 2,040,000 additional shares of our common stock at \$ _____ per share. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment. Any shares issued or sold under the option will be issued and sold on the same terms and conditions as the other shares that are the subject of this offering.

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.

Table of Contents

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 the representatives for a period of 30 days after the date of this prospectus supplement. However, we may, during this 30-day lock-up period, grant shares of common stock or options to purchase shares of our common stock to our directors, officers, employees and consultants in the ordinary course under our existing 2010 Stock Incentive Plan.

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 the representatives for a period of 30 days after the date of this prospectus supplement. 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 option granted to the underwriters to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in the option granted to the underwriters to purchase additional shares. An underwriter may close out any short position by exercising its option, in whole or in part, or by 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 representatives 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 option granted to the underwriters to purchase additional shares. If the underwriters sell more securities than could be covered by the option granted to the underwriters to purchase additional shares, which would constitute 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.

Table of Contents

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 representatives 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 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.

In the ordinary course of business, the underwriters or their affiliates have engaged and may in the future engage in various financing, commercial banking and investment banking services with, and provide financial advisory services to, us and our affiliates, for which they have received or may receive customary fees and expenses, including acting as underwriters for our equity offerings. We are a party to a master repurchase agreement with each of Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC or their affiliates and an international swaps and derivatives contract with Credit Suisse Securities (USA) LLC or its affiliates pursuant to which each of Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC or their affiliates may receive customary fees and expenses. As of March 31, 2013, we had approximately \$95.3 million of borrowings outstanding under this master repurchase agreement with Deutsche Bank Securities Inc. and approximately \$94.2 million of borrowings and approximately \$345 million of notional amounts outstanding under these agreements with Credit Suisse Securities (USA) LLC.

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

Nasdaq Listing

The shares are listed on Nasdaq under the symbol NYMT.

Selling Restrictions

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved

Table of Contents

by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors, as defined in the Prospectus Directive) subject to obtaining the prior consent of the representative for any such offer; or
- (c) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of shares to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms for the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the PD 2010 Amending Directive to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this prospectus supplement and the accompanying prospectus are being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This prospectus supplement and the accompanying prospectus must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this prospectus supplement and the accompanying prospectus relate is only available to, and will be engaged in with, relevant persons

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 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 under the Securities Act with respect to the securities offered by this prospectus supplement and the accompanying prospectus. This prospectus

Table of Contents

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 in