

AMENDED AND RESTATED CHARTER OF THE AUDIT COMMITTEE

I. STATUS

The Audit Committee is a committee of the Board of Directors of American Home Mortgage Investment Corp. (the "Company").

II. PURPOSE

The purpose of the Audit Committee shall be to assist the Board of Directors in monitoring: (1) the integrity of the financial statements of the Company, (2) the qualifications and independence of the Company's independent auditor, (3) the performance of the Company's internal audit function and independent auditor and (4) the compliance by the Company with legal and regulatory requirements and the processes by which management assesses and manages risk.

In addition, the Audit Committee shall submit the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

While the Audit Committee has the responsibilities set forth in this Charter, the Audit Committee relies on the expertise and knowledge of management, the internal auditors and the independent auditor in carrying out its oversight responsibilities. Management of the Company is responsible for determining that the Company's financial statements are complete and accurate and are prepared in accordance with generally accepted accounting principles ("GAAP"). The independent auditor of the Company is responsible for auditing the Company's financial statements. It is not the duty of the Audit Committee to plan or conduct audits, to determine that the Company's financial statements are complete and accurate and are in accordance with GAAP or to assure compliance with laws and regulations or the Company's internal policies, procedures and controls.

III. COMPOSITION

The Audit Committee shall consist of no fewer than three members, all of whom, in the judgment of the Board of Directors, shall be independent in accordance with the requirements of the New York Stock Exchange, any other exchange on which the Company's securities are traded, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations of the SEC. Each member of the Audit Committee shall, in the judgment of the Board of Directors, have the ability to read and understand the Company's financial statements, or acquire such ability within a reasonable period of time after appointment to the Audit Committee. At least one member of the Audit Committee shall, in the judgment of the Board of

Directors, be an “audit committee financial expert” in accordance with the rules and regulations of the SEC and at least one member shall have accounting or related financial management expertise, as the Board of Directors interprets such qualification in its business judgment.

Prospective members of the Audit Committee shall be recommended by the Nominating and Governance Committee of the Board and appointed by the full Board of Directors. One member shall be designated by the Board as the Chairperson of the Audit Committee.

Audit Committee members shall not serve simultaneously on the audit committees of more than two public companies without the approval of the full Board.

IV. MEETINGS

The Audit Committee shall meet as often as it determines is necessary, but not less frequently than quarterly. The Audit Committee shall meet periodically with management, the internal auditors and the independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. Upon the recommendation of the Audit Committee, or if requested by the Board, the independent auditor shall be requested to attend any meeting of the full Board to assist in reporting the results of the annual audit or to answer directors’ questions. The Audit Committee shall report regularly to the full Board with respect to its activities and make recommendations to the Board as appropriate.

V. AUDIT COMMITTEE AUTHORITY AND RESPONSIBILITIES

In furtherance of its purposes described in Section II above, the Audit Committee shall have the authority and responsibilities set forth in this Section V.

Independent Auditor

The Audit Committee shall have the sole authority to appoint, retain or replace the independent auditor (subject, if applicable, to shareholder ratification). The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the independent auditor, subject to the exceptions for non-audit services which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may

form and delegate to a subcommittee consisting of one or more members (provided that such person(s) are independent directors) its authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

Outside Advisors

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain outside legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services and to any advisors employed by the Audit Committee and for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

Charter; Self-Evaluation

The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall conduct an annual performance self-evaluation.

Other Responsibilities

In addition, the Audit Committee, to the extent it deems necessary or appropriate, shall:

Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent auditor the Company's annual audited financial statements, including disclosures made under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
2. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Quarterly Reports on Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.
3. Discuss with management and the independent auditor (a) significant issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and significant issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made

in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

4. Review and discuss quarterly reports from the independent auditor regarding:
 - (a) All critical accounting policies and practices to be used;
 - (b) All alternative treatments within GAAP for policies and procedures related to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
 - (c) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
5. Discuss with management and the independent auditor, as appropriate, the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussion of the types of information to be disclosed and the type of presentations to be made).
6. Discuss with the independent auditor matters relating to the conduct of the audit, including: (a) the scope and results of the audit, (b) any problems or difficulties that the independent auditor encountered in the course of the audit work and management's response thereto, (c) any restrictions on the scope of activities or access to requested information, (d) any significant disagreements with management and management's response thereto and (e) any questions, comments or suggestions the independent auditor may have relating to the internal controls and accounting practices and procedures of the Company.
7. Meet with the independent auditor to review and discuss the responsibilities, budget and staffing of the Company's internal audit function.

Oversight of the Company's Relationship with the Independent Auditor

1. Review and evaluate the lead partner of the independent auditor team.
2. Obtain and review:
 - (a) At least annually, a report by the independent auditor describing:
 - (i) the independent auditor's internal quality-control procedures;
 - (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or

investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) in an effort to assess the auditor's independence, all relationships between the auditor and the Company; and

- (b) All other reports from the independent auditor, including comments from the independent auditor on accounting procedures and systems of control.
3. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and the Company's internal auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the full Board.
 4. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.
 5. Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.
 6. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

Oversight of the Company's Internal Audit Function

1. Review the appointment and replacement of the senior internal auditing executive.
2. Approve an annual audit program along with any changes to the program that may be required from time to time.
3. Discuss with the internal auditors the overall scope and plans for their audit, including the adequacy of staffing and any problems or difficulties the internal auditors may have encountered in connection with their audit.
4. Oversee the Company's internal audit department and review and approve its annual budget.
5. Review, at least annually, the scope and results of the internal audit program, procedures for implementing accepted recommendations made by the independent

auditor and any significant matters contained in reports to management prepared by the internal auditing department and management's responses thereto.

Compliance Oversight Responsibilities

1. Review with the independent auditor any issues having potential implications under Section 10A of the Exchange Act or any other applicable laws, rules or regulations.
2. Review (a) the status of the Company's compliance with laws, rules, regulations and internal policies and procedures (including, but not limited to, the Company's Code of Business Conduct and Ethics), and (b) the scope and status of systems designed to promote Company compliance with laws, rules, regulations and internal policies and procedures, through the receipt of reports from management, legal counsel and third parties as determined by the Audit Committee.
3. Review reports and disclosures of any insider and affiliated party transactions.
4. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
5. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
6. Discuss with the Company's General Counsel any legal matters that may have a material impact on the Company's financial statements or compliance policies.

Duties Related to Risk Management

1. Discuss with management guidelines and policies, and generally review the processes used, with respect to the Company's risk assessment and risk management activities, including the Company's significant enterprise risk exposures and management's responses thereto.
2. Meet periodically with management to review and discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.