

NOMINATING/CORPORATE GOVERNANCE COMMITTEE CHARTER

Thornburg Mortgage, Inc.

January 21, 2003

Approved by the Board of Directors of Thornburg Mortgage, Inc. on January 21, 2003.

The Nominating/Corporate Governance Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Thornburg Mortgage, Inc. (the "Company"). It is composed entirely of independent directors, all of whom meet the independence requirements of the proposed New York Stock Exchange rules and the Securities and Exchange Commission rules. Members of the Committee shall be appointed, and may be removed, by the Board. The Board has adopted and approved this charter which will govern the activities of the Committee.

1. Board Membership. The Company has a staggered Board with three classes of directors. One class is elected at each annual meeting of shareholders to serve for a three-year term. The Committee's primary purpose is to make recommendations to the Board concerning candidates for nomination as directors, including the nomination of incumbent directors for re-election to the Board. The Board then approves a slate of directors to be nominated for election at each annual meeting of shareholders for the class of directors which expires that year. In making its recommendations, the Committee determines the applicable criteria to be used in selecting qualified candidates. The Committee currently considers the following factors in making its recommendations to the Board: background, skills, expertise, accessibility and availability to serve effectively on the Board. The Committee also conducts inquiries into the background and qualifications of potential candidates.

In the event that the Committee determines such action to be necessary, it has the authority, at its sole discretion, to retain and terminate a search firm for the purpose of identifying and recruiting director candidates. The Committee shall have the sole authority to approve the search firm's fees and other retention terms.

2. Committee Membership. The Committee also recommends to the Board the assignment of directors to committees, including the designation of committee chairs, at each annual organizational meeting of the Board, and to fill vacancies as needed. In making its recommendations, the Committee considers specific qualifications, if any, that are required for membership on each committee, such as the requirement of financial literacy and a financial expert for the Audit Committee. In addition, with respect to the Audit Committee, the Committee will take into consideration the number of audit committees of other public corporations on which potential candidates serve. If the number is greater than three, the Committee will consider whether simultaneous service would impair the ability of the candidate to effectively serve on the Company's Audit Committee before making its recommendation to the Board.

The Committee shall review the Board's committee structure and operations in general and make recommendations to the Board regarding any changes that it believes are necessary in order to enable the Board to fulfill its objectives under the Company's Corporate Governance Guidelines. The Committee shall, and shall also ensure that each other committee of the Board, report its findings to the Board in a timely fashion after each committee meeting.

3. Corporate Governance. The Committee has reviewed the Company's current Corporate Governance Guidelines and recommended their adoption to the Board. The Committee is responsible for overseeing the implementation of, and periodically reviewing, the Guidelines and recommending modifications to the Board, as appropriate. The Committee shall review the Guidelines at least annually, and more frequently, if appropriate. In addition, the Committee shall consider other corporate governance matters, such as director retirement policies, succession plans for management and potential conflicts of interest of Board members and senior management, and make recommendations for change, as appropriate.

4. Oversight of the Evaluation of the Board and Management. The Committee is responsible for overseeing the Board's annual review and evaluation process of management's performance. These reviews and evaluations shall be based on objective criteria, such as performance of the business, accomplishment of long term strategic objectives and development of management. In addition, the Committee shall monitor the quarterly executive sessions of all independent directors to review the performance of management and the Company. Either the chair of the Committee or the chair of the Audit Committee shall chair these quarterly meetings.

The Committee shall oversee the annual evaluation by the Board's independent directors of the performance of Thornburg Mortgage Advisory Corporation, the Company's external manager. This evaluation shall be conducted according to criteria specified in the Management Agreement between the Company and the manager, as well as in the Company's Bylaws.

The Committee is also responsible for overseeing the annual review and evaluation by the Board of the Board's performance and ensuring that such evaluation is conducted in accordance with the Company's Corporate Governance Guidelines.

5. Annual Performance Evaluation of the Committee. The Committee shall conduct an annual review and evaluation of its performance based upon, among other things, an assessment of the Committee's fulfillment of its obligations pursuant to this charter, and shall report its findings to the Board. The review shall seek to identify specific areas, if any, in need of improvement or strengthening. The Committee shall also review at least annually the adequacy of this charter and recommend changes or modifications for the Board's consideration, as appropriate.