

American Home Mortgage Investment Corp.

Corporate Governance Principles

I. Role and Composition of the Board of Directors

(A) Role

The Board of Directors (the “Board”) of American Home Mortgage Investment Corp., a Maryland corporation (the “Company”), which is elected by the stockholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the stockholders. The Board selects the Company’s executive managers, who are responsible for conducting the Company’s day-to-day business operations. Nevertheless, the Board acts as an advisor and counselor to the Company’s executive managers and ultimately monitors the Company’s performance and directs its strategy. The Board, and each committee of the Board, has complete and unencumbered access to the Company’s management. In addition, the Board, and each committee of the Board, has the authority to engage, and to require the Company to pay, such independent advisors as each deems necessary or appropriate. The Board’s function in monitoring the performance of the Company’s executive officers shall be deemed discharged as long as the Board maintains the number of independent directors required to comply with all applicable laws, rules and regulations and its independent directors have a substantive knowledge of the Company’s business.

The Board provides oversight with respect to the strategic direction and key policies of the Company. The Board approves major initiatives, advises on significant financial and business objectives and monitors progress with respect to such matters. The members of the Board are encouraged, but are not required, to attend the annual meeting of stockholders of the Company.

The Board plans for succession to the position of Chief Executive Officer (“CEO”), as well as certain other executive officers. To assist the Board, the CEO annually provides the Board with an assessment of executive officers and their potential to succeed the CEO. The CEO also provides the Board with an assessment of persons considered potential successors to certain senior officers.

In discharging its obligations, the Board is entitled to rely on the honesty and integrity of the Company’s executive officers and its internal and external advisors and auditors. Directors also shall be entitled to have the Company purchase reasonable directors’ and officers’ liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the

Company's charter and bylaws, and to exculpation as provided by applicable law and the Company's charter.

(B) Composition; Membership

Size.

The Board's size shall be limited to a minimum of three and maximum of 12 members, in accordance with the Company's Amended and Restated Bylaws (effective December 3, 2003), as amended from time to time (the "Bylaws"). The Board shall consist of a majority of independent directors, who shall satisfy the independence requirements of the New York Stock Exchange, and the number of directors shall not exceed a number that prohibits it from functioning efficiently as a body; provided, however, in no event shall such number of directors conflict with the Bylaws.

Qualifications.

Each member of the Board must (i) be ethical individuals of proven judgment and competence and (ii) possess professional experience and skills that are complementary to the needs of the Board and the Company. In addition, each member of the Board must have demonstrated the ability to exercise sound business judgment and be willing to devote sufficient time to fulfill such Board member's obligations to the Company and its stockholders.

Term.

The Board does not favor maximum term limits for directors, but believes that it is important to monitor overall Board performance.

Selection of Directors; Resignation.

The Nominating and Corporate Governance Committee of the Board, in consultation with the Chairman and the CEO, considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The Nominating Committee considers candidates to fill new positions created by expansion of and vacancies on the Board that occur by resignation, by retirement or for any other reason. Candidates for the Board are selected in light of their character, judgment, business experience and acumen. Final approval of a Board candidate is determined by the entire Board. The Nominating and Corporate Governance Committee and the Compensation Committee annually review the compensation of directors. If a director's principal occupation or business association changes substantially during his or her tenure as a director, that director shall tender his or her resignation for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will recommend to the Board the action, if any, to be taken with respect to such proposed resignation.

Board Action; Committees; Orientation.

All major decisions affecting the Company shall be considered by the entire Board. Accordingly, the Board shall not create any committee unless the Board determines that such committee is basic to, or required for, the operation of a publicly owned entity.

The Board has approved the creation of the following committees of the Board: (i) the Audit Committee, (ii) the Compensation Committee and (iii) the Nominating and Corporate Governance Committee. Except for the initial formation of the Nominating and Corporate Governance Committee, the Nominating and Corporate Governance Committee, in consultation with the CEO, shall recommend to the Board the members of each of these committees. The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall consist of only independent directors. The membership of each of these three committees shall be rotated from time to time, in the discretion of the Board (but in all cases subject to applicable laws, rules and regulations).

In furtherance of its policy of having all major decisions made by the entire Board, the Company has a full indoctrination and continuing education process for Board members, which includes the distribution of extensive written materials and meetings with key officers. The Company's orientation program for each new director includes, among other things, a review of the Company's business, financial condition, strategy, ethical obligations, key issues and other relevant topics.

II. CEO Evaluation

The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO and for evaluating the CEO's performance against such goals. From time to time, the Compensation Committee meets with the CEO to receive the CEO's recommendations concerning such goals. Both the goals and the evaluation are then submitted for consideration by the independent directors of the Board at a meeting or executive session of that group. Subsequently, the Compensation Committee meets with the CEO to evaluate the CEO's performance against such goals. The Compensation Committee also is responsible for setting annual and long-term compensation for the CEO. These decisions are approved or ratified by action of the independent directors of the Board at a meeting or executive session of that group.

The CEO is responsible for establishing effective communications with the Company's stockholders, customers, company associates, communities, suppliers, creditors, governments and business associates. The Company's policy is that its management represents the Company with respect to public matters and the daily operations of the Company. This policy does not preclude directors from meeting

with stockholders, but it is suggested that any such meetings be held in the presence of the Company's management.

III. Functioning of the Board of Directors and its Committees

(A) Board Meetings

Schedule and Agenda.

The Board sets the annual schedule of Board and committee meetings. The Board shall hold a minimum of four meetings per year. The Chairman of the Board sets the agenda for Board meetings with the understanding that certain items pertinent to the advisory and monitoring functions of the Board be brought to it periodically by the CEO for review. For example, the annual corporate budget is reviewed by the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with that committee. Any member of the Board may request that any item be included on the agenda for any particular meeting of the Board or applicable committee.

Director Attendance.

Directors are expected to attend all meetings of the Board.

Executive Officer Presence.

Executive officers or other qualified employees of or advisors to the Company who are invited by the Board and/or are recommended by the CEO may attend any Board meeting or portion thereof for the purpose of observing and/or participating in discussions at such Board meeting or portion thereof. Generally, presentations of matters to be considered by the Board are made by the executive responsible for that area of the Company's operations. In addition, Board members have complete and unencumbered access to all other members of the Company's management and employees and, as necessary and appropriate, Board members may consult with the Company's independent legal, financial and accounting advisors to assist them in their duties to the Company and its stockholders.

Executive Sessions of Non-Management Directors.

The Company believes that meetings of non-management directors are important because they foster better communication among them and assist them in analyzing the Company's actions and strategic goals from a non-management perspective. Non-management executive sessions will be scheduled regularly throughout the year. Any non-management director is authorized to request a meeting of non-management directors. In addition, the non-management directors on the Board or on any committee may meet from time to time at executive sessions without management present. Additional meetings may be scheduled by any non-management director. These non-management executive

sessions may be chaired by any of the chairpersons of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. In this regard, the Company's current policy is to rotate the chairperson position at such executive non-management sessions among the various committee chairpersons.

Assessing Board and Committee Performance.

The Board shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. Each committee also shall conduct its own annual self-evaluation.

(B) Functioning of Committees

Committee Composition; Meetings.

Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee consists solely of "independent" directors, as such term is defined under the listing standards of the New York Stock Exchange. In addition, members of the Audit Committee must satisfy the independence requirements of Section 10A of the Securities Exchange Act of 1934, as amended.

Each committee of the Board is responsible for setting its own schedule of meetings for discharging its obligations. The length and agenda of meetings of each of the committees are determined by the respective committees.

Director Attendance.

Directors are expected to attend all meetings of the committees on which they serve.

Committee Charters.

Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall have appropriate written charters. The respective committee charters will be made available on the Company's website.

Duties and Responsibilities of Committees.

Audit Committee. The Audit Committee has the authority and responsibilities set forth in its charter, which is available on the Company's website. In general, the Audit Committee authorizes and approves the engagement of the Company's external auditor, reviews with the external auditor the scope and results of the audit engagement, pre-approves professional audit and permissible non-audit services provided by the external auditor, reviews the independence of the

external auditor, considers the range of audit and non-audit fees and reviews the adequacy of the Company's internal accounting controls.

Compensation Committee. The Compensation Committee has the authority and responsibilities set forth in its charter, which is available on the Company's website. In general, the Compensation Committee establishes remuneration levels for executive officers of the Company and implements incentive programs, including the Company's stock incentive plans.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee has the authority and responsibilities set forth in its charter, which is available on the Company's website. In general, the Nominating and Corporate Governance Committee makes recommendations for nominees to the Board and oversees the evaluation of the Board and its committees and the Company's executive officers.

IV. Conduct and Ethics Standards for Directors

Directors (as well as officers and employees) are subject to applicable provisions of the Company's Code of Business Conduct and Ethics. Among other things, directors must conduct themselves in a manner that avoids actual or apparent conflicts of interest and that protects the Company's reputation. A conflict of interest occurs where a director's private interests interfere, or appear to interfere, in any way with the interests of the Company.

In addition, the Company's directors owe a duty to the Company and its stockholders to advance the Company's legitimate interests when an opportunity to do so arises. Accordingly, the Company's directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position. Similarly, directors are prohibited from using corporate property, information or position for personal gain and from competing with the Company.

V. Communications with Non-Management Members of the Board

In order to foster stockholders and other interested persons to make their concerns known to the non-management directors, the Company will disclose to the public a physical address to which interested persons may deliver their correspondence to any member of the Board, including any non-management director or the non-management directors as a group.

Interested persons may communicate directly with any member of the Board, including any non-management director or the non-management directors as a group, by writing to the attention of such member(s) at the following address: American Home Mortgage Investment Corp., 520 Broadhollow Road, Melville, New York 11747. Communications that are intended for the non-management

directors generally should be marked “Personal and Confidential” and to the attention of the Chair of the Nominating and Corporate Governance Committee.

VI. Periodic Review; Disclosure

These Corporate Governance Principles will be made available on the Company’s website and are reviewed by the Board from time to time. These Corporate Governance Principles are available to the public upon written request to American Home Mortgage Investment Corp., 520 Broadhollow Road, Melville, New York 11747, Attention: General Counsel and Secretary.