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AMERICAN MORTGAGE ACCEPTANCE CO

Form 8-K

May 08, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (D) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): MAY 8, 2007

AMERICAN MORTGAGE ACCEPTANCE COMPANY
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

MASSACHUSETTS
(STATE OR OTHER JURISDICTION OF INCORPORATION)

0-23972
(COMMISSION FILE NUMBER)

13-6972380
(IRS EMPLOYER IDENTIFICATION NUMBER)

625 MADISON AVENUE, NEW YORK, NY 10022
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (212) 317-5700

NOT APPLICABLE
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to

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simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- [] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- [] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- [] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- [] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 8, 2007, American Mortgage Acceptance Company ("AMAC" or the "Company") (AMEX: AMC) released a press release announcing its financial results for the first quarter ended March 31, 2007. A copy of this press release is attached to this Current Report as Exhibit 99.1 and incorporated herein by reference.

The information included in this Current Report, including the information included in Exhibit 99.1 attached hereto, is intended to be furnished pursuant to "Item 2.02. Disclosure of Results of Operations and Financial Condition" and not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended ("Securities Act") or the Exchange Act, or otherwise subject to the liabilities of that Section of Sections 11 and 12 (a) (2) of the Securities Act.

ITEM 9.01. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

- (a). Financial Statements

Not Applicable

- (b). Pro Forma Financial Information

Not Applicable

- (c). Exhibits

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99.1 Press Release dated May 8, 2007, "American Mortgage Acceptance Company Reports First Quarter Financial Results For 2007".

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

American Mortgage Acceptance Company
(Registrant)

BY: /s/ Robert L. Levy

Robert L. Levy
Chief Financial Officer

May 8, 2007

AT THE COMPANY

Brenda Abuaf, Corporate Communications
(800) 831-4826

AMERICAN MORTGAGE ACCEPTANCE COMPANY
REPORTS FIRST QUARTER FINANCIAL RESULTS FOR 2007

NEW YORK, NY - MAY 8, 2007 - American Mortgage Acceptance Company ("AMAC" or the "Company") (AMEX: AMC) today announced financial results for the first quarter ended March 31, 2007.

"AMAC had a strong first quarter from both an operational and a financial perspective," said J. Larry Duggins, Chief Executive Officer of the Company. "We sold our economic interest in three properties that we classified as 'real estate owned' on our balance sheet, enabling us to re-deploy the capital from these non-core assets to fund our investment pipeline. Utilizing the strategic relationships available to us through our advisor, Centerline Capital Group, we completed several high-quality, diverse transactions, including a \$32.5 million mezzanine transaction for the development of Snowmass Village in Aspen, Colorado, and a \$10.1 million investment in bonds ranging from below investment grade to investment grade, plus an equity component of a Collateralized Debt

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Obligation ("CDO") issued by an affiliate of Nomura. We are very pleased with the progress we have made and our investment pipeline continues to build. We believe that we are on track to meet our financial goals for the year."

FINANCIAL RESULTS

The table below summarizes AMAC's revenues, net income, Funds from Operations ("FFO") and adjusted FFO for the three months ended March 31, 2007 and 2006. FFO for the three months ended March 31, 2007 was impacted by the change in the fair value of derivative instruments, net of certain associated costs. Therefore, the Company is reporting FFO both excluding ("Adjusted FFO") and including these changes and costs.

AMAC's net income in the first quarter was impacted by the sale of the Company's economic interest in three properties, resulting in the recognition of a gain of approximately \$3.6 million or \$0.43 per share.

(In thousands, except per share data)	THREE MONTHS ENDED MARCH 31,		
	2007	2006	% CHANGE
Revenues	\$12,501	\$ 5,671	120.4%
Net Income	\$ 5,164	\$ 2,169	138.1%
FFO*	\$ 1,889	\$ 2,619	(27.9%)
Adjusted FFO*	\$ 1,920	\$ 2,619	(26.7%)
Per Share Data (diluted):			
Net Income	\$ 0.61	\$ 0.26	134.6%
FFO*	\$ 0.22	\$ 0.32	(31.3%)
Adjusted FFO*	\$ 0.23	\$ 0.32	(28.1%)

* See footnotes (1) and (3) to the Selected Financial Data for a discussion of FFO and Adjusted FFO and a reconciliation from GAAP net income.

INVESTMENT ACTIVITY

In the first quarter of 2007, a wholly owned subsidiary of AMAC originated first mortgage, mezzanine and bridge loans and subordinated notes totaling approximately \$113.2 million. These investments and loans are secured by multifamily, office, hotel, retail and mixed use properties and consisted of the following:

- o \$54.4 million of first mortgage loans for retail and multifamily properties;
- o \$45.7 million of mezzanine loans for mixed use and office properties;
- o \$10.1 million investment in bonds ranging from below investment grade to investment grade, plus an equity component in a CDO issued by an affiliate of Nomura; and
- o \$3.1 million in B-notes.

MANAGEMENT CONFERENCE CALL

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Management will conduct a conference call today at 10:00 a.m. Eastern Time to review the Company's first quarter financial results for the period ended March 31, 2007. Investors, brokers, analysts, and shareholders wishing to participate should call (800) 946-0783. A webcast of the presentation will be available live and can be accessed through the Company's website, www.americanmortgageco.com. To listen to the presentation via webcast, please go to the website's "Investor Relations" section at least 15 minutes prior to the start of the presentation. For interested individuals unable to join the conference call, a replay of the call will be available through Saturday, May 12, 2007 at (888) 203-1112 (Passcode 2069340) or on our website, www.americanmortgageco.com, through Wednesday, August 8, 2007.

SUPPLEMENTAL FINANCIAL INFORMATION

For more detailed financial information, please access the Supplemental Financial Package, which is available in the Investor Relations section of the AMAC website at www.americanmortgageco.com.

ABOUT THE COMPANY

AMAC is a real estate investment trust that specializes in multifamily and commercial real estate finance. AMAC originates and acquires first mortgage, mezzanine and bridge loans secured by properties throughout the United States. For more information, please visit our website at <http://www.americanmortgageco.com> or contact the Investor Relations Department directly at (800) 831-4826.

AMERICAN MORTGAGE ACCEPTANCE COMPANY AND SUBSIDIARIES SELECTED FINANCIAL DATA (In thousands, except per share amounts)

	=====	=====
	March 31,	December 31,
	2007	2006
	-----	-----
	(Unaudited)	
Balance Sheet Highlights		
TOTAL ASSETS	\$775,088	\$720,984
	=====	=====
CDO notes payable	\$362,000	\$362,000
	=====	=====
Debt Facilities:		
Repurchase facilities	\$268,389	\$163,576
	=====	=====
Line of credit - related party	\$ 10,190	\$ 15,000
	=====	=====

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Short-term notes payable-related party	\$ 4,968	\$ --
	=====	=====
Mortgages payable on real estate owned	\$ --	\$ 39,944
	=====	=====
Preferred shares of subsidiary (subject to mandatory repurchase)	\$ 25,000	\$ 25,000
	=====	=====
TOTAL LIABILITIES	\$688,376	\$635,976
	=====	=====
TOTAL SHAREHOLDERS' EQUITY	\$ 86,712	\$ 85,008
	=====	=====

Three Months Ended
March 31,

2007 2006

(Unaudited)

Income Statement Highlights

Total revenues	\$12,501	\$ 5,671
	=====	=====
Income from continuing operations	\$ 1,633	\$ 2,288
Income (loss) from discontinued operations	\$ 3,531	\$ (119)
	-----	-----
Net income	\$ 5,164	\$ 2,169
	=====	=====

Per share amounts (basic and diluted):

Net income from continuing operations	\$ 0.19	\$ 0.27
Net income (loss) from discontinued operations	\$ 0.42	\$ (0.01)
	-----	-----
Net income	\$ 0.61	\$ 0.26
	=====	=====
Weighted average shares outstanding		
Basic	8,402	8,304
	=====	=====
Diluted	8,402	8,307
	=====	=====

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AMERICAN MORTGAGE ACCEPTANCE COMPANY AND SUBSIDIARIES SELECTED FINANCIAL DATA

(In thousands, except per share amounts)

Funds from Operations ("FFO") (1), as calculated in accordance with the National Association of Real Estate Investment Trusts ("NAREIT") definition, for the three months ended March 31, 2007 and 2006, is summarized in the following table:

	Three Months Ended March 31,	
	2007	2006
Net Income	\$ 5,164	\$ 2,169
Depreciation of real property(2)	336	450
Gain on sale of real property(2)	(3,611)	--
	-----	-----
FFO	\$ 1,889	\$ 2,619
	=====	=====
Adjusted FFO(3)	\$ 1,920	\$ 2,619
	=====	=====
Cash flows from operating activities	\$ 1,629	\$ 1,654
	=====	=====
Cash flows from investing activities	\$(84,328)	\$ 233
	=====	=====
Cash flows from financing activities	\$ 89,654	\$(12,423)
	=====	=====
FFO per share (basic and diluted)	\$ 0.22	\$ 0.32
	=====	=====
Adjusted FFO per share(3) (basic and diluted)	\$ 0.23	\$ 0.32
	=====	=====
Weighted average shares outstanding		
Basic	8,402	8,304
	=====	=====
Diluted	8,402	8,307
	=====	=====

(1) FFO represents net income or loss (computed in accordance with generally accepted accounting principles ("GAAP")), excluding gains (or losses) from sales of property, excluding depreciation and amortization relating to real property and including funds from operations for unconsolidated joint ventures calculated on the same basis. AMAC calculates FFO in accordance with the NAREIT definition. FFO does not represent cash generated from

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operating activities in accordance with GAAP and is not necessarily indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of our operating performance or as an alternative to cash flows as a measure of liquidity. Our management considers FFO a supplemental measure of operating performance, and, along with cash flows from operating activities, financing activities, and investing activities, it provides investors with an indication of the ability of the Company to incur and service debt, to make capital expenditures, and to fund other cash needs. Since not all companies calculate FFO in a similar fashion, our calculation, presented above, may not be comparable to similarly titled measures reported by other companies.

- (2) Relates to properties sold in 2007 and 2006, which are included in discontinued operations in our consolidated statements of income.
- (3) Adjusted FFO excludes the change in fair value of derivative instruments, net of certain associated costs.

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CERTAIN STATEMENTS IN THIS DOCUMENT MAY CONSTITUTE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE STATEMENTS ARE BASED ON MANAGEMENT'S CURRENT EXPECTATIONS AND BELIEFS AND ARE SUBJECT TO A NUMBER OF FACTORS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS. THESE RISKS AND UNCERTAINTIES ARE DETAILED IN AMAC'S MOST RECENT ANNUAL REPORT ON FORM 10-K AND IN ITS OTHER FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION AND INCLUDE, AMONG OTHERS, RISKS OF INVESTING IN UNINSURED AND NON-INVESTMENT GRADE MORTGAGE ASSETS AND SUBORDINATED COMMERCIAL MORTGAGE-BACKED SECURITIES ("CMBS"); COMPETITION IN ACQUIRING DESIRABLE INVESTMENTS; INTEREST RATE FLUCTUATIONS; RISKS ASSOCIATED WITH HEDGING TRANSACTIONS, WHICH CAN LIMIT GAINS AND INCREASE EXPOSURE TO LOSS; RISKS ASSOCIATED WITH INVESTMENTS IN REAL ESTATE GENERALLY AND THE PROPERTIES WHICH SECURE MANY OF OUR INVESTMENTS; GENERAL ECONOMIC CONDITIONS, PARTICULARLY AS THEY AFFECT THE VALUE OF OUR ASSETS AND THE CREDIT STATUS OF OUR BORROWERS; DEPENDENCE ON OUR EXTERNAL ADVISOR FOR ALL SERVICES NECESSARY FOR OUR OPERATIONS; CONFLICTS WHICH MAY ARISE AMONG US AND OTHER ENTITIES AFFILIATED WITH OUR ADVISOR WHICH HAVE SIMILAR INVESTMENT POLICIES TO OURS; RISKS ASSOCIATED WITH THE REPURCHASE AGREEMENTS WE UTILIZE TO FINANCE OUR INVESTMENTS AND THE AVAILABILITY OF FINANCING GENERALLY; AND RISKS ASSOCIATED WITH OUR CONTEMPLATED CDO TRANSACTIONS, WHICH INCLUDE, BUT ARE NOT LIMITED TO, THE INABILITY TO ACQUIRE ELIGIBLE INVESTMENTS FOR A CDO ISSUANCE AND THE INABILITY TO FIND SUITABLE REPLACEMENT INVESTMENTS IN COLLATERALIZED DEBT OBLIGATIONS WITH REINVESTMENT PERIODS. SUCH FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS DOCUMENT. AMAC EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN TO REFLECT ANY CHANGE IN AMAC'S EXPECTATIONS WITH REGARD THERETO OR CHANGE IN EVENTS, CONDITIONS, OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

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