



# American Mortgage Acceptance Company

2000 Mid-Year Report



## LETTER TO OUR SHAREHOLDERS

During the first six months of 2000, we continued the implementation of American Mortgage Acceptance Company's ("AMAC" or the "Company") three-tiered business plan.

### FINANCIAL HIGHLIGHTS

For the six months ending June 30, 2000, total revenues were approximately \$4,215,000 and net income totaled approximately \$1,114,000. Net income per share (basic and diluted) was \$0.29 per share and was calculated based on 3.8 million weighted average shares outstanding for the period.

AMAC has maintained a stable annualized dividend of \$1.45 per share, an indicated annualized dividend yield of 17.2% based on the August 15, 2000 share price of \$8.44 per share.

### AN OVERVIEW OF 2000

When AMAC became a publicly traded company, we instituted a three-tiered business plan, while remaining positioned as a conservatively managed REIT. The Company uses moderate levels of leverage (50% of the Company's total market value) to acquire government-insured participating mortgages collateralized by market-rate multifamily apartment complexes, originates and guarantees mortgage loans in accordance with a joint venture with Fannie Mae and acquires direct and indirect subordinated interests in commercial mortgage-backed securities ("CMBS").

As we had anticipated, the year 2000 has been a period of growth for the Company. Through August 15, 2000, we acquired three FHA-insured participating mortgage loans. These loans, totaling approximately \$47 million, are collateralized by three market-rate multifamily apartment complexes that are currently under construction: Hollows Apartments, in Greenville, North Carolina, Elmhurst Village Apartments, in Oveido, Florida, and The Reserve at Autumn Creek in Friendswood, Texas. AMAC will benefit from participation features to the extent that property cash flow and sale



or refinancing proceeds are ultimately realized. AMAC's acquisition of the Hollows, Elmhurst and Reserve loans brings its total number of government-insured loans to five.

During 1999, AMAC arranged a proprietary joint venture with Fannie Mae, the nation's largest investor in multifamily mortgages. The venture entitles AMAC to originate and contract for loans for multifamily properties that qualify for low-income housing tax credits under Section 42 of the Internal Revenue Code. American Property Finance, a company unaffiliated with AMAC, is underwriting and servicing each loan for Fannie Mae. The venture provides revenue to AMAC in the form of up-front fee-based income for originations and annual income for an AMAC first-loss guarantee of approximately 10%, while avoiding the rate or spread risk that typically accompanies the accumulation of loans for securitization. AMAC has originated loans for Valley View Apartments, a 96-unit affordable housing complex in Cedar Rapids, Iowa and Hillside Apartments, a 60-unit affordable housing complex under construction in Minden, Louisiana. These loans totaled approximately \$3.5 million.

Last year, AMAC made an acquisition of almost \$36 million of BB+rated CMBS, with an approximate face value of \$50 million, from a Chase Manhattan-First Union commercial mortgage trust. The CMBS are secured by mortgages on various types of commercial properties located primarily in New York, California, Florida and Pennsylvania, and provide AMAC with an additional source of revenue.

With the continuing implementation of our business plan, we hope to achieve our 2000 investment goals. Thank you for your continued support of AMAC.

Sincerely,

A handwritten signature in black ink that reads "Stuart Borsky".

Chairman, Chief Executive Officer and President



## AMERICAN MORTGAGE ACCEPTANCE COMPANY

### FINANCIAL HIGHLIGHTS *(Unaudited)*

6 Months ended June 30,	2000	1999
Total Revenues	\$4,214,882	\$ 2,001,500
Net Income	\$1,114,324	\$ 4,489,609
Net Income Per Share	\$ .29	\$ 1.17
Dividends Per Share <i>(Annualized)</i>	\$ 1.45	\$ 1.45
Shares Outstanding at Period End	3,838,630	3,845,287

As of August 15, 2000, The Company's portfolio consists of five Federal Housing Administration ("FHA")-insured mortgage loans, three Ginnie Mae ("GNMA") certificates, and commercial mortgage-backed securities ("CMBS"). As of June 30, 2000, the Company's assets total approximately \$112 million.

### INVESTMENTS IN MORTGAGE LOANS

UNDERLYING PROPERTY/LOCATION	NUMBER OF APT. UNITS	OCCUPANCY*	OUTSTANDING MORTGAGE BALANCE
Columbiana Lakes Apartments <i>Columbia, South Carolina</i>	204	95.5%	\$9,635,057
Stony Brook Village II Apartments <i>East Haven, Connecticut</i>	125	100%	\$9,187,469
Hollows Apartments <i>Greenville, North Carolina</i>	184	**	\$2,291,944
Elmhurst Village Apartments <i>Oveido, Florida</i>	313	**	\$7,014,646
The Reserve at Autumn Creek <i>Friendswood, Texas</i>	212	**	\$4,803,472

\* As of June 25, 2000

\*\* Under Construction



**AMERICAN MORTGAGE ACCEPTANCE COMPANY**  
*Statements of Income (Unaudited)*

**Revenues:**

Interest income:

Mortgage loans

GNMA certificates

Note receivable

Commercial mortgage-backed security related investment

Temporary investments

Other income

Total revenues

**Expenses:**

Interest

General and administrative

Amortization

Organization costs

Total expenses

Other gain (loss):

Net gain (loss) on repayment of GNMA certificates

Net unrealized loss on commercial mortgage-backed security-related investment and government securities sold short

Gain (loss) on repayment of mortgage loans

Total other gain (loss)

Net income

Net income per share (basic and diluted)

Weighted average shares outstanding (basic and diluted)



AMERICAN MORTGAGE ACCEPTANCE COMPANY  
Statements of Income (Unaudited)

Three Months Ended June 30,		Six Months Ended June 30,	
2000	1999	2000	1999
\$ 356,405	\$ 470,627	\$ 847,805	\$ 1,018,992
118,630	196,898	238,261	396,544
-	26,860	-	26,860
956,530	-	1,907,192	-
674,520	262,386	1,221,624	358,914
<u>-</u>	<u>200,190</u>	<u>-</u>	<u>200,190</u>
<u>2,106,085</u>	<u>1,156,961</u>	<u>4,214,882</u>	<u>2,001,500</u>
903,614	-	1,812,721	-
271,101	298,729	603,321	436,263
40,450	-	54,101	-
<u>-</u>	<u>348,413</u>	<u>-</u>	<u>348,413</u>
<u>1,215,165</u>	<u>647,142</u>	<u>2,470,143</u>	<u>784,676</u>
89	(331)	58,363	(417)
(253,735)	-	(710,777)	-
<u>(6,166)</u>	<u>-</u>	<u>21,999</u>	<u>3,273,202</u>
<u>(259,812)</u>	<u>(331)</u>	<u>(630,415)</u>	<u>3,272,785</u>
\$ <u>631,108</u>	\$ <u>509,488</u>	\$ <u>1,114,324</u>	\$ <u>4,489,609</u>
\$ <u>.16</u>	\$ <u>.13</u>	\$ <u>.29</u>	\$ <u>1.17</u>
<u>3,838,630</u>	<u>3,841,699</u>	<u>3,838,630</u>	<u>3,845,287</u>



AMERICAN MORTGAGE ACCEPTANCE COMPANY  
Balance Sheets (Unaudited)

	<u>June 30, 2000</u>	<u>Dec. 31, 1999</u>
<b>ASSETS</b>		
Investments in mortgage loans	\$ 28,129,116	\$ 28,893,482
Investments in GNMA certificates	5,815,540	9,464,437
Commercial mortgage-backed security related investment	34,992,519	34,347,403
Deposit with broker as collateral for security sold short	35,029,680	37,733,101
Cash and cash equivalents	7,146,420	3,802,298
Accrued interest receivable	697,907	1,180,115
Deferred loan costs	89,641	-
Other assets	<u>266,424</u>	<u>144,605</u>
Total assets	<u>\$ 112,167,247</u>	<u>\$ 115,565,441</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities:</b>		
Repurchase facility payable	\$ 19,624,000	\$ 19,127,000
Accrued interest payable	847,515	407,952
Accounts payable and accrued expenses	197,782	122,397
Due to Advisor and affiliates	335,895	433,265
Distributions payable	1,391,503	1,391,503
Government security sold short	<u>34,242,461</u>	<u>36,991,959</u>
Total liabilities	<u>56,639,156</u>	<u>58,474,076</u>
<b>Shareholders' Equity:</b>		
Shares of beneficial interest; \$.10 par value; 12,500,000 shares authorized; 4,213,826 issued and 3,838,630 outstanding	421,383	421,383
Treasury shares of beneficial interest; 375,196 shares	(37,520)	(37,520)
Additional paid-in capital	68,840,500	68,840,500
Distributions in excess of net income	(13,546,743)	(11,878,059)
Accumulated other comprehensive loss	<u>(149,529)</u>	<u>(254,939)</u>
Total shareholders' equity	<u>55,528,091</u>	<u>57,091,365</u>
Total liabilities and shareholders' equity	<u>\$ 112,167,247</u>	<u>\$ 115,565,441</u>



## AMERICAN MORTGAGE ACCEPTANCE COMPANY

### INVESTMENTS IN GNMA CERTIFICATES

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<b>SELLER</b>	<b>STATED INTEREST RATE</b>	<b>BALANCE *</b>
Bear Stearns	7.125%	\$2,431,048
Malone Mortgage	8.500%	\$2,151,487
SunCoast Capital Group, Ltd.	7.000%	\$1,233,005

### COMMERCIAL MORTGAGE-BACKED SECURITY-RELATED INVESTMENT

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	<b>WEIGHTED AVERAGE YIELD *</b>	<b>ESTIMATED FAIR VALUE*</b>
Chase Manhattan Bank - First Union Bank Commercial Mortgage Trust	11%	\$34,992,519

### ORIGINATION OF FNMA MORTGAGE LOANS

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<b>UNDERLYING PROPERTY/LOCATION</b>	<b>NUMBER OF APT. UNITS</b>	<b>LOAN AMOUNT</b>	<b>TYPE OF LOAN</b>
Valley View Apartments <i>Cedar Rapids, Iowa</i>	96	\$ 2,187,000	Permanent
Hillside Apartments <i>Minden, Louisiana</i>	60	1,278,000	Permanent

\* As of June 30, 2000



## **OFFICERS OF THE COMPANY**

Stuart J. Boesky  
*Chairman, CEO and President*

Alan P. Hirmes  
*Senior Vice President*

Michael I. Wirth  
*Senior Vice President and CFO*

Steven B. Wendel  
*Senior Vice President*

Bruce H. Brown  
*Senior Vice President*

Mark J. Schlacter  
*Vice President*

Denise L. Kiley  
*Vice President*

Marc D. Schnitzer  
*Vice President*

John J. Sorel  
*Vice President*

Gary Parkinson  
*Controller*

Teresa Wicelinski  
*Secretary*

## **OFFICERS OF THE ADVISOR**

Stuart J. Boesky  
*President and Director*

Alan P. Hirmes  
*Senior Vice President*

Teresa Wicelinski  
*Secretary*

## **BOARD OF TRUSTEES**

Stuart J. Boesky

Peter T. Allen

Arthur P. Fisch

## **AUDITORS**

Deloitte & Touche LLP

## **COUNSEL**

Paul, Hastings, Janofsky &  
Walker LLP

## **STOCK LISTING**

The American Stock Exchange  
Symbol AMC

## **TRANSFER AGENT**

FleetBoston Financial  
c/o EquiServe Limited Partnership  
PO Box 8040  
Boston, MA 02266-8040  
800.730.6001  
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## **10-Q FILING**

Copies of the Company's 10-Qs, filed with the Securities and Exchange Commission, are available to shareholders without charge by written request to: Investor Relations Department at the Corporate Office

## **INVESTOR RELATIONS**

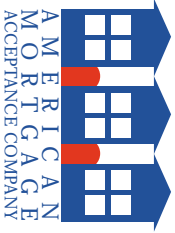
800.831.4826

## **CORPORATE OFFICE**

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212.588.1765

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*Certain items in this report may constitute forward-looking statements within the meaning of the Private Litigation Reform Act of 1995 and as such may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of American Mortgage Acceptance Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this report. American Mortgage Acceptance Company 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 American Mortgage Acceptance Company's expectations with regard thereto or change in events, conditions or circumstances on which any such statement is based.*



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