



August 13, 2007

Dear American Home Mortgage Customer:

On Monday, August 6, 2007, American Home Mortgage and certain of its subsidiaries filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code. This action was necessitated due to American Home Mortgage's sudden liquidity crisis resulting from the extraordinary and unanticipated adverse conditions that have developed in the secondary mortgage and national real estate markets.

The Chapter 11 process is intended to help preserve and protect the value of the Company's assets for its creditors. We are now fully focused on this objective.

The Chapter 11 filing and process should not directly impact you if you currently have a mortgage with American Home Mortgage. You should see no immediate changes on the servicing of your loan and you must continue to make the monthly payments required by your note and mortgage.

If you have an application or commitment in process, we sincerely regret that we will no longer be able to provide you with that funding or provide for a refund of any fees paid. A separate letter is being mailed to you to advise how to transition your financing needs

Please review the following list of frequently asked questions for additional information.

Should you have further questions about American Home Mortgage's Chapter 11 filing, please feel free to visit the new Restructuring Information section of our website at <http://www.americanhm.com>.

Sincerely,

Alan Horn
EVP and General Counsel

Customer FAQ

Is American Home Mortgage going out of business?

Portions of American Home Mortgage's operations will remain in business for the time being. The Chapter 11 process is intended to help preserve and protect the value of the Company's assets for its creditors. We are now fully focused on this objective.

Why does American Home Mortgage need to file for Chapter 11 bankruptcy?

This action was necessitated because certain of the Company's business operations are no longer viable due to the sudden severe liquidity issues confronting American Home Mortgage from the extraordinary and unanticipated disruptions across the entire secondary mortgage and national real estate markets.

The Chapter 11 process is intended to help preserve and protect the value of the Company's assets for its creditors. We are now fully focused on this objective.

What exactly is a Chapter 11 bankruptcy filing?

Chapter 11 is a part of the U.S. Bankruptcy Code that allows a company to restructure its business and/or liquidate assets in an orderly manner for the benefit of the debtor's estate and creditors. Utilization of the Chapter 11 process is not uncommon and many well-known leaders across industries have taken advantage of it.

What will happen in the Chapter 11 process?

This process is designed to protect the Company's business and provide the needed time to make the most prudent decisions to realize the highest value possible for its assets. We have assembled an expert team of restructuring professionals and will work together diligently to achieve this objective.

If I currently have a loan with American Home Mortgage, do I still have to make my monthly loan payment?

Yes. If you currently have a mortgage loan with American Home Mortgage you should see no immediate changes in the servicing of your loan. You still need to make the necessary monthly payments required by your note and mortgage.

Who do I make my payment check out to? Where do I send it?

The Company's operations in this regard are continuing as usual and you should see no immediate changes in the servicing of your loan. Please continue to remit payments as you have done in the past and until you are directed otherwise by American Home Mortgage.

What happens to my loan if I have an application pending or awaiting funding from American Home Mortgage?

If you currently have a loan application pending or you are awaiting funding, we will be unable to complete the loan transaction for you. We simply do not have the funds available to lend. You should consider contacting another lender as quickly as possible to initiate a new application with that lender.

We also notified all closing agents to cancel all closings and to return original documents to the party or parties who submitted them.

What happens if I submitted a loan through a broker or closing agent who was working with American Home Mortgage?

We have notified the loan brokers and closing agents of our inability to fund additional loans. If you applied for your loan through a broker who submitted your loan application to us, please contact your broker as soon as possible and work with them to have your loan sent to another lender.

We also notified all closing agents to cancel all closings and to return original documents to the party or parties who submitted them. As for application funds already submitted, we are in the process of reviewing this issue, and hope to be able to resolve it shortly.

Is American Home Mortgage accepting new loan applications?

No. No new loan applications are being accepted.

How long do you expect to remain in Chapter 11?

There is no definitive time frame for the chapter 11 process. Although the Company's goal is to complete the process as quickly and successfully as possible, the Company cannot be sure how long the process will take.

How can I find out more information?

Should you have further questions about American Home Mortgage's Chapter 11 filing, please visit the new Restructuring Information section of our website at <http://www.americanhm.com>.