



August 13, 2007

Dear American Home Mortgage Vendor:

On Monday, August 6, 2007, American Home Mortgage and certain of its subsidiaries filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. This action was necessitated by sudden and severe liquidity issues due to extraordinary and unanticipated disruptions 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.

In conjunction with the filing, WL Ross & Co. LLC through its fund, WLR Recovery Fund III, L.P., has agreed to provide American Home up to \$50 million in debtor in possession (DIP) financing, subject to court approval. The DIP financing is expected to provide American Home with funding to facilitate the Chapter 11 process.

Unfortunately, the bankruptcy filing means that any payments owed by American Home Mortgage to a vendor for goods and services provided prior to the filing cannot be paid at this time. These amounts are "pre-petition" claims and vendors seeking payment for such claims must do so, through the Chapter 11 process. You will be receiving further information about the claim process in the next few weeks. As a valued business partner, please know that we sincerely regret the impact of our filing on you.

Going forward, the DIP financing is designed to provide the Company with funds to pay you, on an ongoing basis, under normal payment terms, for all goods and services provided after the bankruptcy filing. We hope you will continue what has been a mutually beneficial relationship by remaining a valued supplier to American Home Mortgage.

Please review the following frequently asked questions for additional information. Any questions or requests for assistance should be directed to your usual contact at American Home Mortgage. You can also [click here](#) for more information about our Chapter 11 filing. We value and appreciate your services. Thank you for your ongoing support and understanding.

Sincerely,

Alan Horn  
EVP and General Counsel

**Should we stop shipment/service to you? Are you going out of business?**

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**How do I file my claim for money owed to me before your filing? When can I expect a check for my outstanding bills?**

As is customary in Chapter 11 proceedings, payment for pre-filing obligations will be held as we await court approval of a Chapter 11 plan. We regret any hardship this may present to our vendors and we will do all we can to expedite our Chapter 11 process. Additional information about the Chapter 11 process, including American Home Mortgage's case number, is available on the "Restructuring Information" section of our website <http://www.americanhm.com>. You also will be receiving further information on the claims process in the next few weeks.

**Will you pay me for products and services that I provide from today going forward?**

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**Does this mean that recently deposited checks from American Home Mortgage will bounce? Whom should I contact if this happens?**

Unfortunately, if a check was issued prior to the bankruptcy date and is not honored, we will be unable to replace it and you should add that amount to your claim for pre-filing goods and services. If you are a landlord, the Debtors intend to remain current on rent payments for periods following the bankruptcy filing.

**What is the "critical vendor status" and how do I get it?**

Critical vendor status is a very limited exception to the general rule that all pre-petition claims against the Company cannot be paid. We have made a request to the bankruptcy court to afford such status to certain vendors. Unfortunately, the request could not include all vendors. You should contact the person with whom you normally do business at the Company at to discuss the terms of our relationship going forward.

**What is American Home Mortgage's case number?**

American Home Mortgage's case number is 07-11047.

**Are you planning to close any offices in the Chapter 11 process? What will happen to those lease agreements?**

We do plan to close offices in connection with the Chapter 11 process and will be providing additional information to the landlords affected.

**As a landlord, can I terminate the lease with American Home Mortgage, take possession of any personal property at the premises, or take any legal actions against the Company for money that I am owed?**

Generally, No. Section 362 of the Bankruptcy Code provides an automatic stay to protect the Debtors against certain actions. Section 365 of the Bankruptcy Code further grants American Home Mortgage the authority to assume or reject its executory contracts or leases. If you have further questions, you may wish to seek legal counsel.

**What do I do if I receive a Notice of Rejection that my lease is being rejected?**

As part of the restructuring process, we are rejecting most property leases for office locations that we will no longer utilize. If you receive a notice, you may want to contact legal counsel regarding your rights. You will be contacted by an American Home Mortgage representative to discuss our plans for vacating the facility.

**As my lessee, will you remove all your personal property before vacating? What will happen to the personal property remaining at vacant locations?**

American Home Mortgage will be removing personal property within the premises, including, without limitation, furniture, equipment and paper files, prior to any lease rejection date. Any property remaining after the lease rejection date will be deemed abandoned. An American Home Mortgage representative will be contacting the landlords of each of the locations we plan to vacate.

**What exactly is a Chapter 11 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.

**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?**

In addition to your regular contact person at American Home Mortgage, you may also [click here](#) for more information.

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