

AMERICAN RESIDENTIAL INVESTMENT TRUST INC  
Form 10-Q  
August 14, 2002

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-Q

ý **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934.**

**For the quarterly period ended: June 30, 2002**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934.**

**Commission File Number: 1-13485**

## **AMERICAN RESIDENTIAL INVESTMENT TRUST, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of  
incorporation or organization)

**33-0741174**

(I.R.S. Employer Identification No.)

**10421 Wateridge Circle, Suite 250  
San Diego, California**

(Address of principal executive offices)

**92121**

(Zip Code)

**(858) 909-1200**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ YES ☐ NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock (\$0.01)

7,880,090 as of July 16, 2002

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## PART I. FINANCIAL INFORMATION

## Item 1. Consolidated Financial Statements

**American Residential Investment Trust, Inc. and Subsidiaries**

## Consolidated Balance Sheets, Unaudited

(in thousands, except share and per share data)

	June 30, 2002	December 31, 2001
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,348	\$ 10,945
Mortgage loans held for sale, net, pledged, (lower of cost or market)	210,031	38,095
Bond collateral, mortgage loans, net	337,153	452,152
Bond collateral, real estate owned	11,022	9,226
Retained interests in securitization	1,079	1,582
Derivative financial instruments	3,701	926
Accrued interest receivable	2,641	3,048
Due from affiliate		159
Investment in American Residential Holdings, Inc.	1,991	1,789
Other assets	2,342	1,802
	\$ 582,308	\$ 519,724
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities:</b>		
Short-term debt	\$ 205,554	\$ 35,265
Long-term debt, net	312,925	422,349
Accrued interest payable	150	85
Due to affiliate	1,964	1,786
Accrued expenses and other liabilities	3,274	1,612
Total liabilities	523,867	461,097
<b>Stockholders' Equity:</b>		
Preferred stock, par value \$.01 per share; 1,000 shares authorized; no shares issued and outstanding		
Common stock, par value \$.01 per share; 25,000,000 shares authorized; 7,880,090 shares issued and outstanding at June 30, 2002 and 7,959,900 shares issued and outstanding at December 31, 2001	79	80
Additional paid-in-capital	108,797	108,995
Accumulated other comprehensive income	31	448
Accumulated deficit	(50,466)	(50,896)
Total stockholders' equity	58,441	58,627
	\$ 582,308	\$ 519,724

See accompanying notes to consolidated financial statements.

American Residential Investment Trust, Inc. and Subsidiaries

Consolidated Statements of Operations, unaudited

(in thousands, except per share data)

	For the Three Months Ended June 30, 2002	For the Three Months Ended June 30, 2001	For the Six Months Ended June 30, 2002	For the Six Months Ended June 30, 2001
Interest income:				
Mortgage assets	\$ 10,021	\$ 13,983	\$ 20,042	\$ 32,059
Cash and investments	37	168	66	356
Interest rate cap and floor agreement expense				(9)
Total interest income	10,058	14,151	20,108	32,406
Interest expense	4,072	8,990	7,899	23,239
Net interest spread	5,986	5,161	12,209	9,167
Premium amortization	2,526	2,960	5,628	5,436
Net interest income	3,460	2,201	6,581	3,731
Provision for loan losses	1,024	779	3,127	2,420
Net interest income after provision for loan losses	2,436	1,422	3,454	1,311
Other operating income:				
Gain on sale of mortgage loans	4,952		6,504	
Management fee income	31	45	59	96
Equity in income of American Residential Holdings, Inc.	128	46	202	157
Prepayment penalty income	170	853	510	1,674
Total other operating income	5,281	944	7,275	1,927
Net operating income	7,717	2,366		