

AMERICAN RESIDENTIAL INVESTMENT TRUST INC
Form 8-K
February 12, 2004

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 Exchange Act of 1934

February 12, 2004

Date of Report (Date of earliest event reported)

American Residential Investment Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

1-13485

33-0741174

(Commission File Number)

(IRS Employer Identification No.)

10421 Wateridge Circle, Suite 250 San Diego, CA 92121

(address of principal executive offices) (Zip Code)

858-909-1200

(Registrant's telephone number, including area code)

Item 7. Financial Statements and Exhibits.

(c) Exhibits

Exhibit No. -----	Description -----
99.1	February 12, 2004 Press Release by American Residential Investment Trust, Inc.

Item 12. Results of Operations and Financial Condition

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The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing with the Securities and Exchange Commission made by American Residential Investment Trust, Inc. (the "Company") whether before or after the date hereof, regardless of any general incorporation language in such filing.

On February 12, 2004, the Company issued a press release which included certain disclosures relating to the Company's financial results for the fiscal quarter and year ended December 31, 2004. The full text of the Company's press release is attached hereto as Exhibit 99.1. The main purpose of the press release was to report financial results of the Company for the quarter and year ended December 31, 2004.

The Company's press release contains certain non-GAAP financial measures (as defined under SEC regulations). We earn interest income and incur interest expense in both segments of our operations. In the Mortgage Banking Business, AmNet earns interest on a loan from the date the loan is funded until final disposition of the loan sale. Accordingly, interest income is a function of the volume of loans funded, the interest rate on the loans and the length of time the loans are held prior to sale. To the extent AmNet funds loans with borrowings under its warehouse facilities, it records interest expense based on the same factors. Similarly, in the Mortgage Asset Portfolio Business, we generate revenue on the interest we receive on the mortgage loans we hold for investment and we incur interest expense on the borrowings used to fund our loan portfolio.

Because the interest income and interest expense in each segment of our business are closely related and dependant on many of the same factors, in particular the volume of loans we originate or hold for investment, management believes that it is helpful in understanding our operations to analyze the impact of interest income and expense together within each segment of our operations. For this reason, the press release text provides information regarding the net interest income (interest income less interest expense) generated by each segment. Management believes that this is consistent with how financial analysts typically consider interest in analyzing mortgage banking operations. For the same reasons, in our discussion of the Mortgage Banking Business, the discussion of expenses includes a discussion of our operating expenses, which excludes interest expense.

Because certain other expenses incurred by AmNet in the Mortgage Banking Business, such as commissions and contract labor, also vary with the volume of AmNet's loan originations, management also believes that it is important in understanding this business to consider the variable and the fixed expenses separately. Accordingly, we have included an estimated breakdown of variable amounts for our mortgage banking operating expenses. Management believes that this will enable a better understanding of the Company's results and the likely impact in the future of changes in our origination volumes.

SIGNATURES

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

American Residential Investment Trust,
Inc.

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Date: February 12, 2004

By: /s/ Judith A. Berry

Judith A. Berry
Chief Financial Officer

EXHIBIT INDEX

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