UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

//xx// Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarter ended June 30, 1994

// // Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 1-9819

RESOURCE MORTGAGE CAPITAL, INC.
(Exact name of registrant as specified in its charter)

Virginia	52-1549373
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10500 Little Patuxent Parkway, Columbia, Maryland	21044
(Address of principal executive offices)	(Zip Code)

(410) 715-2000
(Registrant's telephone number, including area code)

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 ninety days. //xx// Yes // //No

On July 31, 1994, the registrant had 20,055,888 shares of common stock of $.01 value outstanding, which is the registrant's only class of common stock.

RESOURCE MORTGAGE CAPITAL, INC.
FORM 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RESOURCE MORTGAGE CAPITAL, INC.

CONSOLIDATED BALANCE SHEETS
(amounts in thousands except share data)

	June 30, 1994	December 31, 1993
ASSETS		
Mortgage investments:		
Collateral for CMOs	$ 388,610	$ 434,698
Adjustable-rate mortgage securities, net	2,381,504	2,021,196
Fixed-rate mortgage securities, net	203,925	214,128
Other mortgage securities	63,507	65,625
Mortgage warehouse participations	61,677	156,688
	3,099,223	2,892,335
Mortgage loans in warehouse	286,342	777,769
Cash	8,855	1,549
Accrued interest receivable	15,058	13,466
Other assets	17,817	41,643
	$ 3,427,295	$ 3,726,762
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Collateralized mortgage obligations	$ 377,699	$ 432,677
Repurchase agreements	2,622,359	2,754,166
Notes payable	61,909	87,451
Commercial paper	58,376	148,672
Accrued interest payable	11,340	14,695
Deferred income	13,829	13,214
Other liabilities	14,500	22,855
	3,160,012	3,473,730
SHAREHOLDERS' EQUITY		
Common stock: par value $.01 per share, 50,000,000 shares authorized, 20,040,552 and 19,331,932 issued and outstanding, respectively	200	193
Additional paid-in capital	278,598	259,622
Net unrealized loss on available-for-sale mortgage investments	(10,060)	-
Retained earnings (deficit)	(1,455)	(6,783)
	267,283	253,032
	$ 3,427,295	$ 3,726,762

See notes to consolidated financial statements.

RESOURCE MORTGAGE CAPITAL, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands except share data)

	Three Months Ended June 30, 1994	Three Months Ended June 30, 1993	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Interest Income:				
Collateral for CMOs	$ 8,270	$ 10,436	$ 16,809	$ 22,139
Adjustable-rate mortgage securities	26,355	18,637	51,651	35,709
Fixed-rate mortgage securities	3,589	3,400	7,707	6,667
Other mortgage investments	3,502	1,831	5,930	3,571
Mortgage warehouse participations	1,343	946	2,772	2,418
Mortgage loans in warehouse	8,673	5,279	18,158	9,828
	51,732	40,529	103,027	80,332
Interest and CMO-related expense:				
Collateralized mortgage obligations:				
Interest	7,743	9,835	15,783	20,834
Other	352	543	760	1,095
Repurchase agreements	28,759	16,518	55,642	30,949
Notes payable	1,411	1,341	2,181	2,506
Commercial paper	779	580	1,582	1,507
Other	1,127	1,118	2,256	2,337
	40,171	29,935	78,204	59,228
Net margin on mortgage assets	11,561	10,594	24,823	21,104
Valuation adjustments on mortgage assets	-	(1,000)	-	(1,000)
Gain on sale of mortgage assets, net of associated costs	9,718	5,820	16,559	10,880
Other income	391	102	620	292
General & administrative expenses	(6,301)	(2,958)	(11,133)	(6,218)
Net income	$ 15,369	$ 12,558	$ 30,869	$ 25,058
Net income per share	$ 0.78	$ 0.76	$ 1.58	$ 1.52
Weighted average number of common shares outstanding	19,750,225	16,536,103	19,599,758	16,526,882

See notes to consolidated financial statements.

RESOURCE MORTGAGE CAPITAL, INC.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(amounts in thousands except share data)

	Number of shares	Common stock	Additional paid-in capital	Net unrealized loss on available-for-sale mortgage investments	Retained earnings (deficit)	Total
Balance at December 31, 1993	19,331,932	$ 193	$ 259,622	$ -	$ (6,783)	$ 253,032
Issuance of common stock, net	708,620	7	18,976	-	-	18,983
Net income - six months ended June 30, 1994	-	-	-	-	30,869	30,869
Net change in unrealized						

loss on available-for-sale mortgage investments	-	-	-	(10,060)	-	(10,060)
Dividends declared - $1.56 per share	-	-	-	-	(25,541)	(25,541)
Balance at June 30, 1994	20,040,552	$ 200	$ 278,598	$ (10,060)	$ (1,455)	$ 267,283

See notes to consolidated financial statements.

RESOURCE MORTGAGE CAPITAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

	Six months Ended June 30, 1994	1993
Operating activities:		
Net income	$ 30,869	$ 25,058
Adjustments to reconcile net income to net cash used for operating activities:		
Amortization and depreciation	3,241	3,675
Net decrease (increase) in mortgage loans held for sale	487,936	(197,734)
Net decrease in accrued interest, other payables and other assets	18,831	91
Net gain from sales of mortgage investments	(4,474)	(1,211)
Other	(149)	2,601
Net cash provided by (used for) operating activities	536,214	(167,520)
Investing activities:		
Collateral for CMOs:		
Principal payments on collateral	81,657	106,413
Net decrease in funds held by trustees	9,466	9,416
	91,123	115,829
Purchase of CMOs, net	(1,651)	-
Purchase of other mortgage investments	(613,170)	(578,315)
Payments on other mortgage investments	261,231	52,834
Proceeds from sales of other mortgage investments	83,664	188,600
Capital expenditures	(1,134)	(227)
Net cash used for investing activities	(179,937)	(221,279)
Financing activities:		
Principal payments on CMOs	(89,741)	(114,400)
(Repayments of) proceeds from short-term borrowings, net	(247,645)	533,767
Proceeds from stock offerings, net	18,983	1,057
Dividends paid	(30,568)	(30,566)
Net cash (used for) provided by financing activities	(348,971)	389,858
Net increase in cash	7,306	1,059
Cash at beginning of period	1,549	1,135
Cash at end of period	$ 8,855	$ 2,194

See notes to consolidated financial statements.

RESOURCE MORTGAGE CAPITAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 1994
(amounts in thousands except share data)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. The consolidated financial statements include the accounts of Resource Mortgage Capital, Inc., its wholly owned subsidiaries, and certain other entities. As used herein, the "Company" refers to Resource Mortgage Capital, Inc. ("RMC") and each of the entities that is consolidated with RMC for financial reporting purposes. A portion of the Company's mortgage operations are operated by a taxable corporation that is consolidated with RMC for financial reporting purposes, but is not consolidated for income tax purposes. All significant intercompany balances and transactions have been eliminated in consolidation.

In the opinion of management, all material adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included. The Consolidated Balance Sheet at June 30, 1994, the Consolidated Statements of Operations for the three months and the six months ended June 30, 1994 and 1993, the Consolidated Statement of Stockholders' Equity for the six months ended June 30, 1994, the Consolidated Statements of Cash Flows for the six months ended June 30, 1994 and 1993 and related notes are unaudited. Operating results for the six months ended June 30, 1994 are not necessarily indicative of the results that may be expected for the year ending December 31, 1994. For further information, refer to the audited consolidated financial statements and footnotes included in the Company's Form 10-K for the year ended December 31, 1993.

NOTE 2--MORTGAGE LOANS IN WAREHOUSE AND SECURITIZATION ACTIVITY

The Company purchases and originates fixed-rate and adjustable-rate loans secured by first mortgages or first deeds of trust on single-family attached or detached residential properties and originates fixed-rate loans secured by first mortgages or deeds of trust on multi-family residential properties. The Company funded mortgage loans with an aggregate principal balance of $1,839,864 during the six months ended June 30, 1994. During this period, the Company sold or securitized mortgage loans with an aggregate principal balance of $2,351,345.

In the six months ended June 30, 1994, the Company recognized net gains of $12,085 on securitizations and sales of mortgage loans. Additionally, during the six months ended June 30, 1994, the Company deferred gains of $2,491 related to securitization and sales of adjustable-rate mortgage loans that are convertible to a fixed rate. The deferred gain will be recognized as income over the five year optional conversion period. The recognized gain and deferred gain are net of taxes totaling $1,408 for the six months ended June 30, 1994.

NOTE 3--AVAILABLE-FOR-SALE MORTGAGE INVESTMENTS

On January 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities. This statement requires that investments in debt and equity securities be classified as either held-to-maturity securities, trading securities, or available-for-sale securities. Held-to-maturity securities are defined as securities that the Company has the positive intent and ability to hold to maturity and are measured at amortized cost. Trading securities are defined as securities that are bought and held principally for the purpose of selling in the near term and are measured at fair value, with unrealized gains and losses included in earnings. Securities not classified as either held-to-maturity securities or trading securities are deemed to be available-for sale securities and are measured at fair value, with unrealized gains and losses reported as a separate component of stockholders' equity. The Company has classified all of its mortgage investments as available-for-sale securities.

NOTE 4--SUPPLEMENTAL CONSOLIDATED STATEMENTS OF CASH FLOWS INFORMATION

	Six months ended June 30, 1994	1993
Cash paid for interest	$ 40,376	$ 56,587
Supplemental disclosure of non-cash activities:		
Purchase of collateral for CMOs	$ (37,253)	$ -
Assumption of CMOs	35,602	-
Purchase of CMOs, net	$ (1,651)	$ -

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Resource Mortgage Capital, Inc. (the "Company") operates mortgage conduits and invests in a portfolio of residential mortgage securities. The Company's primary strategy is to use its mortgage conduit operations, which involve the purchase and securitization of residential mortgage loans, to create investments for its portfolio. The Company's principal sources of income are net interest income on its investment portfolio, gains on the securitization and sale of mortgage loans and the interest spread realized while the mortgage loans are being accumulated for securitization.

In recent periods, the Company's net income improved primarily from an increase in the net margin on its mortgage assets and an increase in the gain on sale of mortgage assets. The increase in net margin resulted primarily from the addition to the Company's portfolio of investments created by the Company's mortgage conduit operations. However, during the first six months of 1994, this increase was partially offset by a decrease in the net interest spread earned on the adjustable-rate mortgage securities in the rising interest rate environment. Lower overall mortgage loan originations in the market are anticipated for 1994 as compared to 1993 as a result of this recent increase in mortgage loan interest rates and the resulting decrease in mortgage loan refinancings. This lower anticipated volume is expected to reduce the gain on sale of mortgage assets during the second six months of 1994 relative to the first six months of 1994.

Results of Operations

(amounts in thousands except per share information)	Three Months Ended June 30, 1994	1993	Six Months Ended June 30, 1994	1993
Net margin on mortgage assets	$ 11,561	$ 10,594	$ 24,823	$ 21,104
Net gain on sale of mortgage assets	9,718	5,820	16,559	10,880
General and administrative expenses	6,301	2,958	11,133	6,218
Net income	15,369	12,558	30,869	25,058
Net income per share	0.78	0.76	1.58	1.52
Principal balance of mortgage loans funded	886,970	847,958	1,839,864	1,711,544

Three Months and Six Months Ended June 30, 1994 Compared to Three Months and Six Months Ended June 30, 1993

The increase in the Company's earnings during the first six months of 1994 as compared to the same period in 1993 is primarily the result of the increase in net margin on mortgage assets and the increase in the net gain on sale of mortgage assets. The increase in the Company's earnings for the three months ended June 30, 1994 as compared to the same period in 1993 can be attributed primarily to the same factors discussed in the comparison of the six months ended June 30, 1994 to the same period in 1993.

The net margin on mortgage assets increased to $24.8 million for the six months ended June 30, 1994 from $21.1 million for the six months ended June 30, 1993. This increase resulted primarily from the overall growth of the portfolio partially offset by a decrease in the net interest spread on the portfolio from 1.61% for the six months ended June 30, 1993 to 1.27% for the six months ended June 30, 1994.

The gain on sale of mortgage assets increased to $16.6 million for the six months ended June 30, 1994 from $10.9 million for the six months ended June 30, 1993. This increase resulted from (i) an increase in the gain on securitizations and sales of mortgage loans and the (ii) an increase in the gain on sale of mortgage assets from the Company's portfolio. As part of its ongoing portfolio management strategy, from time to time the Company may sell mortgage assets from its portfolio.

The increase in earnings was partially offset by an increase in general and administrative expenses. The Company incurred $11.1 million of general and administrative expenses for the six months ended June 30, 1994 as compared with $6.2 million during the six months ended June 30, 1993. The increase in general and administrative expenses is due primarily to the development of the Company's mortgage loan origination capabilities and the growth of the underwriting and risk management departments in late 1993 and early 1994. The underwriting and risk management departments were expanded when the Company began purchasing mortgage loans without a commitment for mortgage pool insurance in 1993. The Company has taken steps to reduce general and administrative expenses during the second six months of 1994 relative to the first six months of 1994.

The following tables summarize the average balances of the Company's interest-earning assets and their average effective yields, along with the Company's average interest-bearing liabilities and the related average effective interest rates, for each of the periods presented.

Average Balances and Effective Interest Rates

(amounts in thousands)	Three Months Ended June 30, 1994		Three Months Ended June 30, 1993		Six Months Ended June 30, 1994		Six Months Ended June 30, 1993	
	Average Balance	Effective Rate	Average Balance	Effective Rate	Average Balance	Effective Rate	Average Balance	Effective Rate
Interest-earning assets : (1)								
Collateral for CMOs (2)	$ 368,409	8.98%	$ 454,968	9.18%	376,294	8.93%	$ 480,030	9.22%
Adjustable-rate mortgage securities	2,127,153	4.96	1,488,930	5.01	2,126,858	4.86	1,401,552	5.10
Fixed-rate mortgage securities	204,580	7.02	181,091	7.51	208,008	7.41	174,257	7.65
Other mortgage securities	77,647	18.04	36,561	20.03	76,244	15.55	36,329	19.66
Mortgage warehouse participations	84,678	6.35	76,543	4.94	94,067	5.90	97,474	4.96
Total portfolio-related assets	2,862,467	6.02	2,238,093	6.30	2,881,471	5.89	2,189,642	6.44
Mortgage loans in warehouse	552,140	6.28	325,202	6.49	601,458	6.04	294,411	6.68
Total interest-earning assets	$3,414,607	6.06%	$ 2,563,295	6.32%	3,482,929	5.92%	$2,484,053	6.47%

Interest-bearing liabilities:								
Portfolio-related liabilities:								
CMOs	$ 374,967	8.26%	$ 460,996	8.53%	384,754	8.20%	$ 487,639	8.54%
Repurchase agreements:								
Adjustable-rate mortgage securities	2,022,473	4.20	1,394,562	3.53	2,039,058	3.91	1,604,978	3.60
Fixed-rate mortgage securities	194,127	5.20	170,645	4.87	198,471	5.12	161,060	4.59
Other mortgage securities	2,990	4.28	5,497	3.71	7,102	3.83	6,074	3.75
Commercial paper	77,307	4.04	72,057	3.23	87,020	3.64	92,515	3.26
Total portfolio-related liabilities	2,671,864	4.84	2,103,847	4.72	2,716,405	4.60	2,052,266	4.84
Warehouse-related liabilities:								
Repurchase agreements	395,432	5.03	178,197	4.70	452,096	4.68	157,277	4.66
Notes payable	84,605	6.64	95,722	5.60	67,852	6.41	87,835	5.71
Total warehouse-related liabilities	480,037	5.32	273,919	5.01	519,948	4.91	245,111	5.03
Total interest-bearing liabilities	$3,151,901	4.91%	$2,377,766	4.76%	$3,236,353	4.65%	$ 2,297,377	4.86%
Net interest spread		1.15%		1.56%		1.27%		1.61%
Net yield on average interest earning assets		1.53%		1.91%		1.60%		1.98%

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(1) Average balances exclude adjustments made in accordance with Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities to record available-for-sale securities at fair value.

(2) Average balances exclude funds held by trustees of $10,645 and $16,710 for the three months ended June 30, 1994 and June 30, 1993, respectively and $11,639 and $18,776 for the six months ended June 30, 1994 and June 30, 1993, respectively.

The decrease in net interest spread is primarily the result of the decrease in the spread on adjustable-rate mortgage securities. As a result of the rapidly increasing interest rate environment during the first six months of 1994, the interest rate on certain repurchase borrowings increased at a faster rate than the interest rate earned on the adjustable-rate mortgage securities which collateralize these borrowings. Additionally, the decrease in the spread on adjustable-rate mortgage securities resulted from the increase in securities retained in the portfolio during late 1993 and early 1994 with low initial pass-through rates (i.e., a "teaser rate"). The spread on adjustable-rate mortgage securities may increase as the mortgage loans underlying these securities reset to a higher level. These resets occur generally every six months. Conversely, the spread on these securities could decrease further should the rates on the related repurchase borrowings continue to increase faster than the interest rates reset on these securities.

Portfolio Activity

The Company's investment strategy is to create a diversified portfolio of mortgage securities that in the aggregate generate stable income in a variety of interest rate and prepayment rate environments and preserve the capital base of the Company. The Company has pursued its strategy of concentrating on its mortgage conduit activities in order to create investments with attractive yields and to benefit from potential gains on securitization. In many instances the Company's investment strategy involves not only the creation or acquisition of the asset, but also the related borrowing to pay for a portion of that asset.

Three Months and Six Months Ended June 30, 1994 Compared to Three Months and Six Months Ended June 30, 1993

The size of the Company's portfolio of mortgage investments at June 30, 1994 has increased as compared to June 30, 1993, through the addition of investments created through the Company's conduit operations and the purchase of mortgage investments. During the six months ended June 30, 1994, the Company added approximately $525.1 million principal amount of adjustable-rate mortgage securities, $0.9 million principal amount of fixed-rate mortgage securities and $11.7 million of other mortgage securities to its portfolio through its conduit operations. Also during the six months ended June 30, 1994, the Company purchased approximately $34.8 million principal amount of adjustable-rate mortgage securities, $20.2 million principal amount of fixed-rate mortgage securities, $23.1 million of other mortgage securities and $37.3 million of collateral for CMOs, net of $35.6 million of associated borrowings, for its portfolio. A portion of these securities were financed through repurchase agreements with investment banking firms. Additionally, during the six months ended June 30, 1994, the Company sold $55.5 million principal amount of adjustable-rate securities and $18.1 million of other mortgage securities from its portfolio. During the six months ended June 30, 1993, the Company sold $184.3 million principal amount of fixed-rate mortgage securities from its portfolio. The Company realized net gains of $4.5 million and $1.2 million on the sale of mortgage securities for the six months ended June 30, 1994 and 1993, respectively.

The net margin on the Company's portfolio of mortgage investments increased to $19.4 million for the six months ended June 30, 1994 from $17.4 million for the six months ended June 30, 1993. This increase resulted from the overall growth of mortgage assets partially offset by a decrease in the net interest spread on the portfolio.

The Company funds mortgage warehouse lines of credit to various mortgage companies, either through the purchase of a participation in such lines of credit, or a direct loan (collectively "lines of credit"). The Company's obligations under such lines of credit may be funded by sales of commercial paper or repurchase agreements. As of June 30, 1994, the Company had $185.0 million of such lines of credit and had advanced $61.7 million pursuant to such lines of credit.

Mortgage Operations

The Company acts primarily as an intermediary between the originators of mortgage loans and the permanent investors in the mortgage loans or the mortgage-related securities backed by such mortgage loans. The Company also originates single-family and multi-family mortgage loans Through its mortgage operations, the Company purchases mortgage loans from approved sellers, primarily mortgage companies, savings and loan associations and commercial banks and originates mortgage loans directly. When a sufficient volume of mortgage loans is accumulated, the Company sells or securitizes these mortgage loans through the issuance of CMOs or pass-through securities. During the accumulation period, the Company finances its purchases of mortgage loans through warehouse lines of credit or through repurchase agreements.

The following table summarizes mortgage operations activity for the three months and six months ended June 30, 1994 and 1993.

	Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands)	1994	1993	1994	1993

Principal amount of loans funded	$ 886,970	$ 847,958	$ 1,839,865	$ 1,711,544
Principal amount securitized or sold	1,195,913	743,787	2,351,345	1,511,892
Investments added to portfolio from mortgage operations conduit, net of associated borrowings	23,965	12,451	43,443	28,268

Three Months and Six Months Ended June 30, 1994 Compared to Three Months and Six Months Ended June 30, 1993

The increase in the funding volume of mortgage loans for the three months and the six months ended June 30, 1994 as compared to the three months and the six months ended June 30, 1993 reflects the success of new loan programs introduced by the Company during 1993. The gain on securitizations and sales of mortgage loans increased to $12.1 million for the six months ended June 30, 1994 from $10.9 million for the six months ended June 30, 1993. This increase was primarily the result of the increased volume of mortgage loans securitized or sold during the period.

During the first six months of 1994, the Company began originating certain single-family mortgage loans through a network of mortgage brokers. The Company also plans to develop a mortgage servicing capability during 1994 for these mortgage loans. The Company will have complete control over the entire mortgage process on these loans, from underwriting and origination to accumulation and securitization. As the Company developed these mortgage loan origination capabilities in recent periods, general and administrative expenses have increased. The Company plans to securitize these new loan products through the issuance of CMOs, and, therefore, no gain on sale will be recognized on these securitization. Instead, profits from these securitizations will be recognized over time as part of net margin income. This strategy, which is consistent with the Company's goal of increasing its net margin income, will likely have a negative impact on earnings during the balance of the year.

Other Matters

The Company has limited exposure to losses due to fraud resulting from the origination of a mortgage loan. The Company has established a loss allowance for such losses. An estimate for such losses is made at the time loans are sold or securitized, and the loss allowance is adjusted accordingly. This estimate is based on management's judgement and the allowance is evaluated periodically. At June 30, 1994 the allowance totaled $4.7 million and was included in other liabilities.

During the third quarter of 1994 the Company will be moving its corporate offices to central Virginia. The Company's operations are currently located in this area and the move will consolidate the corporate and operations departments.

The Company and its qualified REIT subsidiaries (collectively "Resource REIT") have elected to be treated as a real estate investment trust for federal income tax purposes, and therefore is required to distribute annually substantially all of its taxable income. Resource REIT estimates that its taxable income for the six months ended June 30, 1994 was approximately $31.0 million. Taxable income differs from the financial statement net income which is determined in accordance with generally accepted accounting principles.

Liquidity and Capital Resources

The Company uses its cash flow from operations, issuance of CMOs or pass-through securities, other borrowings and capital resources to meet its working capital needs. Based on prior experience, the Company believes that the cash flow from its portfolio and borrowing arrangements provide sufficient liquidity for the conduct of its operations.

The Company's borrowings may bear fixed or variable interest rates, may require additional collateral in the event that the value of the existing collateral declines, and may be due on demand or upon the occurrence of certain events. If borrowing costs are higher than the yields on the mortgage assets purchased with such funds, the Company's ability to acquire mortgage assets may be substantially reduced and it may experience losses.

The Company borrows funds on a short-term basis to support the accumulation of mortgage loans prior to the sale of such mortgage loans or the issuance of mortgage securities. These short-term borrowings consist of the Company's warehouse lines of credit and repurchase agreements and are paid down as the Company securitizes or sells mortgage loans. The Company had a $150 million credit facility, which also allows the Company to borrow up to $30 million on an unsecured basis for working capital purposes. This credit facility expires in February 1995. The Company also has various committed repurchase agreements of $425 million. These facilities mature in June and September 1995. The Company has arranged separate financing for the origination of multi-family mortgage loans for up to $75 million. The Company expects that these credit facilities will be renewed if necessary, at their respective expiration dates, although there can be no assurance of such renewal. At June 30, 1994 the Company had borrowed $226.6 million under these credit facilities. The lines of credit contain certain financial covenants which the Company met as of June 30, 1994. However, changes in asset levels or results of operations could result in the violation of one or more covenants in the future.

The Company finances adjustable-rate mortgage securities and certain other mortgage assets through repurchase agreements. Repurchase agreements allow the Company to sell mortgage assets for cash together with a simultaneous agreement to repurchase the same mortgage assets on a specified date for an increased price, which is equal to the original sales price plus an interest component. At June 30, 1994, the Company had outstanding obligations of $2.5 billion under such repurchase agreements, of which $2.3 billion, $194.2 million and $1.6 million were secured by adjustable-rate mortgage securities, fixed-rate mortgage securities and other mortgage securities, respectively. Increases in either short-term interest rates or long-term interest rates could negatively impact the valuation of these mortgage assets and may limit the Company's borrowing ability or cause various lenders to initiate margin calls. Additionally, certain of the Company's adjustable-rate mortgage securities are AA or AAA rated classes that are subordinate to related AAA rated classes from the same series of securities. Such AA or AAA rated classes have less liquidity than securities that are not subordinated, and the value of such classes is more dependent on the credit rating of the related insurer or the credit performance of the underlying mortgage loans. As a result of either changes in interest rates, a downgrade of a insurer, or the deterioration of the credit quality of the underlying mortgage collateral, the Company may be required to sell certain mortgage assets in order to maintain liquidity. If required, these sales could be made at prices lower than the carrying value of the assets, which could result in losses.
The Company issues asset-backed commercial paper to support its funding of mortgage warehouse lines of credit.

A substantial portion of the assets of the Company are pledged to secure indebtedness incurred by the Company. Accordingly, those assets would not be available for distribution to any general creditors or the stockholders of the Company in the event of the Company's liquidation, except to the extent that the value of such assets exceeds the amount of the indebtedness they secure.

The REIT provisions of the Internal Revenue Code require Resource REIT to distribute to shareholders substantially all of its taxable income, thereby restricting its ability to retain earnings. The Company may issue additional common stock or other securities in the future in order to fund growth in its operations, growth in its portfolio of mortgage investments, or for other purposes.

During the six months ended June 30, 1994 the Company issued 708,620 additional shares of common stock through its Dividend Reinvestment Plan. Total net proceeds of $19.0 million were used for general corporate purposes.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In March 1993, the Company was notified by the Securities and Exchange Commission (the "Commission") that a formal order of investigation had been issued to review trading activity in the Company's stock during April and May of 1992. In this regard, the Company and certain of its officers and directors have produced documents and testified before the staff of the Commission. The Company and the subpoenaed officers and directors are complying with the requests of the Commission. Based on information available to the Company, and upon advice of counsel, management does not believe that the investigation will result in any action that will have a material adverse impact on the Company.

Item 2. Changes in Securities

Not applicable

Item 3. Defaults Upon Senior Securities
Not applicable

Item 4. Submission of Matters to a Vote of Security Holders
Not applicable

Item 5. Other Information
None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits
99.1 Analysis of Projected Yield.

(b) Reports on Form 8-K
None

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 thereunto duly authorized.

RESOURCE MORTGAGE CAPITAL, INC.

By:Thomas H. Potts

Thomas H. Potts, President
(authorized officer of registrant)

Lynn K. Geurin

Lynn K. Geurin, Executive Vice President and Chief Financial Officer
(principal accounting officer)

Dated: August 15, 1994

Exhibit 99.1

ANALYSIS OF PROJECTED YIELD

This presentation contains an analysis of the projected yield on the Company's mortgage investments as of June 30, 1994, under the specific assumptions set forth herein. This presentation does not seek to predict, nor should it be interpreted as a prediction of, the actual present or future yield on such investments since the actual interest rates and prepayment rates in the future will be different than those assumed in any of the projected scenarios. Capitalized terms used herein and not defined herein shall have the respective meanings assigned to them in the Glossary.

Resource Mortgage invests a portion of its equity in a portfolio of mortgage investments. These investments include mortgage loans and mortgage securities subject to collateralized mortgage obligations (CMOs), adjustable-rate mortgage securities, fixed-rate mortgage securities, other mortgage securities and participations in mortgage warehouse lines of credit.

The Company has pursued its investment strategy of concentrating on its mortgage conduit activities in order to create investments for its portfolio with attractive yields and also to benefit from potential securitization income. Through its single-family mortgage conduit activities the Company purchases mortgage loans from approved mortgage companies, savings and loan associations and commercial banks, or originates the mortgage loans directly; in its multi-family conduit activities, the Company originates the loans directly. When a sufficient volume of loans is accumulated, the Company securitizes these mortgage loans through the issuance of mortgage-backed securities. The mortgage-backed securities are structured so that substantially all of the securities are rated in one of the two highest categories (i.e. AA or AAA) by at least one of the nationally recognized rating agencies.

The yield on the Company's investment portfolio is influenced primarily by (i) prepayment rates on the underlying mortgage loans, (ii) the level of short-term interest rates and (iii) the relationship between short-term financing rates and adjustable-rate mortgage yields. The following analysis provides a projection of the yield of the Company's investment portfolio in variety of interest rate and prepayment rate environments. The Company's investment strategy is to create a diversified portfolio of mortgage securities that in the aggregate generate stable income in a variety of interest rate and prepayment rate environments. For purposes of this analysis only, certain of the Company's assets and liabilities have been excluded, and certain liability balances have been reduced to better reflect the Company's net investment in its investment portfolio.

Summary of Mortgage Investments

For purposes of calculating the projected yield, the Company calculates its net investment in its mortgage investments as of June 30, 1994 and December 31, 1993 and can be summarized as follows (amounts in thousands):

	June 30, 1994 (2)	December 31, 1993
Collateral for CMOs, net of CMO liabilities	$ 3,324	$ 8,403
Adjustable-rate mortgage securities, net (1)	162,623	132,401
Fixed-rate mortgage securities, net (1)	13,612	14,520
Other mortgage securities:		
Mortgage residual interests	41,816	22,900
Mortgage derivative securities	26,776	37,494
Other mortgage securities subtotal	68,592	60,394
Mortgage warehouse participations, net of related liabilities	8,600	9,393
Net investment	$ 256,751	$ 225,111

(1) Net of repurchase borrowings and discounts recorded by the Company to compensate for certain risks on mortgage securities collateralized by mortgage loans purchased by the Company for which mortgage pool insurance is used as the primary source of credit enhancement. At June 30, 1994 the discount totaled $15.6 million on adjustable-rate mortgage securities and $3.6 million on fixed-rate mortgage securities. Amounts also exclude certain first-loss class securities retained by the Company from mortgage securities for which a senior/subordinated security structure is used as the primary source of credit enhancement.

(2) Amounts exclude adjustments related to unrealized gains and losses on available-for-sale mortgage investments in accordance with Statement of Financial Accounting Standards No. 115.

The following tables list the Company's various investments (and related information) as of June 30, 1994 that were used in the calculation of the projected yield.

Collateral Pledged to Secure CMOs
(Dollars in thousands)

Series	Type of Mortgage Collateral	Weighted Average Net Coupon Rate (1)	Investment (2)
MCA1, Series 1	Loans (3)	8.97	(3,407)
PWMO, Series B	FNMA Certificates	9.27	1,476
PWMO, Series C	FHLMC & FNMA Certificates	9.59	360
RAC Four, Series 77	Loans	9.55	1,669
RDII, Series A	FNMA Certificates	11.28	(245)

RMSC Series 89-4A	Loans		10.60	167
RMSC Series 89-5	Loans		10.59	(53)
RMSC Series 91-2	Loans		9.81	339
RMSC Series 92-12	Loans		8.10	1,233
RAC Four, 26 Misc.	Series	Various	9.90	1,785
Total				$ 3,324

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(1) Based on the weighted average coupons of the underlying mortgage loans or mortgage certificates when the CMOs were issued and the current principal balances of such mortgage collateral. This information is presented as of December 31, 1993.

(2) Equal to the outstanding principal balance of the mortgage collateral plus unamortized discounts, premiums, accrued interest receivable and deferred issuance costs, and net of bond principal, discounts, premiums and accrued interest payable as of June 30, 1994.

(3) Multi-family loans.

Adjustable-Rate Mortgage Securities
(Dollars in thousands)

Description (1)	Principal Balance (2)	Interest Rate (3)	Remaining Net Investment (4)
FNMA Pools, various	$ 384,589	4.48-6.02% (A)	$ 23,500
FNMA and FHLMC Pools, various	144,479	4.07-7.07 (B)	8,041
FNMA and FHLMC Pools, various	6,136	4.07-7.07 (C)	794
FAI2 1993-E M	17,243	4.08 (A)	1,047
LIBOR ARM Trust 1991-19, Class B	40,018	5.77 (A)	2,435
LIBOR ARM Trust 1992-1, Class B	39,020	5.55 (A)	2,356
LIBOR ARM Trust 1992-4, Class B	59,940	5.64 (A)	3,613
LIBOR ARM Trust 1992-6, Class B	70,109	5.51 (A)	4,233
LIBOR ARM Trust 1992-8, Class B	105,148	5.83 (A)	6,378
LIBOR ARM Trust 1992-10, Class B	32,945	5.55 (A)	1,996
RMSC, AHF 1989-1 Trust, Class A-2	7,051	5.62 (B)	423
RMSC, Series 1991-5	51,724	6.22 (A)	2,971
RMSC, Series 1991-7, Class B	48,003	5.99 (A)	2,932
RMSC, Series 1991-11	66,871	5.85 (A)	3,945
RMSC, Series 1991-12, Class B	45,983	5.67 (A)	2,796
RMSC, Series 1991-15, Class B	39,972	5.73 (A)	2,430
RMSC, Series 1991-16, Class B	57,109	5.79 (A)	3,471
RMSC, Series 1991-17, Class B	39,523	5.55 (A)	2,405
RMSC, Series 1992-5	77,907	5.70 (A)	4,673
RTC M-1, A-4	407	6.96 (C)	24
RTC M-6, A-1, A-2	37,925	5.34, 5.43 (C)	2,433
SMSC, Series 1992-1, Class B	5,000	5.56 (A)	303
SMSC, Series 1992-4, Class B	55,900	5.78 (A)	3,347
SMSC, Series 1992-6, Class B	60,193	5.61 (A)	3,620
SMSC, Series 1993-1, Class B-1, B-2	9,963	5.64, 5.53 (A)	604
SMSC, Series 1993-3, Class A-2, B-2	108,014	5.67 (A)	6,398
SMSC, Series 1993-5, Class A-2, B-2 65,	467	5.78 (A)	3,976
SMSC, Series 1993-6, Class B	16,044	5.53 (A)	951
SMSC, Series 1993-7, Class B	28,401	5.05 (A)	1,723
SMSC, Series 1993-9, Class A-2, B-2	95,280	4.98 (A)	5,784
SMSC, Series 1993-11	144,925	4.37 (A)	8,783
SMSC, Series 1994-1, Class A, B	76,388	4.41 (A)	4,633
SMSC, Series 1994-3, Class M	39,219	4.60 (A)	2,369
SMSC, Series 1994-7, Class A-1, B-1	82,995	4.96 (B)	5,123
SMSC, Series 1994-7, Class A-2, B-2	195,950	4.43 (A)	12,049
LIBOR Cap Agreements (5)			20,064

Total	$ 162,623

(A) Index - Six-month LIBOR
(B) Index - 1-yr CMT
(C) Index - COFI

(1) All the "Class B" adjustable-rate mortgage securities were created from the Company's mortgage conduit operations, and represent a AA rated class that is subordinated to AAA rated class(es) within the security offering.

(2) As of June 30, 1994.

(3) Pass-through rate as of June 30, 1994.

(4) Equal to the outstanding principal balance of the adjustable-rate mortgage securities, plus any unamortized premiums and net of any unamortized discounts, less repurchase borrowings, if any, calculated at 94% of such amount.

(5) The Company has purchased various LIBOR cap agreements in regard to the adjustable-rate mortgage securities. Pursuant to the cap agreements, the Company will receive additional cash flows should six-month LIBOR increase above certain levels as specified below.

	Notional Amount	Cap Rate
Cap agreements expiring between 2001 and 2002	$ 230,500	11.50%
Cap agreements expiring between 2001 and 2002	108,000	10.50%
Cap agreements expiring in 1999	235,000	10.00%
Cap agreements expiring between 2000 and 2003	490,000	9.50%
Cap agreements expiring between 2002 and 2004	525,000	9.00%
	$ 1,588,500	

Fixed-rate Mortgage Securities
(Dollars in thousands)

Description	Balance (1)	Principal Rate	Remaining Interest Net Investment (2)
Citibank, Series 1990-B, Class B-5	$ 1,170	9.60%	$ 718
RMSC, various series	28,357	Various	1,363 (3)
RMSC, Series 91-2, Class 2-B (4)	11,672	10.00	1,741 (3)
SMSC, Series 1993-3, Class A-1, B-1 (4)	78,840	6.75	4,802 (3)
SMSC, Series 1993-5, Class A-1, B-1 (4)	51,043	6.51	3,103 (3)
SMSC, Series 1993-9, Class A-1, B-1 (4)	31,023	6.09	1,885 (3)
Total			$ 13,612

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(1) As of June 30, 1994.

(2) Equal to the outstanding principal balance of the securities, plus any unamortized premiums and net of any unamortized discounts at June 30, 1994.

(3) Equal to the outstanding principal balance of the securities, plus any unamortized premiums and net of any unamortized discounts, less the associated repurchase agreement borrowings at June 30, 1994.

(4) These series become adjustable-rate in 1995-1998.

Other Mortgage Securities
(Dollars in thousands)

Other Mortgage Securities are comprised of mortgage residual interests and mortgage derivative securities as set forth below.

Mortgage residual interests:

Series	Type of Mortgage Collateral	Percent Owned	Weighted Average Net Coupon Rate (1)	Net Investment (2)
FNMA REMIC Trust 1988-22	FNMA	40.00 %	9.50 %	$ 1,376
GMS, Series 1994-1	FNMA	100.00	3.76	4,473
GMS, Series 1994-2	FHLMC	100.00	4.11	4,155
GMS, Series 1994-3	FHLMC	100.00	3.93	3,425
LIBOR ARM Trust 1991-19	Loans	100.00	5.60	298
LIBOR ARM Trust 1992-1	Loans	100.00	5.46	314
LIBOR ARM Trust 1992-4	Loans	100.00	5.51	366
ML Trust XI	FHLMC	49.00	8.50	216
NMF, Series 1994-1	FNMA	100.00	3.83	6,285
NMF, Series 1994-2	FHLMC	100.00	3.80	2,973
NMF, Series 1994-3	FHLMC	100.00	3.90	2,354
RAC Four, Series 39	FHLMC	49.90	10.20	455
RAC Four, Series 62	GNMA	30.00	10.00	428
RAC Four, Series 73	GNMA	55.00	11.50	4,414
RAC Four, Series 74	GNMA	23.60	10.50	1,652
RAC Four, Series 75	GNMA	36.00	9.50	1,270
RAC Four, 22 Misc. Series	Various	Various	11.54	349
RMSC, Series 1991-7	Loans	100.00	6.01	427
RMSC, Series 1991-12	Loans	100.00	6.59	21
RMSC, Series 1991-15	Loans	100.00	6.67	104
RMSC, Series 1991-17	Loans	100.00	5.62	94
Shearson Lehman, Series K	FNMA	50.00	10.00	117
NTF	Various	48.30	9.00	6,250
Total				$ 41,816

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(1) Based on the weighted average coupons of the underlying mortgage loans or mortgage certificates when the mortgage securities were issued and the current principal balances of such mortgage collateral. This information is presented as of December 31, 1993.

(2) Equal to the amortized cost of the mortgage residual interests as of June 30, 1994.

Other Mortgage Securities (continued)

Mortgage derivative securities:

Description	Type of Securities (1)	Type of Mortgage Collateral	Weighted Average Net Coupon Rate (2)	Net Investment (3)
Chemical, Series 1988-4	I/O	Loans	9.82%	$ 81
Interest-only strips, various	I/O	Loans	Various	6,341
LIBOR ARM Trust 1992-8, Class I	I/O	Loans	5.54	755
LIBOR ARM Trust 1992-9, Class I	I/O	Loans	5.46	529
LIBOR ARM Trust 1992-10, Class I	I/O	Loans	5.41	450
Principal-only strips, various	P/O	Loans	Various	4,471
RMSC, Series 89-6, 6F	I/O	Loans	10.62	274
RMSC, Series 1989-7B, B-2	I/O	Loans	10.39	139
RMSC, Series 1991-14, Class 14-P	P/O	Loans	9.77	146
RMSC, Series 1991-16, Class I	I/O	Loans	5.79	266
RMSC, Series 1991-20, Class P	P/O	Loans	8.96	172
RMSC, Series 1992-2, Class P	P/O	Loans	8.47	39
RMSC, Series 1992-18, Class P	P/O	Loans	8.18	148
RMSC, Series 1992-18, Class X	I/O	Loans	8.18	1,155
SMSC, Series 1992-1, Class I	I/O	Loans	5.46	450
SMSC, Series 1992-2, Class I	I/O	Loans	5.53	498
SMSC, Series 1992-3, Class I	I/O	Loans	5.56	252
SMSC, Series 1992-4, Class I	I/O	Loans	5.46	274
SMSC, Series 1993-8, Class 1I, 2I	I/O	Loans	7.97	1,160
SMSC, Series 1993-10, Class I	I/O	Loans	7.72	2,632
SMSC, Series 1994-4, Class 1I, 2I	I/O	Loans	7.09	4,203
SMSC, Series 1994-9, Class 1I, 2I	I/O	Loans	8.03, 7.38	2,127
SMSC, Series 1994-9, Class 1P	P/O	Loans	8.03	214
Total				$ 26,776

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(1) I/O means an interest-only security; P/O means a principal-only security.

(2) Based on the weighted average coupons of the underlying mortgage loans or mortgage certificates when the mortgage securities were issued and the current principal balances of such mortgage collateral. This information is presented as of December 31, 1993 or as of the date purchased if purchased in 1994.

(3) Equal to the amortized cost of the mortgage derivative securities as of June 30, 1994. The Company owned 100% of each such security.

Mortgage Warehouse Participations
(Dollars in thousands)

Description	Weighted Average Coupon (1)	Net Investment (2)
Various Participations	6.33%	$ 8,600

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(1) Based upon the weighted average rate on each participation as of June 30, 1994.

(2) Equal to equity invested in mortgage warehouse participations as of June 30, 1994.

YIELD ON MORTGAGE INVESTMENTS

This presentation contains an analysis of the yield sensitivity to different short-term interest rates and prepayment rates of the Company's Mortgage Investments (as described in the previous section) as of July 1,1994. The Company utilizes this analysis in making decisions as to the cash flow characteristics of investments that the Company desires to create or acquire for its investment portfolio. The Company's investment strategy is to create a diversified portfolio of mortgage securities that in the aggregate generates stable income in a variety of interest rate and prepayment rate environments and preserves the capital base of the Company. Capitalized terms used herein and not defined within this section are defined in the glossary on page 15 of this Exhibit.

This presentation does not reflect all of the Company's assets and liabilities (or income and expenses of such excluded assets or liabilities) nor any of the general and administrative expenses of the Company. This presentation also does not purport to reflect the liquidation or ongoing value of the Company's business or assets. The yield information presented herein is provided solely for analytical purposes. This presentation does not seek to predict, nor should it be interpreted as a prediction of, the actual present or future yield on such investments.

The table below sets forth the estimated cash yields calculated on a semi-annual equivalent basis as of June 30, 1994 of the projected net cash flows on the Company's existing investment portfolio as set forth in "Mortgage Investments" above, based upon the current balances of the assets as of July 1,1994, and upon assumptions set forth below on pages 10 through 14 for each of the respective cases. The most important of these assumptions are the prepayment rates applicable to each mortgage investment and the level of short-term interest rates.

MORTGAGE INVESTMENTS YIELD SENSITIVITY ANALYSIS

YIELD ON INVESTMENT (%)

Prepayment Assumption Case	Short-Term Interest Rate Assumption Case: Case I	Case II	Case III	Case IV	Case V	Case VI	Case VII
Case A	25.1%	23.4%	21.5%	18.9%	15.2%	10.9%	5.8%
Case B	26.2	24.5	23.1	20.1	16.5	12.3	7.3
Case C	27.0	25.4*	22.6	21.1	17.6	13.5	8.6
Case D	27.9	26.3	24.5	22.1	18.7	14.7	9.9
Case E	28.5	26.9	25.2	22.9	19.6	15.9	10.9
Case F	28.9	27.4	25.8	23.6	20.4	16.5	11.9
Case G	29.3	27.9	26.3	24.2	21.1	17.3	12.6

The case most representative of short-term interest rates and prepayment rates as of July 1,1994, is case C-II, represented by the "*."

The yields for each case expressed above are level yields relative to the Company's aggregate net investment of $256.8 million in the various listed mortgage investments as shown beginning on page 2. In addition to the foregoing, the projected yields assume that the Company is able to reinvest principal received on its investments at the same yield as the yield in each case; consequently, these yields do not purport to reflect the return when such reinvestment is not available.

Such yields do not give effect to the operating expenses of the Company. These yields are also exclusive of the yields on mortgage assets of the Company not listed in "Mortgage Investments" above. In particular, the listed mortgage investments do not include (i) mortgage loans in warehouse, (ii) certain first-loss class securities, and (iii) certain other adjustable-rate and fixed-rate mortgage securities. These other securities are excluded in an amount equal to the discount which compensates the Company for certain risks on mortgage securities collateralized by mortgage loans for which mortgage pool insurance is used as the primary source of credit enhancement. There is no assurance that any particular yield actually will be obtained. Prepayment speeds may exceed those shown in the tables on pages 11 and 12 and/or short-term interest rates may exceed those shown in the table on page 13. If this happens, the portfolio yields may differ significantly from those shown below. Also, the table shows changes in short-term interest rates and prepayment rates occurring on a gradual basis over one year. If these factors change more rapidly, the portfolio yields may be significantly affected.

The Company also calculates the MacCauley duration of the aggregate cash flows on its mortgage investments. The duration is 3.3 years in Case C-II, the base case, and ranges from a high of 8.2 years in Case G-VII to a low of 2.8 years in Case A-I.

The assumptions that are set forth below detail certain information with respect to the mortgage investments as of June 30, 1994, or other dates as specified.

Factors Affecting Return

The return on the Company's portfolio of investments will be affected by a number of factors. These include the rate of prepayments of the mortgage loans directly or indirectly securing the mortgage investments and the characteristics of the net cash flows available. Prepayments on mortgage loans commonly are measured by a prepayment standard or model. Two models are used herein. One such model which is used primarily for fixed-rate mortgage loans (the "PSA" prepayment assumption model) is based on an assumed rate of prepayment each month of the unpaid principal amount of a pool of new mortgage loans expressed on an annual basis. A prepayment assumption of 100 percent of the PSA assumes that each mortgage loan (regardless of interest rate, principal amount, original term to maturity or geographic location) prepays at an annual compounded rate of 0.2% of its outstanding principal balance in the first month after origination. The prepayment rate increases by an additional 0.2% per annum in each month thereafter until the thirtieth month after origination. In the thirtieth month and each month thereafter each mortgage loan prepays at a constant prepayment rate of 6% per annum.

The other model used herein is the Constant Prepayment Rate ("CPR"), which is used primarily to model prepayments on adjustable-rate mortgage loans. CPR represents an assumed rate of prepayment each month relative to the then outstanding principal balance of a pool of mortgage loans. A prepayment assumption of 18% CPR assumes a rate of prepayment of the then outstanding principal balance of such mortgage loans in each month equal to 18% per annum.

The Prepayment Assumption Model and CPR do not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including mortgage loans underlying the mortgage investments. The actual prepayment rate of the mortgage loans will likely differ from the assumed prepayment rates.

The rate of principal payments on a single-family pool of mortgage loans is influenced by a variety of economic, geographic, social and other factors. In general, however, mortgage loans are likely to be subject to relatively higher prepayment rates if prevailing long-term interest rates fall significantly below the interest rates on the mortgage loans. Conversely, the rate of prepayments would be expected to decrease if long-term interest rates rise

above the interest rate on the mortgage loans. Other factors affecting prepayment of mortgage loans include changes in mortgagors' housing needs, job transfers, unemployment, mortgagors' net equity in the mortgaged properties, assumability of mortgage loans and servicing decisions.

The terms of the multi-family mortgage loans that collateralize the multi-family investments prohibit the prepayment of principal during the lock-out period, a period generally equal to fifteen years after origination of the loan. Subsequent to the lock-out period, prepayments will be subject to a prepayment premium based on 1% of the remaining principal balance of the multi-family mortgage loan.

The net cash flows on the Company's CMOs will be derived principally from the difference between (i) the cash flow from the collateral pledged to secure the CMO together with reinvestment income, and (ii) the amount required for payment on the CMOs together with related administrative expenses. Certain of the Company's other mortgage securities have similar net cash flow characteristics (collectively, net cash flow investments). Distributions of net cash flows on such net cash flow investments represent both income relative to the investment and a return of the principal invested.

Assumptions Employed in Projecting the Net Cash Flows

In calculating the "Mortgage Investments Yield Sensitivity Analysis" above, the projected net cash flows on the Company's mortgage investments were calculated on the basis of the following:

(1) Prepayments on the mortgage loans underlying the mortgage investments (other than adjustable-rate mortgage securities) were projected to be received in proportion to the PSA model described in this report. Prepayments on the adjustable-rate mortgage securities were projected to be received in proportion to the CPR model described in this report.

The tables below show the prepayment rate projections, expressed as a percentage of the PSA or CPR, on the mortgage loans underlying the mortgage investments in which the Company has an interest under the assumed Case A, Case B, Case C, Case D, Case E, Case F and Case G scenarios. Neither the prepayment projections used in this report nor any other prepayment model or projection purports to be a historical description of prepayment experience or a prediction of the anticipated rate of prepayment of any pool of mortgage loans. It is unlikely that actual prepayments on the mortgage collateral will conform to any of the projected prepayment rates shown in the table below. Prepayment rate projections for certain of the Company's smaller investments are not listed in the tables below.

The prepayment rate for each type of mortgage loan is projected to begin at the prepayment rate used in Case C in the table below. For cases other than Case C, the applicable rate increases or decreases ratably over a one-year period to the prepayment rate set forth for the applicable case. The prepayment rates set forth in Case C are the average of the published estimates of projected prepayment rates of a number of major Wall Street firms, excluding the highest and lowest estimates, as published on Bloomberg on July 1,1994. Cases A through B and Cases D through G represent the average of the prepayment estimates from two investment banking firms multiplied by the ratio of Case C and the average of the comparable prepayment estimates of the two investment banking firms.

PREPAYMENT ASSUMPTION TABLE
FIXED-RATE MORTGAGE LOANS OR CERTIFICATES

Mortgage Certificates	Pass Through Rate (%)	Percentage of PSA Case A	Case B	Case C*	Case D	Case E	Case F	Case G
GNMA Certif.	9.50	485	350	240	160	125	100	85
	10.00	465	365	280	190	155	130	110
	10.50	495	330	285	200	145	120	105
	11.50	340	290	280	235	190	160	150
FNMA Certif.	9.00	540	365	255	180	155	140	130
	9.50	560	385	320	215	185	165	155
	10.00	565	400	350	260	210	185	165
FHLMC Certif.	8.50	640	425	230	150	200	160	180
	10.00	555	395	350	270	220	195	165
	10.25	545	390	345	285	225	205	180
	10.50	535	385	345	295	230	210	195
Fixed-rate Mortgage Loans:								
MCA 1, Series 1		340	335	330	325	320	315	310
RAC Four, Series 77		540	365	255	180	155	140	130
RMSC, Series 1989-4A and 1989-4B		565	390	320	220	185	165	155
RMSC, Series 91-2**		485	350	240	160	125	100	85
RMSC, Series 92-12		720	395	195	160	140	135	125

* Case C is the case most representative of projected prepayment speeds as of July 1,1994. This is representative of the yield on a FNMA 30-year pass-through security of 7.95%. (Case A represents a FNMA pass-through yield of 5.95%, Case B 6.95%, Case D 8.95%, Case E 9.95%, Case F 10.95% and Case G 11.95%).

** The mortgage loans underlying the security become adjustable-rate in 1996-1998.

CONSTANT PREPAYMENT RATES (CPR) TABLE (%)
ADJUSTABLE-RATE MORTGAGE LOANS OR CERTIFICATES

	Case A	Case B	Case C*	Case D	Case E	Case F	Case G
FNMA Pools, Various	36	32	28	26	22	18	14
FHLMC Pools, Various	24	21	18	15	12	9	6
LIBOR ARM Trust 1991-19	24	21	18	15	12	9	6
LIBOR ARM Trust 1992-1	24	21	18	15	12	9	6
LIBOR ARM Trust 1992-4	24	21	18	15	12	9	6
LIBOR ARM Trust 1992-6	24	21	18	15	12	9	6
LIBOR ARM Trust 1 992-8	24	21	18	15	12	9	6
LIBOR ARM Trust 1992-10	24	21	18	15	12	9	6
RMSC, AHF 1989-1	40	36	32	28	26	22	18
RMSC, Series 1991-5	24	21	18	15	12	9	6
RMSC, Series 1991-7	24	21	18	15	12	9	6
RMSC, Series 1991-11	24	21	18	15	12	9	6
RMSC, Series 1991-12	24	21	18	15	12	9	6
RMSC, Series 1991-15	24	21	18	15	12	9	6
RMSC, Series 1991-16	24	21	18	15	12	9	6
RMSC, Series 1991-17	24	21	18	15	12	9	6
RMSC, Series 1992-5	24	21	18	15	12	9	6
RTC M-1	15	13	10	7	5	5	5
RTC M-6	17	15	10	7	5	5	5
SMSC, Series 1992-4	24	21	18	15	12	9	6
SMSC, Series 1992-6	24	21	18	15	12	9	6
SMSC, Series 1993-1	24	21	18	15	12	9	6
SMSC, Series 1993-3**	24	21	18	15	12	9	6
SMSC, Series 1993-5**	24	21	18	15	12	9	6
SMSC, Series 1993-6	24	21	18	15	12	9	6
SMSC, Series 1993-7	24	21	18	15	12	9	6
SMSC, Series 1993-9**	24	21	18	15	12	9	6
SMSC, Series 1993-11	24	21	18	15	12	9	6
SMSC, Series 1994-1	24	21	18	15	12	9	6
SMSC, Series 1994-3	24	21	18	15	12	9	6

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* Case C is the case most representative of projected prepayment speeds as of July 1,1994.
** The mortgage loans underlying these securities become adjustable-rate in 1995-1996.

(2) Principal and interest payments on the mortgage collateral was assumed to be received monthly with interest payments received in arrears.

(3) The LIBOR, commercial paper, COFI, 1 Yr-CMT, and reinvestment income rates are assumed to be as set forth in the table set forth below. The applicable rate is assumed to begin at the rate set forth in Case II in the table below. For cases other than Case II, the applicable rate increases or decreases ratably over a one-year period to the rate set forth for the applicable case. The rates set forth in Case II are representative of the rates as of July 1,1994. Case I and Cases III through VII indicate rates decreasing or increasing, respectively, from the rates of Case II in equal steps each month over one year, to the rate indicated and continuing thereafter at that rate. According to the scheduled resets and subject to the periodic and lifetime caps, if applicable, the interest rates on the Company's adjustable-rate mortgage securities, in each case, reset at the defined margin relative to their respective indices.

SHORT TERM INTEREST RATE ASSUMPTIONS

	Case I	Case II*	Case III	Case IV	Case V	Case VI	Case VII
LIBOR							
One-month	3.375%	4.375%	5.375%	6.375%	7.375%	8.375%	9.375%
Three-month	3.625	4.625	5.625	6.625	7.625	8.625	9.625
Six-month	4.000	5.000	6.000	7.000	8.000	9.000	10.000

COFI	3.026	3.726	4.426	5.120	5.826	6.526	7.226
1 Yr-CMT	4.481	5.481	6.481	7.481	8.481	9.481	10.481
Reinvestment Rates	3.000	4.000	5.000	6.000	7.000	8.000	9.000

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* Case II is the case most representative of short-term interest rates as of July 1,1994.

(4) Principal and interest payments on each mortgage investment were assumed to be made in accordance with the terms for each such mortgage investment.

(5) It was assumed that no optional redemptions are exercised on any of the mortgage investments.

(6) Administrative fees for each series of mortgage securities have been calculated using the assumptions set forth in the prospectus relating to each such series. The administrative fee generally is based upon a fixed percentage of the principal amount of such mortgage securities outstanding.

(7) For the purposes of calculating the net cash flows on the adjustable-rate mortgage securities that are subject to repurchase borrowings, it was assumed that the repurchase borrowings were equal to 94% of the Company's cost basis in such adjustable-rate mortgage securities, and that such ratio would remain constant. Actual repurchase borrowings were greater on June 30, 1994 than the amount used for modeling. If the ratio that the Company was able to borrow were to decrease to a level below the 94% for adjustable-rate mortgage securities used in modeling due to either increases in short-term interest rates or other market conditions, the yield to the Company would be lower in each case.

(8) For purposes of calculating the net cash flows on the fixed-rate mortgage securities that are subject to repurchase borrowings, it was assumed that the repurchase borrowings were equal to 93.5% of the Company's basis in such fixed-rate mortgage securities, and that such ratio would remain constant. Actual repurchase borrowings were greater on June 30, 1994 than the amount used for modeling. If the ratio that the Company was able to borrow were to decrease to a level below the 93.5% for fixed-rate mortgage securities used in modeling due to either increases in short-term interest rates or other market conditions, the yield to the Company would be lower in each case.

(9) In modeling the mortgage warehouse participations, it was assumed that each participation had a remaining average life of one year and the spread between the weighted average coupon, associated costs and the commercial paper rate remained constant.

(10) No losses are projected on any mortgage loans owned by the Company or underlying any adjustable-rate mortgage security or other mortgage security that would not be covered by external sources of insurance or the Company's allowance for losses. Any losses not covered by such insurance or allowance would lower the yield in each case to the Company.

(11) While the cost of the LIBOR cap agreements has been added to the Company's investment in its portfolio, the projections do not include any benefit from them, as such caps are generally above the range of the short-term interest rate assumptions set forth on page 13.

(12) In modeling certain of the Company's smaller mortgage investments, the cash flows of the investments were modeled by substituting for the actual assets and liabilities a small number of representative assets or liabilities, the characteristics of which summarize the actual mortgage loans or mortgage securities and the related liabilities that comprise the investment.

GLOSSARY

AHF - American Home Funding.
Adjustable-rate mortgage loan (ARM) - A mortgage loan that features adjustments of the loan interest rate at predetermined times based on an agreed margin to an established index. An ARM is usually subject to periodic and lifetime interest-rate and/or payment-rate caps.
Adjustable-rate mortgage securities - Mortgage certificates that represent the pass-through of principal and interest on adjustable-rate mortgage loans.
Bloomberg - Bloomberg Business Services, Inc. information systems.
Chemical - Chemical Acceptance Corporation.
Citibank - Citibank, N.A., REMIC mortgage pass-through certificates.
COFI - Eleventh District Cost of Funds Index.
Collateralized Mortgage Obligations (CMOs) - Debt obligations (bonds) that are

collateralized by mortgage loans or mortgage certificates. CMOs are structured so that principal and interest payments received on the collateral are sufficient to make principal and interest payments on the bonds. The bonds may be issued in one or more classes with specified interest rates and maturities which are designed for the investment objectives of different bond purchasers.
Company - Resource Mortgage Capital, Inc.
FAI2 - Fund America Investors Corporation II.
FHLMC - Federal Home Loan Mortgage Corporation.
Fixed-rate mortgage loan - A mortgage loan which features a fixed interest rate that does not change during the life of the loan, or does not change for at least one year from the date of the analysis.
FNMA - Federal National Mortgage Association.
FNMA Yield - FNMA 30-year mortgage certificate yield.
GAAP - Generally accepted accounting principles.
GMS - General Mortgage Securities, Inc. Two.
GNMA - Government National Mortgage Association.
LIBOR - The London Inter-Bank Offered Rate for overseas deposits of U.S. dollars. The LIBOR index generally follows the patterns of the short-term interest rate environment in the U.S. market.
Long-term interest rates - The interest rates applicable to debt securities with an average life of 10 years or more.
MCA 1 - Multi-family Capital Access One, Inc., a subsidiary of the Company
ML - Merrill Lynch
Mortgage certificates - Certificates which represent participation in pools of mortgage loans. The principal and interest payments on the mortgage loans are passed through to the certificate holders. GNMA, FNMA, or FHLMC may issue and guarantee the payment of principal and interest on mortgage certificates issued by them. Mortgage certificates may also be privately issued.
Mortgage derivative securities - Mortgage securities that generally have a market price that is substantially below or in excess of the principal balance of the underlying mortgage loans or mortgage certificates (e.g., a principal-only or interest-only security).
Mortgage loans - Mortgage loans secured by first liens on single-family residential properties.
Mortgage residual interests - An investment which entitles the Company to receive any excess cash flow on a pool of mortgage loans or mortgage certificates after payment of principal, interest and fees on the related mortgage securities.
Mortgage warehouse participations - A participation in a line of credit to a mortgage originator that is secured by recently originated mortgage loans that are in the process of being sold to permanent investors.
N/A - Not available.
NMF - National Mortgage Funding, Inc.
1 Yr-CMT - One-year constant maturity treasury index.

Other mortgage securities - Mortgage derivative securities and mortgage residual interests.
Prepayment rates - Represent a measure as to how quickly the number of mortgage loans in a pool are prepaid-in-full.
PWMO - PaineWebber Mortgage Obligations, Inc.
RAC Four - Ryland Acceptance Corporation Four.
RDII - RD Financial Corporation II.
REMIC - A real estate mortgage investment conduit pursuant to the Internal Revenue Code of 1986, as amended.
RMSC - Ryland Mortgage Securities Corporation.
RTC - Resolution Trust Corporation
SMART - Structured Mortgage Asset Residential Trust.
SMSC - Saxon Mortgage Securities Corporation, an affiliate of the Company.
Short-term interest rates - Short-term interest rates are the interest rates applicable to debt securities with an average life of six months or less.