

Cherry Hill Mortgage Investment Corp  
Form DEF 14A  
April 24, 2014

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

**SCHEDULE 14A**  
**(Rule 14a-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**Cherry Hill Mortgage Investment Corporation**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if Other Than The Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**CHERRY HILL MORTGAGE INVESTMENT CORPORATION**

**301 Harper Drive, Suite 110**

**Moorestown, New Jersey 08057**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Stockholders (the Annual Meeting ) of Cherry Hill Mortgage Investment Corporation (the Company ) will be held on Wednesday, June 10, 2014 at 10:00 a.m., Eastern Time, at The Westin Mount Laurel, 555 Fellowship Road, Mount Laurel, New Jersey 08054 for the following purposes:

1. To elect to the Board of Directors the five nominees named in the attached Proxy Statement to serve until the 2015 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014; and
3. To transact such other business as may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

We know of no other matters to come before the Annual Meeting. Only stockholders of record as of the close of business on April 11, 2014, are entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement of the meeting.

**Whether or not you plan to attend the Annual Meeting, your vote is very important, and we encourage you to vote promptly. If you vote by proxy, but later decide to attend the Annual Meeting in person, or for any other reason desire to revoke your proxy, you may do so at any time before your proxy is voted.**

BY ORDER OF THE BOARD OF  
DIRECTORS

Martin J. Levine  
*Chief Financial Officer and Secretary*

Moorestown, New Jersey

April 24, 2014

**IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS FOR  
THE SHAREHOLDER MEETING TO BE HELD ON JUNE 10, 2014**

The notice of meeting, proxy statement and annual report are available at [www.edocumentview.com/CHMI](http://www.edocumentview.com/CHMI).

**CHERRY HILL MORTGAGE INVESTMENT CORPORATION**

**301 Harper Road, Suite 110**

**Moorestown, New Jersey 08057**

**(877) 870-7005**

**PROXY STATEMENT**

**2014 ANNUAL MEETING OF STOCKHOLDERS**

**GENERAL INFORMATION**

**Proxy Solicitation**

The Board of Directors (the Board) of Cherry Hill Mortgage Investment Corporation, a Maryland corporation (we, our, us or our company), has made these materials available to you in connection with its solicitation of proxies for its Annual Meeting of Stockholders to be held on June 10, 2014, at 10 a.m., Eastern Time, at The Westin Mount Laurel, 555 Fellowship Road, Mount Laurel, New Jersey 08054, and at any adjournments or postponements thereof (the Annual Meeting). These materials were mailed to our stockholders on or about April 30, 2014.

All stockholders will have the ability to access our proxy materials at [www.edocumentview.com/CHMI](http://www.edocumentview.com/CHMI).

In addition to solicitation by mail, certain of our directors, officers and employees may solicit proxies by telephone, personal contact or other means of communication. They will not receive any additional compensation for these activities. In addition, brokers, banks and other persons holding common stock on behalf of beneficial owners will be requested to solicit proxies or authorizations from beneficial owners. We will bear all costs incurred in connection with the preparation, assembly and mailing of our proxy materials and the solicitation of proxies and will reimburse brokers, banks and other nominees, fiduciaries and custodians for reasonable expenses incurred by them in forwarding proxy materials to beneficial owners of our common stock. Although no proxy solicitor has been engaged at this time, we may determine it is necessary to employ an outside firm to assist in the solicitation process. If so, we will pay the proxy solicitor reasonable and customary fees.

No person is authorized to give any information or to make any representation not contained in this Proxy Statement and, if given or made, you should not rely on that information or representation as having been authorized by us. The delivery of this Proxy Statement does not imply that the information herein has remained unchanged since the date of this Proxy Statement.



## **Cherry Hill Contact Information**

The mailing address of our principal executive office is 301 Harper Drive, Suite 110 Moorestown, New Jersey 08057, and our main telephone number is (877) 870-7005. We maintain an Internet website at [www.chmireit.com](http://www.chmireit.com). Information at or connected to our website is not and should not be considered part of this Proxy Statement.

## **FREQUENTLY ASKED QUESTIONS ABOUT THE ANNUAL MEETING**

### ***On what am I voting?***

You are being asked to vote on the following proposals:

the election of the director nominees named in this Proxy Statement (Proposal No. 1); and

the ratification of Ernst & Young LLP ( E&Y ) as our independent registered public accounting firm for the fiscal year ending December 31, 2014 (Proposal No. 2).

### ***Who can vote?***

Holders of our common stock as of the close of business on the record date, April 11, 2014, are entitled to vote, either in person or by proxy, at the Annual Meeting. Each share of our common stock has one vote.

### ***How do I vote?***

*By Proxy* Before the Annual Meeting, you can give a proxy to vote your shares in one of the following ways:

by telephone;

by Internet;

using the telephone or Internet voting procedures; or

by completing and signing your proxy card and mailing it in time to be received prior to the Annual Meeting.

*In Person* You may come to the Annual Meeting and cast your vote there. If your shares are held in the name of your broker, bank or other nominee and (a) you wish to attend the Annual Meeting, you must bring an account statement or letter from the nominee indicating that you were the owner of the shares on April 11, 2014, and (b) you wish to vote at the Annual Meeting, you must obtain a legal proxy from your broker, bank or other nominee that holds your shares giving you the right to vote those shares.

The telephone and Internet voting procedures are designed to confirm your identity, to allow you to give your voting instructions and to verify that your instructions have been properly recorded. If you wish to vote by telephone or Internet, please follow the instructions that are included on the accompanying proxy card. If you mail us your properly completed and signed proxy card, or vote by telephone or Internet, your shares will be voted according to the choices

that you specify.

If you sign and mail your proxy card without marking any choices, your proxy will be voted:

**FOR** the election of all director nominees named in this Proxy Statement; and

**FOR** the ratification of E&Y as our registered independent public accounting firm for the fiscal year ending December 31, 2014.



We do not expect any other matters to be brought before the Annual Meeting. However, by giving your proxy, you appoint the persons named as proxies as your representatives at the Annual Meeting. If any matter requiring a stockholder vote should arise at the Annual Meeting and that matter is not described in our proxy material, the proxy holders will vote your shares in accordance with their best judgment.

***May I change or revoke my vote?***

Yes. You may change your vote or revoke your proxy at any time prior to the Annual Meeting by:

notifying our Secretary in writing that you are revoking your proxy;

providing another signed proxy that is dated after the proxy you wish to revoke; or

attending the Annual Meeting and voting in person.

***Will my shares be voted if I do not provide my proxy?***

It depends on whether you hold your shares in your own name or in the name of a bank or brokerage firm. If you hold your shares directly in your own name, they will not be voted unless you provide a proxy or vote in person at the Annual Meeting.

Brokerage firms generally have the authority to vote customers' un-voted shares on certain routine matters. If your shares are held in the name of a brokerage firm, the brokerage firm can vote your shares for the ratification of E&Y as our registered independent public accounting firm for the fiscal year ending December 31, 2014 (Proposal No. 2) if you do not timely provide your voting instructions, because this matter is considered routine under the applicable rules. The other item (Proposal No. 1) is not considered routine and therefore may not be voted by your broker without instruction.

***What constitutes a quorum?***

As of the record date, a total of 7,509,543 shares of our common stock were issued and outstanding and entitled to vote at the Annual Meeting. In order to conduct the Annual Meeting, a majority of the shares entitled to vote must be present in person or by proxy. This is referred to as a quorum. If you submit a properly executed proxy card or vote by telephone or on the Internet, you will be considered part of the quorum. Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other nominee who holds shares for another person has not received voting instructions from the owner of the shares and, under the applicable rules, does not have discretionary authority to vote on a matter.

***What vote is needed to approve the matters submitted?***

*Election of Directors (Proposal No. 1).* Directors are elected by a plurality of the votes cast at the Annual Meeting.

Plurality means that the nominees receiving the largest number of votes cast are elected as directors up to the maximum number of directors to be chosen at the meeting. For purposes of this vote, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote for this proposal.

*Ratification of Appointment of E&Y (Proposal No. 2).* The affirmative vote of a majority of the votes cast at the Annual Meeting is required to approve this proposal. For purposes of this vote, abstentions will not be counted as

votes cast and will have no effect on the result of the vote for this proposal. Because this matter is considered routine under applicable rules, we do not expect there to be any broker non-votes on this proposal.

**PROPOSAL NO. 1:****ELECTION OF DIRECTORS**

Our Board has fixed the number of directors at five. The five persons named below, each of whom currently serves on our Board, have been recommended by our Nominating and Corporate Governance Committee and nominated by our Board to serve on our Board until our 2015 Annual Meeting of Stockholders and until their respective successors are elected and qualified.

Our Board has no reason to believe that any of the persons named below as a nominee for our Board will be unable, or will decline, to serve if elected. If any nominee is unable to stand for election, the persons appointed to vote your proxy may vote at the Annual Meeting for another candidate proposed by our Board, or our Board may choose to reduce the size of our Board, provided that we continue to have a majority of independent directors following any such reduction. In addition, our Board has determined that all of the persons named below, other than Mr. Middleman and Mr. Lown, are independent under applicable SEC and New York Stock Exchange (the NYSE) rules.

The following table sets forth the name, position with our company and age of each nominee for election to our Board at the Annual Meeting:

<b>Name</b>	<b>Position</b>	<b>Age</b>
Stanley C. Middleman	Chairman of the Board (non-executive)	60
Jeffrey B. Lown II	President	50
Jonathan Kislak	Independent Director	65
Joseph P. Murin	Independent Director	64
Robert Salcetti	Independent Director	59

We believe that all of the nominees are intelligent, experienced and proactive with respect to management and risk oversight, and that they exercise good judgment. The biographical descriptions below set forth certain information with respect to each nominee, including the experience, qualifications, attributes or skills of each nominee that led us to conclude that such person should serve as a director.

**Stanley Middleman** has served as our non-executive Chairman of the Board since our inception in October 2012. He is also the founder, President and Chief Executive Officer of Freedom Mortgage Corporation ( Freedom Mortgage ) and the sole member of our external manager, Cherry Hill Mortgage Management, LLC (the Manager ). He is an active member of the Mortgage Bankers Association and served on numerous advisory boards including Freddie Mac from 2002 to 2010, Ellie Mae, Inc. (a provider of business automation software for the U.S. mortgage industry) from 2000 to 2001, and Fannie Mae from 2005 to 2006.

As a consequence of Mr. Middleman's 27 years' experience in a wide range of financial and residential mortgage markets, including having served as President and Chief Executive Officer of Freedom Mortgage since its founding in 1990, the Board, upon the recommendation of the Nominating and Corporate Governance Committee, believes that he should serve as a director because he is well qualified to provide valuable advice to our Board in many important areas.

**Jeffrey B. Lown II** became a director on October 9, 2013 upon completion of our initial public offering ( IPO ). Mr. Lown has served as our President and Chief Investment Officer since our inception in October 2012 and as our Manager's President and Chief Investment Officer since its inception in November 2012. Mr. Lown has over 20 years

of combined experience in the financial services industry and the residential mortgage markets. Mr. Lown joined Freedom Mortgage in April 2012 and has served as Executive Vice President in charge of strategic funding projects and capital markets. Prior to joining Freedom Mortgage, Mr. Lown served as a Portfolio Manager

at Avenue Capital Group from April 2011 to January 2012. Prior to co-founding and serving as a principal of GreenLake Investment Partners, LLC in the fall of 2010, Mr. Lown spent 11 months at NewOak Capital LLC as head of the residential mortgage loan business and as a member of the bank advisory group. Prior to joining NewOak Capital, Mr. Lown was a fellow at the Office of Thrift Supervision, or OTS, from March 2008 through September 2009. At the OTS, he served as an advisor to the Senior Deputy Director's office, and focused on residential mortgage loan origination and residential asset valuation and RMBS. Noteworthy assignments included participating in the creation of the Obama administration's Making Home Affordable modification program, the review of TARP Capital Purchase Program applications for OTS thrifts and working with the Acting Deputy Director of Examinations, Supervision, and Consumer Protection and regional staff on troubled institutions.

Before OTS, from April 2002 to March 2008, Mr. Lown worked at UBS Securities LLC in mortgage trading. While at UBS Securities, Mr. Lown managed an internal mortgage origination platform specializing in Alt-A mortgage loans, overseeing all units within the organization, including sales, capital markets and operations. Mr. Lown began his career at Salomon Brothers (now Citigroup) in 1991, where he spent 11 years working for the mortgage trading desk. The last six years at Citigroup were in the Mortgage Finance Group where Mr. Lown held several positions both in investment banking and mortgage finance roles. While serving in these positions, he developed strong credit, contract finance and securitization skills.

As a consequence of Mr. Lown's 20 years' experience in the residential mortgage markets and his position with us and our Manager, our Board, upon the recommendation of the Nominating and Corporate Governance Committee, believes that he is well qualified to provide valuable advice in many important areas and he should serve as a director.

**Jonathan Kislak** became a director, chairman of the Audit Committee and member of the Compensation Committee and Nominating and Corporate Governance Committee on October 9, 2013 upon the completion of our IPO and is independent in accordance with applicable NYSE and SEC rules. Since 1999, Mr. Kislak has been Chairman of the Board at Antares Capital Corporation, a private venture capital firm. Mr. Kislak also serves as a director (since January 2008) and chairs the Audit Committee (since January 2011) of the Federal Home Loan Bank of Atlanta. Prior to joining Antares Capital Corporation, Mr. Kislak served as Chairman of the Board at Kislak Capital Corporation, an investor in early stage companies, from 1991 to 1999. Mr. Kislak served as Chairman of the Board of Kislak Financial Corporation (holding company for Kislak National Bank), from 1993 until its sale in January 2005.

Mr. Kislak's government experience includes service as Deputy Under Secretary for Small Community and Rural Development of the Department of Agriculture from 1989 through 1991. At the Department of Agriculture, he was responsible for policy development and management oversight for the Farmer's Home Administration, the Rural Electrification Administration, and the Federal Crop Insurance Corporation. Prior to joining the Bush administration, Mr. Kislak was employed by the J.I. Kislak Organization, a mortgage banking and real estate investment company, in various capacities in the real estate and financial services markets, including mortgage banking, insurance brokerage, real estate brokerage and real estate development. Mr. Kislak led the growth of the J.I. Kislak Mortgage Corporation from \$300 million to over \$5 billion as its President from 1983 to 1989. Mr. Kislak began his career in 1970 at the Federal Home Loan Bank of Boston as a Regional Representative responsible for processing branch applications for the New England region. Mr. Kislak graduated with a Bachelor of Arts in Economics, magna cum laude, from Harvard College.

Mr. Kislak brings to our Board over 40 years of experience in the financial services and mortgage industry sectors. Due to the depth of his experience as a banker, mortgage banker, and investor with a broad background in business, investments, and government, our Board, upon the recommendation of the Nominating and Corporate Governance Committee, believes that he should serve as a director.

**Joseph Murin** became a director, chairman of the Nominating and Corporate Governance Committee and member of the Audit Committee and Compensation Committee on October 9, 2013 upon completion of our IPO and is

independent in accordance with applicable NYSE and SEC rules. Since September 2009, Mr. Murin has served as the Chairman of The Collingwood Group LLC, a Washington, D.C.-based strategic investment and advisory firm serving the financial services industry that he co-founded in 2009. Since September 2012, Mr. Murin has served as President of NewDay Financial LLC, a mortgage lender that provides homeowners with FHA, VA and reverse

mortgage loans, and as Chairman of the Board of Directors of Chrysalis Holdings, LLC, a private investment firm focused on building and growing successful businesses that provide home financing, data analytics and technology solutions in the mortgage banking and financial services industries. From October 2001 to October 2007, Mr. Murin served, and since December 2009, he has served, as a director of the Point Park University. From July 2011 to August 2012, Mr. Murin served as the Chief Executive Officer of National Real Estate Information Services, a portfolio company owned by funds managed by affiliates of Fortress Investment Group, LLC.

President George W. Bush nominated Mr. Murin in October 2007 to serve as President of Ginnie Mae, a position which he held from July 2008 to August 2009. He also served as a consultant to the White House until he was confirmed by the U.S. Senate from January 2008 until May 2008. Prior to his nomination to serve as President of Ginnie Mae, Mr. Murin was with HUD for two years, to which he brought more than 40 years of diverse experience in the financial services, mortgage and banking industries. This experience includes having served as the Chief Executive Officer of a number of financial organizations such as Century Mortgage Co. from September 1986 to January 1989, Lender's Service Inc. from May 1991 to December 2001, and Mortgage Settlement Network Innovations from September 2004 to August 2007. Mr. Murin served as a director for iGATE Corporation (NASDAQ: IGTE) from August 2009 to April 2013. Mr. Murin holds a bachelor's degree in business from National Louis University.

As a consequence of Mr. Murin's more than 40 years' experience in the financial services, mortgage and banking industries, including his service as President of Ginnie Mae, our Board, upon the recommendation of the Nominating and Corporate Governance Committee, believes that he is well qualified to provide valuable advice to our Board in many important areas and that he should serve as a director.

**Robert Salcetti** became a director, chairman of the Compensation Committee and member of the Audit Committee and Nominating and Corporate Governance Committee on October 9, 2013 upon the completion our IPO and is independent in accordance with applicable NYSE and SEC rules. Mr. Salcetti previously served as a Managing Director at JPMorgan Chase from 1996 to 2008. Prior to his tenure at JPMorgan Chase, Mr. Salcetti held the position of Managing Director at Chase Manhattan Bank and Senior Vice President of TCB/Chemical Bank and its predecessor, Texas Commerce Bank. Mr. Salcetti earned a degree of Bachelor of Science in Business Administration from Carlow College in Pittsburgh, Pennsylvania. Since January 2011, Mr. Salcetti has served as a director of Ocwen Financial Corporation (NYSE: OCN) and has served on its Audit and Nomination/Governance Committees. He also has chaired Ocwen's Compliance Committee since its inception in March 2013. In December 2013, Mr. Salcetti joined the board of directors and the audit committee of Dynex Capital, Inc. (NYSE: DX).

Mr. Salcetti brings to our Board over 35 years of experience in the financial services and mortgage industry sectors. With his extensive experience, which includes leading operations that designed, provided and managed credit facilities for loan warehousing financing, advances and mortgage servicing rights financing, our Board, upon the recommendation of the Nominating and Corporate Governance Committee, believes that he is able to offer guidance to our Board from both an operational and strategic perspective and that he should serve as a director.

***Our Board recommends that you vote FOR the election of each nominee for director named above.***

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**EXECUTIVE OFFICERS**

Set forth below are the ages of our executive officers as of the annual meeting:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Jeffrey B. Lown II	50	President and Chief Investment Officer
Martin J. Levine	62	Chief Operating Officer, Treasurer and Secretary

Biographical information with respect to Mr. Lown is set forth above under Proposal No. 1: Election of Directors. We have no executive officers other than the executive officers named above.

**Martin Levine** has served as our Chief Financial Officer, Treasurer and Secretary since our inception in October 2012 and as our Manager's Chief Financial Officer, Treasurer and Secretary since its inception in November 2012.

Mr. Levine joined Freedom Mortgage Corporation in 2012 and has over 30 years of industry expertise. Mr. Levine was brought on to Freedom Mortgage Corporation's senior management to spearhead the firm's servicing oversight operations and financial reporting of its multi-billion dollar servicing portfolio.

Prior to joining Freedom Mortgage Corporation, Mr. Levine was Executive in Charge of Loan Administration at Real Estate Mortgage Network, Inc. from April 2008 to May 2011, where he was responsible for handling and resolving all legacy issues. From July 1999 to March 2007, Mr. Levine was Executive Vice President and Chief Operating Officer at Opteum Financial Services, a taxable real estate investment trust ( REIT ) subsidiary of Opteum Mortgage Management, Inc. At Opteum, Mr. Levine was in charge of managing all aspects of the daily operations of Opteum's TRS including finance, human resources, technology, risk management, compliance and audit functions. During his eight year tenor at Opteum, Mr. Levine set the vision, offered executive sponsorship and ensured execution of multi-business strategic initiatives including heading up risk management of the firm's portfolio of retained mortgage servicing rights and successfully implementing a change of process and system to comply with the Sarbanes Oxley Act. Prior to Opteum, Mr. Levine held various positions in the financial services industry. From July 1987 to June 1999, he served as Executive Vice President of Operations at First Town Mortgage Corporation, a licensed mortgage banking institution headquartered in Secaucus, New Jersey. Prior to First Town Mortgage, Mr. Levine held the position of Vice President of Corporate Operations at Kaplan Companies, a diversified real estate management company, from March 1986 to July 1987. Prior to Kaplan, Mr. Levine served as Vice President, Chief Financial Officer and Treasurer for Pan American Properties a publicly listed real estate investment trust from October 1982 to February 1986. Prior to Pan American Properties, Mr. Levine spent the first nine years of his career working as a licensed CPA for large public accounting firms including Kenneth Leventhal & Company (from January 1981 to October 1982), Coopers and Lybrand (from January 1980 to January 1981) and Touche, Ross and Company (from July 1973 to January 1980). In April 2007, SouthStar Funding LLC, or SouthStar Funding, a subprime and Alt-A mortgage loan originator, filed a voluntary petition for bankruptcy protection under Chapter 7 of the U.S. Bankruptcy Code, and the bankruptcy case was closed on April 5, 2011. At the time the voluntary petition was filed, Mr. Levine, our Chief Financial Officer, served on SouthStar Funding's board of managers. Mr. Levine had previously served as an officer of SouthStar Funding until November 2005 when Opteum Financial Services, LLC, SouthStar Funding's parent company, was sold to Bimini Mortgage Management, Inc.



## CORPORATE GOVERNANCE

### Our Board of Directors

Our business is managed by our Manager, subject to the oversight and direction of our Board. Our Manager is an affiliate of Freedom Mortgage and is responsible for administering our business activities and day-to-day operations. Our Board is currently comprised of five directors. The directors are informed about our business at meetings of our Board and its committees and through supplemental reports and communications.

There were two meetings of the Board in 2013, and each director attended all of the meetings of the Board and all committees on which he served in 2013. In accordance with NYSE requirements and our Corporate Governance Guidelines, the independent directors of our Board regularly meet in executive session without management or Mr. Middleman present. Generally, these executive sessions follow after a regularly scheduled quarterly meeting of our Board. In 2013, the independent directors of our Board met in executive session two times without management or Mr. Middleman present.

In March 2014, our independent directors recommended to the Board, and the Board approved and adopted, an amendment to our corporate governance guidelines and the charter of the Nominating and Corporate Governance Committee charter to create the position of lead independent director, which position will be filled by the chairman of the Nominating and Corporate Governance Committee from time to time. The lead independent director will preside at all executive sessions of the independent directors and will be the point of contact for persons desiring to communicate directly with the independent directors. All interested parties may do so by using the IR Contact tab under the Investor Relations section on our website ([www.chmireit.com](http://www.chmireit.com)) and leaving a message.

Our Board has established three standing committees that are comprised solely of independent directors, the principal functions of which are briefly described below. Matters put to a vote at any one of our three committees must be approved by a majority of the directors on the committee who are present at a meeting at which there is a quorum or by unanimous written consent of the directors on that committee.

### Director Independence

Our Board, has determined, after taking into account all facts and circumstances, there are no material transactions, relationship or arrangements between us and Messrs. Kislak, Murin and Salcetti requiring disclosure under applicable SEC rules and regulation or otherwise and each of them is independent in accordance with applicable NYSE rules.

### Corporate Governance Guidelines

Our Board has adopted Corporate Governance Guidelines, which provide the framework for our governance and represent our Board's current views with respect to selected corporate governance issues considered to be of significance to our stockholders. A current copy of the Corporate Governance Guidelines can be found under Investor Relations Corporate Governance Governance Documents on our website at [www.chmireit.com](http://www.chmireit.com).

### Code of Business Conduct and Ethics

Our Board has established a Code of Business Conduct and Ethics that applies to our officers, directors and employees when such individuals are acting for or on our behalf. A current copy of the Code of Business Conduct and Ethics can be found under Investor Relations Corporate governance Governance Documents on our website at [www.chmireit.com](http://www.chmireit.com). Any waiver of the Code of Business Conduct and Ethics may be made only by the Nominating and Corporate Governance Committee and will be promptly disclosed to stockholders in accordance with applicable SEC and NYSE rules.



## **Availability of Corporate Governance Materials**

Stockholders may view our corporate governance materials, including the charters of our Audit Committee, our Compensation Committee, our Nominating and Governance Committee, our Corporate Governance Guidelines and our Code of Business Conduct and Ethics, on our website at [www.chmireit.com](http://www.chmireit.com) under the section Investor Relations Corporate Governance, and these documents are available in print to any Stockholder upon request by writing to 301 Harper Drive, Suite 110, Moorestown, New Jersey 08057, Attention: Secretary. Information at or connected to our website is not and should not be considered a part of this proxy statement.

## **Committees of the Board**

Our Board has established three standing committees:

the Audit Committee;

the Compensation Committee; and

the Nominating and Corporate Governance Committee.

The members of these standing committees are appointed by and serve at the discretion of our Board. Current copies of the charters for each of these committees can be found under Investor Relations Corporate Governance Committee Charters on our website at [www.chmireit.com](http://www.chmireit.com).

### ***Audit Committee***

The members of the Audit Committee are Mr. Kislak (Chairman), Mr. Murin and Mr. Salcetti. Each of these members has been determined to be independent within the meaning of the applicable standards of the NYSE and Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act). In addition, each of these members meets the financial literacy requirements for audit committee membership under the NYSE's rules and the rules and regulations of the SEC. Our Board has determined that each of Mr. Kislak and Mr. Salcetti is an audit committee financial expert as such term is defined in Item 407(d)(5)(ii) of Regulation S-K. No member of the Audit Committee serves on the audit committee of more than three public companies.

The Audit Committee held two meetings in 2013. The primary purpose of the Audit Committee is to assist our Board in fulfilling its oversight responsibility relating to: (i) the integrity of the company's financial statements and financial reporting process, our systems of internal accounting and financial controls and other financial information we provide; (ii) the performance of the internal audit services function; (iii) the annual independent audit of our financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (iv) our compliance with legal and regulatory requirements, including our disclosure controls and procedures; and (v) the evaluation of risk assessment and risk management policies.

### ***Compensation Committee***

The members of the Compensation Committee are Mr. Salcetti (Chairman), Mr. Kislak and Mr. Murin. Our Board has determined that each member of the Compensation Committee is independent within the meaning of the applicable standards of the NYSE. Each member of the Compensation Committee qualifies as an outside director as such term is defined under Section 162(m) of the Internal Revenue Code and as a non-employee director for purposes of Rule

16b-3 of the Exchange Act.

The Compensation Committee held one meeting in 2013. The primary purpose of the Compensation Committee is to assist our Board in discharging its responsibilities relating to the management agreement with our Manager and the compensation of our Manager, directors and executive officers and administration of the our compensation plans, policies and programs, including but not limited to our 2013 Equity Incentive Plan. The Compensation Committee has overall responsibility for evaluating and recommending changes to the compensation plans, our policies and programs and approving and recommending to our Board for its approval awards under, and amendments to, our 2013 Equity Incentive Plan.

### ***Nominating and Corporate Governance Committee***

The members of the Nominating and Corporate Governance Committee are Mr. Murin (Chairman), Mr. Kislak and Mr. Salcetti. By virtue of his position of chairman, Mr. Murin will also serve as the lead outside director. Our Board has determined that each member of the Nominating and Corporate Governance Committee is independent within the meaning of the applicable standards of the NYSE.

The Nominating and Corporate Governance Committee did not meet in 2013. The primary purpose of the Nominating and Corporate Governance Committee is to assist our Board by: (i) identifying individuals qualified to become members of our Board, consistent with any guidelines and criteria approved by our Board; (ii) considering and recommending director nominees for our Board to select in connection with each annual meeting of stockholders; (iii) considering and recommending nominees for election to fill any vacancies on our Board and to address related matters; (iv) developing and recommending to our Board corporate governance guidelines applicable to us; (v) overseeing an annual evaluation of our Board's and management's performance; and (vi) providing counsel to our Board with respect to the organization, function and composition of our Board and its committees.

### **Board Leadership Structure**

Our Board has not designated a Chief Executive Officer. In the absence of such a designation, our bylaws provide that the President acts as the Chief Executive Officer. Our Board has not established a fixed policy regarding the separation of the roles of Chief Executive Officer and Chairman of our Board but believes that the current separation of the two roles is appropriate. The President, who serves as the Chief Executive Officer, is responsible for our day-to-day leadership, management, direction and performance, while the Chairman of our Board is responsible for determining growth opportunities and, together with the Chief Executive Officer, is responsible for our strategic direction and presides over meetings of our Board.

### **Risk Management Oversight**

Our Manager has implemented various risk management procedures regarding portfolio management, counterparty exposure and financial position that involve close consultation with individuals responsible for those areas. While our Manager is responsible for our day-to-day risk management operations, our Board is responsible for overseeing enterprise-wide risks. Our Board uses its standing committees to monitor and address what may be within the scope of each committee's expertise or charter. For example, the Audit Committee oversees the financial statements, accounting and auditing functions. In addition to getting information from its committees, our Board also receives updates directly from our Manager. In this regard, Mr. Lown, due to his position as both our and our Manager's President and Chief Investment Officer and as a director, plays a particularly important role by communicating with our Chairman of the Board and our independent directors and keeping them updated on the important aspects of our operations.

### **Criteria and Procedures for Selection of Director Nominees**

Although our Board retains ultimate responsibility for nominating individuals for election as directors, the Nominating and Corporate Governance Committee conducts the initial screening and evaluation process. As provided in our Corporate Governance Guidelines, director nominees, including those directors eligible to stand for re-election, are selected based on, among other things, the following factors:

requirements of applicable laws and NYSE listing standards, including independence;

no material relationships with us;

strength of character;

diversity,

age;

skills; and

experience.

In conducting the screening and evaluation of potential director nominees, the Nominating and Corporate Governance Committee considers candidates recommended by directors and our management, as well as recommendations from our stockholders.

The Nominating and Corporate Governance Committee evaluates each individual in the context of our Board as a whole, with the objective of recommending a group of directors that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment, using its diversity of experience. In determining whether to recommend a director for re-election, the Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of our Board.

We do not have a formal policy about diversity of Board membership, but the Nominating and Corporate Governance Committee will consider a broad range of factors when nominating individuals for election as directors, including differences of viewpoint, professional experience, education, skill, other personal qualities and attributes, race, gender and national origin. The Nominating and Corporate Governance Committee neither includes nor excludes any candidate from consideration solely based on the candidate's diversity traits.

The Nominating and Corporate Governance Committee will consider appropriate nominees for directors whose names are submitted in writing by a stockholder. See [Other Information](#) [Stockholder Proposals and Director Nominations for the 2015 Annual Meeting of Stockholders](#).

### **Communication with Our Board**

Stockholders and other interested parties who wish to communicate with our lead independent director or our Board may do so by writing to the Secretary of Cherry Hill Mortgage Investment Corporation, 301 Harper Drive, Suite 110, Moorestown, New Jersey 08057. The independent, non-employee directors have directed our Secretary to act as their agent in processing any written communications received. All communications that relate to matters within the scope of the responsibilities of our Board and its standing committees are to be forwarded to the lead independent director. Communications that relate to matters that are within the scope of the responsibilities of one of our Board's standing committees are also to be forwarded to the chair of the appropriate committee. Communications that relate to ordinary business matters that are not within the scope of the responsibilities of our Board are to be sent to the appropriate member of management.

### **Compensation Committee Interlocks and Insider Participation**

Currently, our Compensation Committee consists of Mr. Salcetti, Mr. Kislak and Mr. Murin. None of the members are or have been one of our employees or officers. None of our executive officers currently serves, or during the past fiscal year has served, as a member of the board of directors or compensation committee of another entity that has one or more executive officers serving on our Board or Compensation Committee.

### **Jumpstart Our Business Startups Act**

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We completed our IPO in October 2013, and we qualify as an emerging growth company, as defined in Section 3(a)(80) of the Exchange Act. As a result, under Section 14A of the Exchange Act, we are exempt from the requirement to include in this proxy statement stockholder advisory votes on certain executive compensation matters such as say on pay and say on frequency and we qualify for certain scaled executive compensation disclosure requirements applicable to emerging growth companies.



## DIRECTOR COMPENSATION

For 2013, each independent director was paid an annual cash retainer of \$50,000. The annual cash retainer was prorated from October 9, 2013, the date we completed our IPO. Mr. Middleman, our non-executive Chairman of the Board, and Mr. Lown, our President and Chief Investment Officer, did not receive any cash compensation for their service as directors.

Upon completion of our IPO, on October 9, 2013, our operating partnership, Cherry Hill Operating Partnership, LP, granted 2,500 long term incentive plan units ( LTIP Units ) to each of our independent directors pursuant to our 2013 Equity Incentive Plan. LTIP Units are a special class of partnership interest in the Operating Partnership. These LTIP Units were fully vested on the date of grant. In addition, on October 9, 2013, our operating partnership granted Mr. Middleman 5,000 LTIP Units pursuant to our 2013 Equity Incentive Plan. The LTIP Units granted to Mr. Middleman vest ratably over a three-year period beginning on October 9, 2014.

For 2014, each independent director will be paid an annual cash retainer of \$45,000. The chairperson of the Audit Committee will be paid an annual cash retainer of \$10,000, each member of the Audit Committee (other than the chairperson) will be paid an annual cash retainer of \$2,500 and each chairperson of the Compensation Committee and the Nominating and Corporate Governance Committee will be paid an annual cash retainer of \$5,000. Mr. Middleman and Mr. Lown will not receive any cash compensation for their service as directors.

On January 27, 2014, we granted each of our independent directors pursuant to our 2013 Equity Incentive Plan 530 shares of common stock, which were fully vested on the date of grant, and 2,651 restricted shares of common stock. The restricted shares of common stock will vest upon the earlier of (i) a change in control (as defined in our 2013 Equity Incentive Plan), (ii) the independent director's death or disability, (iii) our failure to nominate the independent director for re-election to our Board and (iv) January 27, 2015.

For the terms of certain equity-based compensation awarded to Mr. Lown, please see Executive Compensation.

As of April 25, 2014, no equity-based compensation has been awarded to, earned by or paid to any of our directors other than the equity awards described above and, with respect to Mr. Lown, under Executive Compensation.

We reimburse our independent directors for reasonable out-of-pocket expenses incurred in connection with the performance of their duties as directors, including, without limitation, travel expenses in connection with their attendance at in-person board and committee meetings.

In addition, we have entered into indemnification agreements with each of our current directors and intend to enter into indemnification agreements with each of our future directors. The indemnification agreements provide these directors the maximum indemnification permitted under Maryland law. The agreements provide, among other things, for the advancement of expenses and indemnification for liabilities which such person may incur by reason of his or her status as a present or former director of our company in any action or proceeding arising out of the performance of such person's services as a present or former director of our company.

The table below describes the compensation earned by our directors other than Mr. Lown for 2013. Mr. Lown's equity-based compensation is described below under Executive Compensation.

<b>Name</b>	<b>Fees Earned or Paid in Cash<sup>(1)</sup></b>	<b>Stock Awards<sup>(2)(3)</sup></b>	<b>Total Compensation</b>
Stanley Middleman		\$ 100,000	\$ 100,000
Jonathan Kislak	\$ 11,250	\$ 50,000	\$ 61,250
Joseph Murin	\$ 11,250	\$ 50,000	\$ 61,250
Robert Salcetti	\$ 11,250	\$ 50,000	\$ 61,250

- (1) Represents the prorated portion of the 2013 annual cash retainer paid to our independent directors for the period from the completion of our IPO on October 9, 2013 to December 31, 2013.
- (2) Represents the aggregate grant date fair value of the LTIP Units granted to Mr. Middleman and each of our independent directors upon completion of our IPO in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 718. The 2,500 LTIP Units granted to each of our independent directors upon completion of our IPO were fully vested on the date of grant. The 5,000 LTIP Units granted to Mr. Middleman upon completion of our IPO will vest ratably over the three-year period beginning on October 9, 2013. For additional information regarding the valuation of LTIP Units, see Note 6 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013.
- (3) Excludes the 530 shares of common stock and 2,651 restricted shares of common stock awarded to each of our three independent directors on January 27, 2014 pursuant to our 2013 Equity Incentive Plan. The restricted shares of common stock will vest upon the earlier of (i) a change in control (as defined in our 2013 Equity Incentive Plan), (ii) the independent director's death or disability, (iii) our failure to nominate the independent director for re-election to our Board and (iv) January 27, 2015.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### Related Party Transactions

#### *Acquisition of Excess MSR from Freedom Mortgage*

Upon completion of our IPO, we entered into two separate Excess MSR acquisition and recapture agreements with Freedom Mortgage pursuant to which we acquired our initial portfolio of Excess MSR for approximately \$99.1 million. The purchase prices for our initial Excess MSR investments were negotiated by us and Freedom Mortgage and were each derived by applying a multiple that reflected prevailing market conditions at the time the respective purchase prices were negotiated.

Freedom Mortgage owns the mortgage servicing rights or MSR on, and is the primary servicer of, the mortgage loans underlying our investments. Freedom Mortgage also retains the remaining participation interests in the Excess MSR in those mortgage loans. We do not have any servicing duties, advance obligations or liabilities associated with servicing the mortgage loans. Freedom Mortgage also replenishes our participation interest in the Excess MSR on the underlying mortgage loans when those mortgage loans are refinanced by Freedom Mortgage through its retail channel.

In October 2013, we also entered into a flow and bulk Excess MSR purchase agreement with Freedom Mortgage. This agreement provides that Freedom Mortgage will offer to sell to us a participation interest (between 60% and 85%) in the Excess MSR on the eligible mortgage loans originated by Freedom Mortgage on a flow basis. In addition, Freedom will offer to sell to us a participation interest (between 40% and 85%) in the Excess MSR on mortgage loans for which Freedom Mortgage acquires the MSR from third parties. The pricing of the transactions must be approved by a majority of our independent directors based on, among other things, a valuation from a third party valuation service. We are not obligated to accept any such offer.

On February 28, 2014, pursuant to the flow and bulk Excess MSR purchase agreement, we purchased from Freedom Mortgage Excess MSR on mortgage loans originated by Freedom Mortgage during the first quarter of 2014 with an aggregate unpaid principal balance (UPB) of approximately \$76.8 million. We acquired an approximate 85% interest in the Excess MSR for approximately \$567,129. The terms of the purchase include recapture provisions that are the same as those in the Excess MSR acquisition agreements we entered into with Freedom Mortgage in October 2013.

On March 31, 2014, pursuant to the flow and bulk Excess MSR purchase agreement, we purchased from Freedom Mortgage Excess MSR on mortgage loans originated by a third party originator with an aggregate UPB of approximately \$161.1 million. Freedom Mortgage purchased the MSR on these mortgage loans from a third party on January 31, 2014. We acquired an approximate 70% interest in the Excess MSR for approximately \$967,000. The terms of the purchase include recapture provisions that are the same as those in the Excess MSR acquisition agreements we entered into with Freedom Mortgage in October 2013.

#### *Management Agreement*

We are a party to a management agreement with our Manager pursuant to which our Manager provides for the day-to-day management of our operations. The management agreement requires our Manager to manage our business and affairs in conformity with the policies and investment guidelines approved and monitored by our Board. The management agreement has an initial three-year term that expires on October 9, 2016 and will be automatically renewed for one-year terms thereafter unless terminated by either us or our Manager. Our Manager is entitled to receive a termination fee from us under certain circumstances.

We do not reimburse our Manager for the salaries and other compensation of its personnel, except for the allocable share of the salary and benefits paid by our Manager to our Chief Financial Officer, based on the percentage of our

Chief Financial Officer's working time and effort spent on matters related to our company. Our Manager provides us with our Chief Financial Officer (who also serves as our Treasurer and Secretary), who may

from time to time assist Freedom Mortgage with certain tasks. The amount of the salary and benefits paid or reimbursed with respect to our Chief Financial Officer is subject to the approval of the Compensation Committee of our Board.

Under the management agreement, we pay our Manager an annual management fee. The management fee is payable quarterly in arrears in cash in the amount equal to 1.50% per annum of our stockholders' equity, with stockholders' equity being calculated, as of the end of any fiscal quarter, as (a) the sum of (1) the net proceeds from any issuances of our common stock or other equity securities issued by us or our operating partnership (without double counting) since our inception, plus (2) our and our operating partnership's (without double counting) retained earnings calculated in accordance with the U.S. generally accepted accounting principles (GAAP), at the end of the most recently completed fiscal quarter (without taking into account any non-cash equity compensation expense incurred in current or prior periods), less (b) any amount that we or our operating partnership have paid to repurchase shares of our common stock or other equity securities issued by us or our operating partnership since inception. For purposes of the management agreement, stockholders' equity excludes (1) any unrealized gains, losses or other non-cash items that have impacted stockholders' equity as reported in our financial statements prepared in accordance with GAAP, regardless of whether such items are included in other comprehensive income or loss, or in net income, and (2) one-time events pursuant to changes in GAAP, and certain non-cash items not otherwise described above in each case, after discussions between our Manager and our independent directors and approval by a majority of our independent directors.

For the fiscal year ended December 31, 2013, we incurred approximately \$549,000 in management fees payable to our Manager pursuant to the management agreement. In addition, we reimbursed our Manager for approximately \$67,000 of allocable expenses payable by us under the management agreement, including the allocable portion of the salary and other benefits paid by Freedom Mortgage to our Chief Financial Officer and reimbursed by us. Our Manager is not entitled to receive any incentive fee under the management agreement, and no such incentive fee was paid to our Manager for the fiscal year ended December 31, 2013.

Our Manager's sole member is Mr. Middleman, our non-executive Chairman of the Board. Accordingly, all management fee compensation paid by us to our Manager accrues to the benefit of Mr. Middleman.

### ***Indemnification Agreements***

For information regarding indemnification agreements that we have entered into with our directors and executive officers, please see Director Compensation.

### ***Purchases of Common Stock by Mr. Middleman and Registration Rights***

In connection with the initial capitalization of our company, we issued 1,000 shares of our common stock to Mr. Middleman, our non-executive Chairman of the Board, for total cash consideration of \$1,000. We repurchased these shares from Mr. Middleman at the closing of our IPO for \$1,000. On October 9, 2013, Mr. Middleman purchased directly from us in a private placement 1,000,000 shares of our common stock, at a price per share equal to the public offering price of our common stock in our IPO.

Upon completion of our IPO, we entered into a registration rights agreement with Mr. Middleman pursuant to which we agreed to register the resale of the shares of common stock Mr. Middleman acquired in the concurrent private placement. We refer to these shares of common stock as the registrable shares. The registration rights agreement requires us to file a shelf registration statement to register the resale of the registrable shares as soon as practicable after we become eligible to use Form S-3, and we must maintain the effectiveness of such shelf registration statement until all the registrable shares have been sold under the shelf registration statement or become eligible for sale, without restriction, pursuant to Rule 144 under the Securities Act.



### ***Equity Awards Under Our 2013 Equity Incentive Plan***

Upon completion of our IPO, we granted an aggregate of 37,500 LTIP Units to our executive officers and directors and to certain employees of Freedom Mortgage who provide services to us. These LTIP Units were granted pursuant to our 2013 Equity Incentive Plan. The LTIP Units granted to our executive officers, Mr. Lown and Mr. Levine, and our non-executive Chairman of the Board, Mr. Middleman, and to employees of our Manager and Freedom Mortgage who provide services to us, vest ratably over the three-year period beginning on October 9, 2013. For information regarding the LTIP Units granted to Mr. Lown and Mr. Levine, please see [Executive Compensation](#). For information regarding equity awards to Mr. Middleman and our independent directors, please see [Director Compensation](#).

### ***Payment of Underwriting Discount, Structuring Fee and Offering Expenses***

In connection with our IPO, our Manager paid the entire underwriting discount payable with respect to the shares of common stock sold in the offering, or approximately \$6.4 million. Our Manager also paid certain of the underwriters a structuring fee equal to \$487,500 (0.375% of the gross proceeds of this offering to us).

### **Related Party Transaction Policies**

Upon completion of our IPO, our Board adopted a policy regarding the approval of any related person transaction, which is any transaction or series of transactions in which we or any of our subsidiaries is or are to be a participant, where the amount involved exceeds \$120,000, and a related person (as defined under SEC rules) has a direct or indirect material interest. Under the policy, a related person would need to promptly disclose to our Secretary any related person transaction and all material facts about the transaction. Our Secretary would then assess and promptly communicate that information to the audit committee of our board of directors. Based on its consideration of all of the relevant facts and circumstances, our audit committee will decide whether or not to approve such transaction. If we were to become aware of an existing related person transaction that has not been pre-approved under this policy, the transaction would be referred to this committee, which would evaluate all options available, including ratification, revision or termination of such transaction. Our policy will require any director who may be interested in a related person transaction to recuse himself or herself from any consideration of such related person transaction.

## EXECUTIVE COMPENSATION

We are externally managed by our Manager. Each of our executive officers is an employee of our Manager or one of its affiliates. We do not have any employees and we rely completely on our Manager to provide us with investment advisory services. We do not provide cash compensation to any of our executive officers. For 2013 our named executive officers are Mr. Lown, our President and Chief Investment Officer (our principal executive officer), and Mr. Levine, our Chief Financial Officer, Treasurer and Secretary (our principal financial officer). We have no executive officers other than Mr. Lown and Mr. Levine.

We reimburse our Manager for our allocable share of the salary and other benefits paid by Freedom Mortgage to Mr. Levine based on the percentage of his working time and effort spent on matters related to our company. However, we do not determine the compensation payable by Freedom Mortgage to Mr. Levine. Our Compensation Committee has approved our allocable share of the salary and other benefits paid by our Manager to Mr. Levine in 2013 and reimbursed by us.

### 2013 Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for 2013. We did not pay, or reimburse our Manager for, any compensation to our named executive officers in 2012.

Name and Position	Year	Salary <sup>(1)</sup>	Stock Awards <sup>(2)</sup>	Total
Jeffrey B. Lown III <i>President and Chief Investment Officer (Principal Executive Officer)</i>	2013		\$ 175,000	\$ 175,000
Martin J. Levine <i>Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer)</i>	2013	\$ 67,000	\$ 100,000	\$ 167,000

(1) Amounts in this column represent our allocable share of the salary and other benefits paid by Freedom Mortgage to Mr. Levine and reimbursed by us to our Manager based on the percentage of his working time and effort spent on matters related to our company.

(2) On October 9, 2013, the closing date of our IPO, Mr. Lown was granted 8,750 LTIP Units and Mr. Levine was granted 5,000 LTIP Units. These LTIP Units were granted pursuant to our 2013 Equity Incentive Plan and vest ratably over a three-year period beginning on October 9, 2014. With respect to the LTIP Unit awards, the dollar amounts indicated in the table under *Stock Awards* are the aggregate grant date fair value of the awards computed in accordance with FASB ASC Topic 718. For additional information regarding the valuation of LTIP Units, see Note 6 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013

LTIP Units are a special class of partnership interest in our operating partnership. LTIP Units, whether vested or not, receive the same quarterly per unit distributions as common units of limited partnership interest in our operating partnership ( *OP Units* ), which distributions equal per-share distributions on shares of our common stock. Initially, LTIP Units do not have full parity with OP Units with respect to liquidating distributions. Under the terms of the LTIP Units, our operating partnership will revalue its assets upon the occurrence of certain specified events, and any increase in our operating partnership's valuation from the time of grant until such event will be allocated first to the holders of LTIP Units to equalize the capital accounts of such holders with the capital accounts of holders of OP



Units. Upon equalization of the capital accounts of the holders of LTIP Units with the holders of OP Units, the LTIP Units will achieve full parity with the OP Units for all purposes, including with respect to

liquidating distributions. If such parity is reached, vested LTIP Units may be converted into an equal number of OP Units at any time, and thereafter enjoy all the rights of OP Units, including redemption/exchange rights. However, there are circumstances under which such parity would not be reached.

### Outstanding Equity Awards at December 31, 2013

The following table sets forth information concerning equity incentive plan awards for each of our named executive officers outstanding at December 31, 2013.

Name and Position	Number of Shares That Have Not Vested <sup>(1)</sup>	Market Value of Share That Have Not Vested <sup>(2)</sup>
Jeffrey B. Lown III <i>President and Chief Investment Officer</i> <i>(Principal Executive Officer)</i>	8,750	\$ 155,750
Martin J. Levine <i>Chief Financial Officer, Treasurer and Secretary</i> <i>(Principal Financial Officer)</i>	5,000	\$ 89,000

(1) Represents shares of common stock underlying unvested LTIP Units granted to our Named Executive Officers pursuant to our 2013 Equity Incentive Plan. The LTIP Units will vest ratably over the three-year period beginning on October 9, 2013. See the information following 2013 Summary Compensation Table for a general discussion of LTIP Units.

(2) Pursuant to SEC rules, for purposes of this table the market value per share of common stock underlying unvested LTIP Units is assumed to be \$17.80, the closing market price per share of our common stock on December 31, 2013.

The LTIP Units described above were granted to our named executive officers pursuant to our 2013 Equity Incentive Plan. Prior to the completion of our IPO, Mr. Middleman, our sole director and sole stockholder at the time, adopted and approved our 2013 Equity Incentive Plan to allow us to attract and retain independent directors, executive officers and other key employees and to allow our Manager, our operating partnership and Freedom Mortgage to attract and retain investment professionals who will provide services to us and align the interests of these individuals with the interests of our stockholders. Our 2013 Equity Incentive Plan provides for the grant of options to purchase shares of our common stock, stock awards, stock appreciation rights, performance units, incentive awards and other equity-based awards (including LTIP units). Our Manager, our operating partnership and Freedom Mortgage are not eligible to participate in our 2013 Equity Incentive Plan because participation in our 2013 Equity Incentive Plan is limited to individuals.

Our 2013 Equity Incentive Plan is administered by the Compensation Committee, except that our 2013 Equity Incentive Plan will be administered by our Board with respect to awards made to directors who are not employees. We use the term administrator to refer to the Compensation Committee or our Board, as applicable. The administrator approves all terms of awards under our 2013 Equity Incentive Plan. The administrator also approves who will receive grants under our 2013 Equity Incentive Plan and the number of shares of our common stock subject to each grant.

Our officers, employees and directors and the officers and employees of our affiliates are eligible to participate in our 2013 Equity Incentive Plan. In addition, individuals who provide services to us or an affiliate, including through their employment with our Manager, our operating partnership or Freedom Mortgage, are eligible to receive awards under our 2013 Equity Incentive Plan.



Our 2013 Equity Incentive Plan provides for grants of up to an aggregate of 5.0% of the outstanding shares of our common stock (on a fully diluted basis) at the time of the award, subject to a maximum aggregate number of shares of our common stock that may be issued under our 2013 Equity Incentive Plan of 1,500,000 shares. As of April 25, 2014, 35,000 LTIP Units had been granted under the plan, 9,543 shares of our common stock had been granted under the plan and 1,455,457 shares of our common stock remained available for future grants under the plan.

## AUDIT COMMITTEE REPORT

The members of the Audit Committee are Mr. Kislak (Chairman), Mr. Murin and Mr. Salcetti. Each of these members has been determined to be independent within the meaning of the applicable standards of the NYSE and Rule 10A-3 of the Exchange Act. In addition, each of these members meets the financial literacy requirements for audit committee membership under the NYSE's rules and the rules and regulations of the SEC. Our Board has determined that each of Mr. Kislak and Mr. Salcetti is an audit committee financial expert as such term is defined in Item 407(d)(5)(ii) of Regulation S-K. No member of the Audit Committee serves on the audit committee of more than three public companies. Our Board has adopted, and annually reviews, the charter of the Audit Committee, which sets forth the Audit Committee's responsibilities and how it carries out those responsibilities.

The Audit Committee oversees our company's financial reporting process on behalf of our Board, in accordance with the charter of the Audit Committee. Pursuant to its charter, the primary purpose of the Audit Committee is to assist our Board in fulfilling its oversight responsibility relating to: (i) the integrity of the company's financial statements and financial reporting process, our systems of internal accounting and financial controls and other financial information we provide; (ii) the performance of the internal audit services function; (iii) the annual independent audit of our financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (iv) our compliance with legal and regulatory requirements, including our disclosure controls and procedures; and (v) the evaluation of risk assessment and risk management policies. Our registered independent public accounting firm, Ernst & Young LLP (E&Y) is responsible for expressing an opinion on the conformity of our company's audited financial statements with generally accepted accounting principles.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management and E&Y the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013, and discussed with management and E&Y the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. In addition, the Audit Committee received and discussed the written disclosures and the letter from E&Y regarding E&Y's independence required by Public Company Accounting Oversight Board (PCAOB) Ethics and Independence Rule 3526, *Communication and Audit Committees Concerning Independence*, and has discussed with the independent auditors, the independent auditors' independence. Moreover, the Audit Committee discussed with E&Y their independence from management and the Audit Committee and the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the PCAOB in Rule 3200T. In addition, the Audit Committee has evaluated and concluded the non-audit services provided by E&Y to our company comply with SEC independence rules.

Based on the reviews and discussions referred to above, prior to the filing of our Annual Report on Form 10-K for the year ended December 31, 2013, with the SEC, the Audit Committee recommended to our Board (and our Board approved) that the audited financial statements be included in such annual report for filing with the SEC.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting. Members of the Audit Committee rely, without independent verification, on the information provided to them and on the representations made by management and the registered independent public accountants. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not assure that the audit of our financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that E&Y is in fact independent.

**Submitted by the Audit Committee:**

Jonathan Kislak (Chair) , Joseph Murin and Robert Salcetti

April 16, 2014

**PROPOSAL NO. 2:****RATIFICATION OF APPOINTMENT OF E&Y**

On March 17, 2014, the Audit Committee selected the accounting firm of E&Y to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2014. Although current laws, rules and regulations, as well as the Audit Committee charter, require our independent registered public accounting firm to be engaged, retained and supervised by the Audit Committee, our Board considers the appointment of the independent registered public accounting firm to be an important matter of stockholder concern and is submitting the appointment of E&Y for ratification by stockholders as a matter of good corporate practice. E&Y has served as our independent registered public accounting firm since November 4, 2013.

A representative of E&Y is expected to be present at the Annual Meeting and will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

*The Board recommends that you vote FOR Proposal No. 2.*

**Fee Disclosure**

The following is a summary of the fees billed to us by E&Y for professional services rendered for the year ended December 31, 2013.

	<b>Year Ended December 31, 2013</b>
Audit Fees	\$ 166,000
Audit-Related Fees	5,000(TRS)
Tax Fees	25,000
All Other Fees	106,000(IPO)
<b>Total</b>	<b>\$ 302,000</b>

***Audit Fees***

Audit Fees consist of fees and expenses billed for professional services rendered for the audit of the financial statements, review of the interim consolidated financial statements, review of registration statements and the preparation of comfort letters and services that are normally provided by accountants in connection with statutory and regulatory filings or engagements.

***Audit-Related Fees***

Audit-Related Fees consist of fees and expenses for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements that are not Audit Fees.

***Tax Fees***

Tax Fees consist of fees and related expenses billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal and state tax compliance and tax planning and structuring.

***All Other Fees***

All Other Fees consist of fees and expenses for products and services that are not Audit Fees, Audit-Related Fees or Tax Fees.



### **Pre-Approval Policy**

Prior to our IPO, fees and services provided to us by E&Y were approved by our sole director, Mr. Middleman. All audit-related, tax and other services provided to us after the IPO are reviewed and pre-approved by the Audit Committee. However, the Audit Committee has approved a recurring tax question engagement with E&Y to provide for ready responses to tax issues from time to time. The engagement provides that no project may exceed \$10,000, and the aggregate of all projects may not exceed \$100,000 without the further approval of the Audit Committee. The Audit Committee concluded that the provision of such services by E&Y in 2013, was compatible with the maintenance of that firm's independence in the conduct of its auditing functions. All of the fees paid to E&Y in 2013 that are described above were approved by the Audit Committee and our Board.

The Audit Committee has considered whether, and has determined that, the provision by E&Y of the services described under **Audit-Related Fees**, **Tax Fees** and **Other Fees** is compatible with maintaining E&Y's independence from management and our company.

Prior to the Audit Committee's appointment of E&Y on November 4, 2013 to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2013, we engaged E&Y on February 15, 2013 to perform audits of our consolidated financial statements in connection with our IPO.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of April 11, 2014, certain ownership information with respect to shares of our common stock for those persons known to us who directly or indirectly own, control or hold with the power to vote 5% or more of our outstanding common stock and all of our directors, each of the named executive officers and all of the directors and executive officers as a group. In accordance with SEC rules, each listed person's beneficial ownership includes:

all shares of common stock the investor actually owns beneficially or of record;

all shares of common stock over which the investor has or shares voting or dispositive control (such as in the capacity as a general partner of a fund); and

all shares of common stock the investor has the right to acquire within 60 days (such as upon exercise of options that are currently vested or which are scheduled to vest within 60 days).

Name and Address	Common Shares Beneficially Owned	
	Number	Percentage of Outstanding Common Shares <sup>(1)</sup>
<i>5% Shareholders:</i>		
Stanley C. Middleman	1,000,000 <sup>(2)</sup>	13.3%
Harvest Capital Strategies LLC	696,760 <sup>(3)</sup>	9.3%
Citadel Advisors LLC	580,639 <sup>(4)</sup>	7.8%
Orange Capital LLC	545,000 <sup>(5)</sup>	7.2%
Boston Provident, L.P.	516,146 <sup>(6)</sup>	6.9%
<i>Directors and Named Executive Officers:<sup>(10)</sup></i>		
Jeffrey B. Lown II	12,500 <sup>(7)</sup>	*
Martin J. Levine	10,900 <sup>(8)</sup>	*
Jonathan Kislak	30,681 <sup>(9)</sup>	*
Joseph P. Murin	5,681 <sup>(9)</sup>	*
Robert Salcetti	5,681 <sup>(9)</sup>	*
All executive officers and directors as a group (6 persons)	1,065,443	14.0%

\* Denotes beneficial ownership of less than 1% of our Common Shares.

(1)

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Based on an aggregate amount of 7,530,793 shares of our common stock issued and outstanding as of April 11, 2014, plus the number of shares of our common stock that would be outstanding assuming that all LTIP Units beneficially owned by a named person become eligible to be exchanged, and are exchanged, for OP Units that are then exchanged for shares of our common stock.

- (2) Information based on a Schedule 13D filed with the SEC on October 11, 2013 by Mr. Middleman. The Schedule 13D indicates that the reporting person has sole voting power over 1,000,000 shares of our common stock and sole dispositive power over 1,000,000 shares of our common stock. The address for the reporting person is c/o Freedom Mortgage Corporation, 907 Pleasant Valley Ave., Suite 3, Mount Laurel 08054. Excludes 5,000 shares of our common stock underlying unvested 5,000 LTIP Units that were granted to Mr. Middleman on October 9, 2013 and vest ratably over the three-year period beginning on October 9, 2013.

- (3) Information based on a Schedule 13G filed with the SEC on January 13, 2014 by Harvest Capital Strategies LLC. The Schedule 13G indicates that the reporting person is an investment adviser with sole voting power over 696,760 shares of our common stock and sole dispositive power over 696,760 shares of our common stock. The address for the reporting person is 600 Montgomery Street, Suite 1700, San Francisco, California 94111.
- (4) Information based on a Schedule 13G/A jointly filed with the SEC on February 14, 2014 by Citadel Advisors LLC, Citadel Advisors Holdings II LP, Citadel GP LLC and Mr. Kenneth Griffin. The Schedule 13G/A indicates that Citadel Advisors LLC has shared power to vote 580,639 shares of our common stock and shared dispositive power over 580,639 shares of our common stock; Citadel Advisors Holdings II LP has shared power to vote 580,639 shares of our common stock and shared dispositive power over 580,639 shares of our common stock; Citadel GP LLC and Mr. Kenneth Griffin has shared power to vote 580,639 shares of our common stock and shared dispositive power over 580,639 shares of our common stock. The address of the reporting persons is 131 S. Dearborn St., 32<sup>nd</sup> Floor, Chicago, Illinois 60603.
- (5) Information based on a Schedule 13G jointly filed with the SEC on October 11, 2013 by Orange Capital, LLC, Orange Capital Master I, Ltd. and Mr. Daniel Lewis. The Schedule 13G indicates that Orange Capital, LLC has shared power to vote 545,000 shares of our common stock and shared dispositive power over 545,000 shares of our common stock; Orange Capital Master I, Ltd. has shared power to vote 545,000 shares of our common stock and shared dispositive power over 545,000 shares of our common stock; and Mr. Daniel Lewis has shared power to vote 545,000 shares of our common stock and shared dispositive power over 545,000 shares of our common stock. The address of Orange Capital, LLC and Mr. Daniel Lewis is 1370 Avenue of the Americas, 23<sup>rd</sup> Floor, New York, New York 10019. The address of Orange Capital Master I, Ltd. is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9007, Cayman Islands.
- (6) Information based on a Schedule 13G/A jointly filed with the SEC on February 14, 2013 by Boston Provident, LP, BP Master Fund, L.P., Boston Provident Administration, Inc. and Mr. Orin S. Kramer. The Schedule 13G/A indicates that Boston Provident, LP has shared power to vote 507,302 shares of our common stock and shared dispositive power over 507,302 shares of our common stock; BP Master Fund, L.P. has shared power to vote 468,755 shares of our common stock and shared dispositive power over 468,755 shares of our common stock; Boston Provident Administration, Inc. has shared power to vote 507,302 shares of our common stock and shared dispositive power over 507,302 shares of our common stock and Mr. Orin S. Kramer has shared power to vote 507,302 shares of our common stock and shared dispositive power over 507,302 shares of our common stock. The address of Boston Provident, LP, BP Master Fund, L.P., Boston Provident Administration, Inc. and Mr. Orin S. Kramer is 717 Fifth Avenue, Floor 12A, New York, New York 10022.
- (7) Excludes 8,750 shares of our common stock underlying unvested 8,750 LTIP Units that were granted to Mr. Lown on October 9, 2013 and vest ratably over a three-year period beginning on October 9, 2014.
- (8) Excludes 5,000 shares of our common stock underlying unvested 5,000 LTIP Units that were granted to Mr. Levine on October 9, 2013 and vest ratably over a three-year period beginning on October 9, 2014.
- (9) Includes 2,500 shares of our common stock underlying vested 2,500 LTIP Units that were granted to each of our independent directors on October 9, 2014.
- (10) The address for our executive officers and directors (other than Mr. Middleman) is Cherry Hill Mortgage Investment Corporation, 301 Harper Drive, Suite 110, Moorestown, New Jersey 08057.

## **SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors, executive officers and anyone holding 10% or more of a registered class of our equity securities to file reports with the SEC showing their holdings of, and transactions in, these securities. Based solely on a review of copies of such reports we received, we believe that during 2013, all its reporting persons known to us filed such reports on a timely basis.

## **OTHER INFORMATION**

### **Discretionary Voting Authority**

We do not anticipate that any matter other than the proposals set out in this Proxy Statement will be raised at the Annual Meeting. If any other matters are properly presented at the Annual Meeting, the persons named as proxies will have discretion to vote on those matters according to their best judgment.

### **Stockholder Proposals and Director Nominations for the 2015 Annual Meeting of Stockholders**

#### ***Requirements for Proposals to be Considered for Inclusion in Proxy Materials***

Stockholders interested in submitting a proposal for inclusion in our proxy materials for our 2015 Annual Meeting of Stockholders may do so by following the procedures prescribed in Rule 14a-8 under the Exchange Act. To be eligible for inclusion in our proxy statement, stockholder proposals must be received no later than 120 days prior to the date of these materials and must comply with Rule 14a-8 under the Exchange Act regarding the inclusion of stockholder proposals in company-sponsored proxy materials. If we change the date of the 2015 Annual Meeting of Stockholders by more than 30 days from the anniversary of this year's meeting, stockholder proposals must be received a reasonable time before we begin to print and mail our proxy materials for the 2015 Annual Meeting of Stockholders. Proposals should be mailed to our Secretary at the following address:

Cherry Hill Mortgage Investment Corporation

301 Harper Drive, Suite 110

Moorestown, New Jersey 08057

Attention: Secretary

#### ***Requirements for Proposals Not Intended for Inclusion in Proxy Materials; Director Nominations***

Stockholders who wish to nominate persons for election to the Board at the 2015 Annual Meeting of Stockholders or who wish to present a proposal at the 2015 Annual Meeting of Stockholders, but whose stockholder proposal will not be included in our proxy materials for such meeting, must deliver written notice of the nomination or proposal to our Secretary no earlier than the 150<sup>th</sup> day and no later than 5:00 p.m., Eastern Time, on the 120<sup>th</sup> day prior to the date of these materials (provided, however, that if the 2015 Annual Meeting of Stockholders is advanced or delayed by more than 30 days from the first anniversary of this year's meeting, nominations and proposals must be received no earlier than the 150<sup>th</sup> day prior to the date of the 2015 Annual Meeting of Stockholders and no later than the later of (i) the 120<sup>th</sup> day prior to the date of the 2015 Annual Meeting of Stockholders and (ii) the 10<sup>th</sup> day following the day on which public announcement of the date of the 2015 Annual Meeting of Stockholders is first made). The stockholder's written notice must include certain information concerning the stockholder and each nominee as specified in our bylaws. If a stockholder's written notice is not received between the dates specified above and does not satisfy the additional requirements set forth in our bylaws, the notice will not be considered properly submitted and will not be

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acted upon at the 2015 Annual Meeting of Stockholders. A stockholder's written notice should be sent to our Secretary at the following address:

Cherry Hill Mortgage Investment Corporation

301 Harper Drive, Suite 110

Moorestown, New Jersey 08057

Attention: Secretary

**Requests for Annual Report on Form 10-K**

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, including the financial statements and the financial statement schedules, may be obtained at our website at [www.chmireit.com](http://www.chmireit.com). If you would like to receive a complimentary copy of our Annual Report on Form 10-K, please submit a written request to:

Cherry Hill Mortgage Investment Corporation  
301 Harper Drive, Suite 110  
Moorestown, New Jersey 08057  
Attention: Investor Relations

Moorestown, New Jersey

April 24, 2014

BY ORDER OF THE BOARD OF  
DIRECTORS

Martin Levine  
*Secretary*

**ANNUAL MEETING OF STOCKHOLDERS OF  
CHERRY HILL MORTGAGE INVESTMENT CORPORATION**

**June 10, 2014**

**10:00 a.m. (local time)**

**The Westin Mount Laurel**

**555 Fellowship Road**

**Mount Laurel, New Jersey 08054**

**IMPORTANT NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL FOR THE ANNUAL MEETING:**

The notice of Meeting, Proxy Statement and Annual Report are being provided together with this Proxy Card and are also available at [www.edocumentview.com/CHMI](http://www.edocumentview.com/CHMI)

Please sign, date and mail

your proxy card in the

envelope provided as soon

as possible.

i Please detach along perforated line and mail in the envelope provided. i

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE LISTED PROPOSALS.**

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x**

1. The election as director of the nominees listed below (except as marked to the contrary below  
NOMINEES:

; Stanley C. Middleman

2. The ratification of Ernst & Young LLP as Cherry Hill's independent registered public accounting firm for the year ending December 31, 2014.

FOR AGAINST ABSTAIN

“ ” “



.. **FOR ALL NOMINEES** Jeffrey B. Lown II

; Jonathan Kislak

; Joseph P. Murin

.. **WITHHOLD AUTHORITY** ~~FOR ALL~~ Salcetti  
**FOR ALL NOMINEES**

**FOR ALL**

.. **EXCEPT**

(See instructions below)

**INSTRUCTIONS:** To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here 1

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method

The undersigned acknowledges receipt from the company before the execution of this proxy of the Notes of Annual Meeting of Stockholders, a Proxy Statement for the 2014 Annual Meeting of Stockholders and the 2013 Annual Report to Stockholders.

*Signature of Stockholder*

*Date:*

*Signature of Stockholder*

*Date:*

*Note: Please sign exactly as your name appears on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signor is a partnership, please sign in partnership name by authorized person.*

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**CHERRY HILL MORTGAGE INVESTMENT CORPORATION**

*301 Harper Road, Suite 110*

*Moorestown, New Jersey 08057*

***THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS***

The undersigned hereby appoints Martin J. Levine and Robert C. Wipperman as proxies, each with full power of substitution, to represent and vote as designated on the reverse side, all the shares of Common Stock of Cherry Hill Mortgage Investment Corporation held of record by the undersigned on April 11, 2014, at the Annual Meeting of Stockholders to be held at The Westin Mount Laurel, 555 Fellowship Road, Mount Laurel, New Jersey 08054, on June 10, 2014, or any adjournment or postponement thereof.

**THE SHARES COVERED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE CHOICES MADE. WHEN NO CHOICE IS MADE, THIS PROXY WILL BE VOTED FOR ALL LISTED NOMINEES FOR DIRECTOR, FOR PROPOSAL 2 AND AS THE PROXY HOLDERS, OR ANY OF THEM, DEEM ADVISABLE ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING.**

**(Continued and to be signed on the reverse side.)**