FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 1998 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number: 1-13991

AMERICA FIRST MORTGAGE INVESTMENTS, INC.

(Exact name of registrant as specified in its charter)

Maryland	13-3974868
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

399 Park Avenue, 36th Floor, New York, New York	10022
(Address of principal executive offices)	(Zip Code)

(212) 935-8760
(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 90 days.

YES X NO

Part I. Financial Information
Item 1. Financial Statements
AMERICA FIRST MORTGAGE INVESTMENTS, INC.
CONSOLIDATED AND COMBINED BALANCE SHEETS
<TABLE>
<CAPTION>

	Sept. 30, 1998 Company (Unaudited)	Dec. 31, 1997 Predecessor
<S>	<C>	<C>
Investment in Mortgage Securities (Note 3)	$ 200,258,537	$ 33,506,388
Investment in Corporate Securities (Note 4)	4,664,303	-
Cash and cash equivalents, at cost which approximates market value	7,734,969	10,426,181
Accrued interest receivable	1,488,521	272,264
Other investments (Note 5)	351,663	1,080,320

Investment evaluation fees, net	-	564,404
Goodwill, net	7,411,174	-
Other assets	1,668,571	1,708,440
	$ 223,577,738	$ 47,557,997
Liabilities		
Repurchase agreements (Note 6)	$ 147,587,842	$ -
Accrued interest payable	1,029,611	-
Accounts payable	355,713	794,102
Dividends or distributions payable	2,507,048	511,069
	151,480,214	1,305,171
Minority interest in Pension Fund (Note 1)	246,846	-
Stockholders' Equity and Partners Capital		
Stockholders' Equity		
Common stock, $.01 par value; 10,000,000 shares authorized 9,035,084 issued and outstanding	90,351	-
Additional paid in capital	76,018,256	-
Retained earnings	(2,712,288)	-
Available for sale securities: Unrealized gain (loss)	(1,545,641)	-
Partners Capital		
General Partner	-	100
Unit Holders	-	45,682,774
Net unrealized holding gains (losses)	-	569,952
Stockholders' equity (Partners Capital for 1997)	71,850,678	46,252,826
	$ 223,577,738	$ 47,557,997

The accompanying notes are an integral part of the consolidated and combined financial statements.
</TABLE>

AMERICA FIRST MORTGAGE INVESTMENTS, INC.
CONSOLIDATED AND COMBINED STATEMENTS OF INCOME

(UNAUDITED)
<TABLE>
<CAPTION>

<S>	For the Quarter Ended Sept. 30, 1998 Company <C>	For the Quarter Ended Sept. 30, 1997 Predecessor <C>
Mortgage Securities income	$ 3,028,621	$ 658,814
Corporate Securities income	41,852	-
Interest income on temporary cash investments	150,555	152,289
Total interest income	3,221,028	811,103
Interest expense on borrowed funds	2,035,282	-
Net interest income	1,185,746	811,103
Income from other investments	223,426	164,542
Gain on sale of investment	241	-
	223,667	164,542
General and administrative expenses	532,741	278,529
Minority interest	10,124	-
	542,865	278,529
Net income	$ 866,548	$ 697,116
Net income allocated to:		
General Partner		$ 5,951
BUC Holders		691,165
		$ 697,116
Net income, basic and fully diluted, per share	$ 0.10	$ N/A
Net income, basic and fully diluted, per unit	$ N/A	$ 0.12
Weighted average number of shares outstanding	9,035,084	N/A
Weighted average number of units outstanding	N/A	5,775,797

The accompanying notes are an integral part of the consolidated and combined financial statements.
</TABLE>

AMERICA FIRST MORTGAGE INVESTMENTS, INC.
CONSOLIDATED AND COMBINED STATEMENTS OF INCOME
(UNAUDITED)
<TABLE>
<CAPTION>

For the Nine Months Ended September 30, 1998
For the Nine
Predecessor Company Months
Ended

Through April 9 From April 10
Total Sept. 30, 1997

Mortgage Securities income	$ 613,793	$ 4,426,762	$ 5,040,555	$ 2,024,656
Corporate Securities income	-	41,852	41,852	
Interest income on temporary cash investments	148,799	335,177	483,976	419,125
Total interest income	762,592	4,803,791	5,566,383	2,443,781
Interest expense on borrowed funds	-	2,472,772	2,472,772	-
Net interest income	762,592	2,331,019	3,093,611	2,443,781
Income from other investments	145,167	436,865	582,032	555,097
Gain on sale of investments	-	414,951	414,951	-
	145,167	851,816	996,983	555,097
General and administrative expenses	421,293	1,073,133	1,494,426	813,779
Minority interest	-	2,147	2,147	-
	421,293	1,075,280	1,496,573	813,779
Net income	$ 486,466	$ 2,107,555	$ 2,594,021	$ 2,185,099
Net income allocated to:				
General Partner	$ 3,931			$ 19,438
BUC Holders	482,535			2,165,661
	$ 486,466			$ 2,185,099
Net income, basic and fully diluted, per share	$ N/A	$ 0.23		$ N/A
Net income, basic and fully diluted, per unit	$ 0.08	$ N/A		$ 0.38
Weighted average number of shares outstanding	N/A	9,035,084		N/A
Weighted average number of units outstanding	5,775,797	N/A		5,775,797

The accompanying notes are an integral part of the consolidated and combined financial statements.
</TABLE>

AMERICA FIRST MORTGAGE INVESTMENTS, INC.
CONSOLIDATED AND COMBINED STATEMENTS OF STOCKHOLDERS' EQUITY
AND PARTNERS' CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998
(UNAUDITED)

<TABLE>
<CAPTION>

	Partners' Capital				
	General Partner	Exchangeable Unit Holders # of Units	Amount	Net Unrealized Holding Gains (Losses)	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 1997	$ 100	5,775,797	$ 45,682,774	$ 569,952	$ 46,252,826
Net income	3,931	-	482,535	-	486,466
Cash distributions paid or accrued	(3,931)	-	(1,530,009)	-	(1,533,940)
Change in net unrealized holding gains	-	-	-	(21,235)	(21,235)
Issuance of stock of the Company in exchange for Units of the Predecessor	(100)	(5,775,797)	(44,635,300)	(548,717)	(45,184,117)
Balance at April 10, 1998 (unaudited)	$ -	-	$ -	$ -	$ -

</TABLE>
<TABLE>
<CAPTION>

	Stockholders' Equity					
	Common Stock # of Shares	Amount	Paid-in Capital	Retained Earnings	Net Unrealized Holding Gains (Losses)	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 1997	90,621	$ 906	$ 94	$ -	$ -	$ 1,000
Effects of Merger:						
Issuance of stock of the Company in exchange for Units of the Predecessor	5,775,797	57,758	45,126,359	-	-	45,184,117
Issuance of stock of the Company in exchange for Units of Prep Fund 2 and Pension Fund	3,168,666	31,687	29,949,413	-	-	29,981,100
Change in classification of Mortgage Securities from held-to-maturity to available-for-sale	-	-	-	-	(704,828)	(704,828)
Issuance of stock options	-	-	942,390	-	-	942,390
Net income	-	-	-	2,107,555	-	2,107,555
Dividends paid or accrued	-	-	-	(4,819,843)		

						(4,819,843)
Change in net unrealized gains (losses) on investments	-	-	-	-	(840,813)	(840,813)
Balance at Sept. 30, 1998 (unaudited)	9,035,084	$ 90,351	$76,018,256	$(2,712,288)	$(1,545,641)	$71,850,678

The accompanying notes are an integral part of the consolidated and combined financial statements.
</TABLE>

AMERICA FIRST MORTGAGE INVESTMENTS, INC.
CONSOLIDATED AND COMBINED STATEMENTS CASH FLOW
(UNAUDITED)
<TABLE>
<CAPTION>

	For the Nine Months Ended September 30, 1998			For the Nine Months Ended Sept. 30, 1997
	Predecessor Through April 9	Company From April 10	Total	Predecessor
<S>	<C>	<C>	<C>	<C>
Cash flows from operating activities				
Net income	$ 486,466	$ 2,107,555	$ 2,594,021	$ 2,185,099
Adjustments to reconcile net income to net cash from operating activities:				
Gain on sale of investments	-	(414,951)	(414,951)	-
Amortization	(1,959)	(111,894)	(113,853)	(9,564)
Decrease (increase) in interest receivable	8,302	(1,082,014)	(1,073,712)	28,697
Decrease (increase) in other investments	42,869	(61,154)	(18,285)	(683,271)
Decrease (increase) in other assets	(723,268)	1,076,062	352,794	(435,305)
Increase (decrease) in accounts payable	565,608	(1,716,885)	(1,151,277)	(26,647)
Increase in accrued interest payable	-	1,029,611	1,029,611	-
Net cash provided by operating activities	378,018	826,329	1,204,347	1,059,009
Cash flows from investing activities				
Net cash from Merger	-	4,820,481	4,820,481	-
Purchases of mortgage securities	-	(170,976,856)	(170,976,856)	-
Purchases of corporate securities	-	(4,662,500)	(4,662,500)	-
Principal payments on mortgage securities	867,630	21,895,194	22,762,824	2,884,757
Proceeds from sale of other investments	-	1,290,000	1,290,000	

				2,100,000
Net cash provided by (used in) investing activities	867,630	(147,633,681)	(146,766,051)	4,984,757
Cash flows from financing activities				
Net borrowings from repurchase agreements	-	147,587,842	147,587,842	-
Dividends and distributions paid	(1,535,007)	(3,182,343)	(4,717,350)	(4,606,086)
Net cash provided by (used in) financing activities	(1,535,007)	144,405,499	142,870,492	(4,606,086)
Net increase (decrease) in cash and cash equivalents	(289,359)	(2,401,853)	(2,691,212)	1,437,680
Cash and temporary cash investments at beginning of period	10,426,181	10,136,822	10,426,181	8,817,327
Cash and temporary cash investments at end of period	$ 0,136,822	$ 7,734,969	$ 7,734,969	$ 10,255,007
Supplemental disclosure of cash flow information:				
Cash paid during the period for interest	$ -	$ 1,005,671	$ 1,005,671	$ -

The accompanying notes are an integral part of the consolidated and combined financial statements.
</TABLE>

AMERICA FIRST MORTGAGE INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1998
(UNAUDITED)

1. Organization

America First Mortgage Investments, Inc. (the Company) was incorporated in Maryland on July 24, 1997, but had no operations prior to April 10, 1998. The Company has entered into an advisory agreement with America First Mortgage Advisory Company (the Advisor) which provides advisor services in connection with the conduct of the Company's business activities.

On April 10, 1998, (the Merger Date) the Company and three partnerships; America First Participating/Preferred Equity Mortgage Fund Limited Partnership (Prep Fund 1), America First Prep Fund 2 Limited Partnership (Prep Fund 2), America First Prep Fund 2 Pension Series Limited Partnership (Pension Fund), consummated a merger transaction whereby their preexisting net assets and operations or majority interest in the preexisting partnership were contributed to the Company in exchange for 9,035,084 shares of the Company's common stock. For financial accounting purposes, Prep Fund 1, the largest of the three Partnerships, was considered the Predecessor entity (the Predecessor) and its historical operating results are presented in the financial statements contained herein. The Merger was accounted for using the purchase method of accounting in accordance with generally accepted accounting principles. Prep Fund 1 was deemed to be the acquirer of the other

Partnerships under the purchase method. Accordingly, the Merger resulted, for financial accounting purposes, in the effective purchase by Prep Fund 1 of all the Beneficial Unit Certificates (BUCs) of Prep Fund 2 and approximately 98% of the BUCs of Pension Fund. As the surviving entity for financial accounting purposes, the assets and liabilities of Prep Fund 1 were recorded by the Company at their historical cost and the assets and liabilities of Prep Fund 2 and Pension Fund were adjusted to fair value. The excess of the fair value of stock issued over the fair value of net assets acquired has been recorded as goodwill in the accompanying balance sheet.

2. Summary of Significant Accounting Policies

A) Method of Accounting

The accompanying 1998 consolidated financial statements include the consolidated accounts of the Company from April 10, 1998 through September 30, 1998, and the combined accounts of Prep Fund 1 and America First Participating/Preferred Equity Mortgage Fund Limited Partnership (the managing general partner of Prep Fund 1) (together referred to as the Predecessor) for periods prior to the Merger. The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. In the opinion of management, all adjustments necessary to present fairly the financial position at September 30, 1998, and results of operations for all periods presented have been made. The financial statements should be read in conjunction with the combined financial statements and notes thereto included in the Predecessor's Annual Report on Form 10-K for the year ended December 31, 1997.

The consolidated financial statements include the accounts of the Company and its subsidiary, Pension Fund. In addition, as more fully discussed in Note 5, the Company had an investment in a corporation which it does not control and which it accounts for under the equity method. The Corporation is not consolidated for income tax purposes. All significant intercompany transactions and accounts have been eliminated in consolidation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less. The carrying amount of cash equivalents approximates their fair value.

C) Mortgage Securities and Corporate Securities

Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS 115), requires the Company to classify its investments in Mortgage Securities and Corporate Securities (collectively referred to as Invesment Securities) as either held-to-maturity, available-for-sale or trading. In order to be prepared to respond to potential future opportunities in the market, to sell Mortgage Securities in order to optimize the portfolio's total return and to retain its ability to respond to economic conditions that require the Company to sell assets in order to maintain an appropriate level of liquidity, the Company has classified all its Mortgage Securities as available-for-sale. Although the Company generally intends to hold most of its Mortgage Securities until maturity, it may, from time to time, sell any of its Mortgage Securities as part of its overall management of its balance sheet. Accordingly, to maintain flexibility, the Company currently classifies all of its Mortgage Securities as available-for-sale.

Certain Mortgage Securities classified as available-for-sale on the September 30, 1998, balance sheet of the Company were classified as held-to-maturity on the December 31, 1997 balance sheet of the Predecessor. (See Note 3).

Mortgage Securities which were classified as held-to-maturity were carried at amortized cost. Mortgage Securities classified as available-for-sale are reported at fair value, with unrealized gains and losses excluded from earnings and reported as a separate component of stockholders' equity or partners' capital.

Corporate Securities are classified as held-to-maturity and are carried at amortized cost.

Unrealized losses on Mortgage Securities that are considered other-than-temporary, as measured by the amount of decline in fair value attributable to factors other than temporary, are recognized in income and the cost basis of the Mortgage Security is adjusted. Other-than-temporary unrealized losses are based on management's assessment of various factors affecting the expected cash flow from the Mortgage Securities, including an other-than-temporary deterioration of the credit quality of the underlying mortgages and /or the credit protection available to the related mortgage pool.

Gains or losses on the sale of Investment Securities are based on the specific identification method.

Interest income is accrued based on the outstanding principal amount of the Investment Securities and their contractual terms. Premiums and discounts associated with the purchase of the Investment Securities are amortized into interest income over the lives of the securities using the effective yield method based on, among other things, anticipated estimated prepayments. Such calculations are periodically adjusted for actual prepayment activity.

D) Credit Risk

The Company limits its exposure to credit losses on its portfolio of Mortgage Securities and mortgage loans by requiring that at east 70% of its Mortgage Securities portfolio consist of Mortgage Securities or mortgage loans that are either (i) insured or guaranteed as to principal and interest by an agency of the U.S. government, such as Ginnie Mae, Fannie Mae, or Freddie Mac, (ii) rated in one of the two highest rating categories by either Standard & Poor's or Moody's, or (iii) considered to Be of equivalent credit quality as determined by the Advisor and approved by the Company's investment committee. As of September 30, 1998, the Company's Mortgage Investments consisted only of Mortgage Securities insured or guaranteed by the U.S. government.

The Company monitors the delinquencies and losses on the mortgage loans that underlie its Mortgage Securities. An allowance for credit losses will be made for possible credit losses at a level deemed appropriate by management after considering expected recoveries under insurance or guarantees. The allowance will be evaluated and adjusted periodically by management based on the actual and projected timing and amount of potential credit losses, as well as industry loss experience. At September 30, 1998, management determined no allowance for credit losses was necessary.

E) Other Investments

Other investments consist of (i) direct investments in multifamily projects collateralizing mortgage loans owned by the Company, (ii) investments in limited partnerships owning real estate (PEPs) and (iii) non-voting preferred stock of a corporation owning interests in real estate limited partnerships.

F) Net income per Share

Net income per share is based on the weighted average number of common shares and common equivalent shares (e.g., stock options), if dilutive, outstanding during the period. Basic net income per share is computed by dividing net income available to shareholders by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing the diluted net income available to common shareholders by the weighted average number of common shares and common equivalent shares outstanding during the period. The common equivalent shares are calculated using the treasury stock method which assumes that all dilutive common stock equivalents are exercised and the funds generated by the exercise are used to buy back outstanding common stock at the average market price during the reported period.

As more fully discussed in Note 7, options to purchase 520,000 shares of common stock were issued during the quarter ended June 30, 1998. Because the average stock price during the quarter was less than the exercise price, exercise of such options under the treasury stock method would be anti-dilutive. Accordingly, these potentially dilutive securities were not considered in fully diluted earnings per share and, as a result, basic and fully diluted net income per share are the same for such period. With regard to the Predecessor, basic and diluted net income per Unit of the Predecessor were the same for all periods presented as no dilutive equivalent units existed.

G) Comprehensive Income

Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income requires the Company and the Predecessor to display and report comprehensive income, which includes all changes in Stockholders' Equity or Partners Capital with the exception of additional investments by or dividends to shareholders of the Company or additional investments by or distributions to partners of the Predecessor. Comprehensive income for the Company includes net income and the change in net unrealized holding gains on investments charged or credited to Stockholders' Equity. Comprehensive income for the Predecessor includes net income and the change in net unrealized holding gains on investments charged or credited to Partner's Capital. Comprehensive income for the quarters and nine months ended September 30, 1998 and 1997 was as follows:

<TABLE>
<CAPTION>

	For the Quarter Ended Sept. 30, 1998 Company (Unaudited)	1997 Predecessor (Unaudited)
<S>	<C>	<C>
Net income	$ 866,548	$ 697,116
Change in net unrealized holding gains (losses)	(987,160)	198,157
Comprehensive income	$ (120,612)	$ 895,273

	For the Nine Months Ended Sept. 30, 1998 Predecessor Through April 9 (Unaudited)	1998 Company From April 10 (Unaudited)	1998 Total (Unaudited)	1997 Predecessor (Unaudited)
<S>	<C>	<C>	<C>	<C>
Net income	$ 486,466	$ 2,107,555	$ 2,594,021	$ 1,487,983
Change in net unrealized holding gains (losses)	(21,335)	(840,813)	(862,148)	(8,306)
Comprehensive income	$ 465,131	$ 1,266,742	$ 1,731,873	$ 1,479,677

</TABLE>

I) Federal Income Taxes
The Company has elected to be taxed as a real estate investment trust (REIT) under the provisions of the Internal Revenue Code and the corresponding provisions of state law. Accordingly, the Company will not be subject to federal or state income tax to the extent of its distributions to stockholders. In order to maintain its status as a REIT, the Company is required, among other requirements, to distribute at least 95% of its taxable income. As such, no provision for income taxes has been made in the accompanying consolidated financial statements. Since the Predecessor was a partnership, it did not make a provision for income taxes since its Beneficial Unit Certificate (BUC) Holders were required to report their share of the Predecessor's income for federal and state income tax purposes.

J) Reclassifications
Certain prior period amounts have been reclassified to conform with the current period classification.

K) New Accounting Pronouncement
In June, 1998, the Financial Accounting Standards Board has issued Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities " (FAS 133). This statement provides new accounting and reporting standards for the use of derivative instruments. Adoption of this statement is required by the Company effective January 1, 2000. Management intends to adopt the statement as required in fiscal 2000. Although the Company and its Predecessor have not historically used such instruments, it is not precluded from doing so. Management anticipates using such instruments to manage interest rate risk. Management believes that the impact of such adoption will not be material to the financial statements.

3. Mortgage Securities

The following tables present the Company's Mortgage Securities as of September 30, 1998 and the Predecessor's Mortgage Securities as of December 31, 1997. The Mortgage Securities classified as available-for-sale are carried at their fair value and the Mortgage Securities classified as held-to-maturity are carried at their amortized cost:

<TABLE>
<CAPTION>
As of September 30, 1998 - Company (unaudited)

Available-for-Sale

<S> <C>

Amortized cost	$ 201,804,178	
Net unrealized losses	(1,545,641)	
Fair value		$ 200,258,537

</TABLE>
<TABLE>
December 31, 1997 - Predecessor

<S> <C> <C> <C>

	Available-for-Sale	Held-to-Maturity	Total
Amortized cost	$ 18,884,194	$ 14,052,242	$ 32,936,436
Gross unrealized gains	606,486	658,816	1,265,302
Gross unrealized losses	(36,534)	-	(36,534)
Fair value	$ 19,454,146	$ 14,711,058	$ 34,165,204

</TABLE>

Certain securities classified as available-for-sale on the September 30, 1998, balance sheet of the Company were classified as held-to-maturity on the December 31, 1997 balance sheet of the Predecessor. Based on the differing investment objectives of the Company, it was determined that it would be more appropriate to classify such securities as available-for-sale rather than held-to-maturity. Accordingly, on the Merger Date, such securities were transferred from the held-to-maturity classification to the available-for-sale classification. The total amortized cost, net unrealized holding losses and the aggregate fair value of the securities transferred were $14,027,386, $704,828 and $13,322,558, respectively.

At September 30, 1998, Mortgage Securities consisted of pools of adjustable-rate Mortgage Securities with a carrying value of $151,122,983 which were acquired since the Merger Date and fixed-rate Mortgage Securities with a carrying value of $42,431,379. At September 30, 1998, Mortgage Securities consisted of Government National Mortgage Association (GNMA) Certificates, Federal National Mortgage Association (FNMA) Certificates, and Federal Home Loan Mortgage Corporation (FHLMC) Certificates. The GNMA Certificates are backed by first mortgage loans on multifamily residential properties and pools of single-family properties. The FNMA Certificates and FHLMC Certificates are backed by pools of single-family properties. The GNMA Certificates are debt securities issued by a private mortgage lender and are guaranteed by GNMA as to the full and timely payment of principal and interest on the underlying loans. The FNMA Certificates are debt securities issued by FNMA and are guaranteed by FNMA as to the full and timely payment of principal and interest on the underlying loans. The FHLMC Certificates are debt securities issued by FHLMC and are guaranteed by FHLMC as to the full and timely payment of principal and interest on the underlying loans. At December 31, 1997, Mortgage Securities consisted of GNMA Certificates and FNMA Certificates.

As of September 30, 1998, the Company had no commitments to purchase Mortgage Securities.

4. Corporate Securities

Corporate Securities are classified as held-to-maturity. At September 30, 1998, the total amortized cost, gross unrealized gains and fair value of the Corporate Securities were $4,664,303, $51,697 and $4,716,000.

5. Other Investments

Other investments consisted of the following:
<TABLE>
<CAPTION>

<S> <C> <C>

	As of Sept. 30, 1998 Company (Unaudited)	As of Dec. 31, 1997 Predecessor
Investment in Retirement Centers Corporation	$ 351,663	$ -
Investment in and advances to PEPS	-	220,320
Investment in participating loans	-	860,000
Total	$ 351,663	$ 1,080,320

</TABLE>

6. Repurchase Agreements

The Company has entered into several repurchase agreements to finance Mortgage Securities purchased since the Merger Date. The repurchase agreements are collateralized by the Company's Mortgage Securities with a principal balance of approximately $156 million and bear interest at rates that are LIBOR based.

As of September 30, 1998, the Company had outstanding $147,587,842 of repurchase agreements with a weighted average borrowing rate of 5.51% and a weighted average remaining maturity of 3.40 months. As of September 30, 1998, all of the Company's borrowings were fixed-rate term repurchase agreements with original maturities that range from 3 to 12 months.

At September 30, 1998, the repurchase agreements had the following remaining maturities:

Within 30 days	$ 27,015,000
30 to 90 days	76,306,257
90 days to one year	44,266,585
	$147,587,842

7. Stockholders' Equity

1997 Stock Option Plan

The Company has a 1997 Stock Option Plan (the Plan) which authorizes the granting of options to purchase an aggregate of up to 1,000,000 shares of the

outstanding shares, but not more than 10% of the shares of the Company's common stock. The Plan authorizes the Board of Directors, or a committee of the Board of Directors, to grant Incentive Stock Options (ISOs) as defined under section 422 of the Internal Revenue Code, Non-Qualified Stock Options (NQSOs) and Dividend Equivalent Rights (DERs) to eligible persons, other than non-employee directors. Non-employee directors are automatically provided periodic grants of NQSOs with DERs pursuant to the provisions of the Plan. The exercise price for any options granted to eligible persons, other than non-employee directors, under the Plan shall not be less than the fair market value of the common stock on the day of the grant. The exercise price for any options granted to non-employee directors under the Plan shall be the fair market value of the common stock on the day of the grant. Twenty-five percent of the options become exercisable at the time the option is granted. Thereafter each year, for the next three years, 25% of the total amount of the options shall cumulatively become exercisable upon the anniversary of the date of grant. The options expire if not exercised ten years after the date granted.

During the quarter ended and as of June 30, 1998, there were 500,000 ISOs granted to buy common shares at an exercise price of $9.375 per share, of which 125,000 were vested and exercisable. In addition, there were 20,000 NQSOs issued at an exercise price of $9.375 per share, of which 5,000 were vested and exercisable. No additional options were granted during the quarter ended September 30, 1998. As of September 30, 1998, no options have been exercised.

In addition to options, 500,000 and 20,000 DERs were granted on the ISOs and NQSOs, respectively, during the quarter ended June 30,1998, based on the provisions of the Plan. DERs vest on the same basis as the options and payments are made on vested DERs only. Dividends paid on ISOs are charged to stockholders' equity when declared and dividends paid on NQSOs are charged to earnings when declared. For 1998 the Company recorded a $31,250 charge ($12,500 for the quarter ended Setember 30, 1998) to stockholders' equity associiated with the DERs on ISOs and a $1,250 charge ($750 for the quarter ended September 30, 1998) to earnings associated with DERs on NQSOs.

The options and related DERs issued were accounted for under the provisions of SFAS 123, "Accounting for Stock Based Compensation". Because the ISOs were not issued to officers who are direct employees of the Company, ISOs granted were accounted for under the option value method and a periodic charge will be recognized based on the vesting schedule. The charge of options which vested at date of grant were included as capitalized transaction costs in connection with the Merger. Management estimated the value of the ISOs at the date of grant to be approximately $1.88 per share using a Black-Scholes valuation model, as adjusted for the discounted value of dividends not to be received under the unvested DERs. In the absence of comparable historical market information for the Company, management utilized assumptions consistent with activity of a comparable peer group of companies including an estimated option life of five years, a 25% volatility rate and a risk-free rate of 5.5% and a dividend yield of 0% (because of the DERs). NQSOs granted were accounted for using the intrinsic method and, accordingly, no earnings charge was reflected since the exercise price was equal to the fair market value of the common stock at the date of the grant.

Dividends

On September 9, 1998, the Company declared a distribution of $.265 per share for the quarter ending September 30, 1998, which is to be paid on November 16, 1998, to shareholders of record as of September 30, 1998. The distribution consists in part of a dividend paid from earnings and in part of a cash merger payment, representing a return of capital.

8. Related Party Transactions

The Advisor manages the operations and investments of the Company and performs administrative services for the Company. In turn, the Advisor receives a management fee payable monthly in arrears in an amount equal to 1.10% per annum of the first $300 million of Stockholders' Equity of the Company, plus .80% per annum of the portion of Stockholders' Equity of the Company above $300 million. The Company also pays the Advisor, as incentive compensation for each fiscal quarter, an amount equal to 20% of the dollar amount by which the annualized Return on Equity for such fiscal quarter exceeds the amount necessary to provide an annualized Return on Equity equal to the Ten-Year U.S. Treasury Rate plus 1%. During 1998, the Advisor earned a base management fee of $386,126 ($204,749 for the quarter ended September 30, 1998). The Advisor was eligible to receive incentive compensation of approximately $2,800 in 1998 (none for the quarter ended September 30, 1998).

America First Properties Management Company L.L.C., (the Manager), provides property management services for certain of the multifamily properties in which the Company has an interest. The Manager also provided property management services to certain properties previously associated with the management fee equal to a stated percentage of the gross revenues generated by the properties under management, ranging from 4.5% to 5% of gross revenues. Such fees paid by the Company in 1998 for periods after the Merger Date amounted to $142,586 ($72,003 for the quarter ended September 30, 1998) and such fees paid by the Predecessor for the period in 1998 prior to the Merger Date amounted to $71,125.

Prior to the Merger Date, AFCA 3 was entitled to an administrative fee of .35% per annum of the outstanding amount of investments of Prep Fund 1 to be paid by Prep Fund 1 to the extent such amount is not paid by property owners. In 1998, AFCA 3 earned administrative fees of $53,617. Of this amount, $38,069 was paid by Prep Fund 1 and the remainder was paid by property owners.

9. Pro Forma Financial Statements (Unaudited)

The following summary pro forma information includes the effects of the Merger. The pro forma operating data for the nine months ended September 30, 1998 and September 30, 1997 are presented as if the Merger had been completed on January 1, 1998 and 1997, respectively.

Pro Forma
Statement of Operations
<TABLE>
<CAPTION>

	For the Nine Months Ended Sept. 30, 1998	For the Nine Months Ended Sept. 30, 1997
<S>	<C>	<C>
Mortgage Securities income	$ 5,667,004	$ 3,214,364
Corporate Securities income	41,852	-
Interest income on temporary cash investments	616,589	616,438
Total interest income	6,325,445	3,830,802
Interest expense on borrowed funds	2,472,772	-
Net interest income	3,852,673	3,830,802
Equity in earnings of property partnerships	649,619	576,125
Rental income	397,519	1,897,467
Interest income on participating loans	6,606	177,639
Gain on sale of investments	414,951	-
	1,468,695	2,651,231
Real estate operating expenses	189,689	1,104,990
General and administrative expenses	2,223,832	1,602,828
Depreciation	47,259	226,882
Interest expense	160,571	565,595
	2,621,351	3,500,295
Minority interest	(2,147)	-
Net income	$ 2,697,870	$ 2,981,738
Net income, basic and fully diluted, per share	$ 0.30	$ 0.33
Weighted average number of shares outstanding	9,035,184	9,035,184

</TABLE>

The pro forma financial information is not necessarily indicative of what the consolidated results of operations of the Company would have been as of and for the periods indicated, nor does it purport to represent the results of operations for future periods.

Item 2.
AMERICA FIRST MORTGAGE INVESTMENTS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

Prior to the Merger (described in Note 1 to the Company's consolidated financial statements), the Company was a newly formed real estate investment trust (REIT) which had no operations of its own.

On April 10, 1998, the Company and three partnerships; America First Participating/Preferred Equity Mortgage Fund Limited Partnership (Prep Fund 1), America First Prep Fund 2 Limited Partnership (Prep Fund 2), America First Prep Fund 2 Pension Series Limited Partnership (Pension Fund), consummated a merger transaction whereby their preexisting net assets and operations or majority interest in the preexisting partnership were contributed to the Company in exchange for 9,035,084 shares of the Company's common stock. For financial accounting purposes, Prep Fund 1, the largest of the three Partnerships, was considered the Predecessor entity (the Predecessor) and its historical operating results are presented in the financial statements contained herein. The Merger was accounted for using the purchase method of accounting in accordance with generally accepted accounting principles. Prep Fund 1 was deemed to be the acquirer of the other Partnerships under the purchase method. Accordingly, the Merger resulted, for financial accounting purposes, in the effective purchase by Prep Fund 1 of all the Beneficial Unit Certificates (BUCs) of Prep Fund 2 and approximately 98% of the BUCs of Pension Fund. As the surviving entity for financial accounting purposes, the assets and liabilities of Prep Fund 1 were recorded by the Company at their historical cost and the assets and liabilities of Prep Fund 2 and Pension Fund were adjusted to fair value. The excess of the fair value of stock issued over the fair value of net assets acquired has been recorded as goodwill in the accompanying balance sheet.

Concurrently with the Merger, the Company entered into an Advisory Agreement with America First Mortgage Advisory Corporation (the "Advisor") and adopted an investment policy which significantly differed from that pursued by the predecessor partnerships. This strategy includes leveraged investing in adjustable rate mortgage securities and mortgage loans. The Company began implementing this investment strategy in the second quarter of 1998. During the period from the consummation of the Merger through September 30, 1998, the Company purchased nine positions in mortgage backed securities for an aggregate purchase cost of approximately $171 million.

The Company intends to elect to qualify as a REIT under the Code beginning with its 1998 taxable year and, as such, anticipates distributing annually at least 95% of its taxable income, subject to certain adjustments. Generally, cash for such distributions is expected to be largely generated from the Company's operations, although the Company may borrow funds to make distributions. Further, as part of the Merger transaction, the Company has committed to make distributions in the first year following the Merger of at least $1.06 per common share, to be paid in four equal quarterly installments, which is expected to significantly exceed taxable income. Accordingly, a portion of distributions received by shareholders in 1998 and 1999 will consist in part of a dividend paid from earnings and in part of a cash merger payment, representing non-taxable return of capital. There is no commitment by the Company to distribute amounts in excess of taxable income beyond the first year of operations.

The Company's operations for any period may be affected by a number of factors including the investment assets held, general economic conditions affecting underlying borrowers and, most significantly, factors which affect the interest rate market. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors beyond the control of the Company.

The Merger, other related transactions and on-going implementation of the change in investment strategy will materially impact the Company's future operations as compared to those of the Predecessor, or the Company's current level of operations. Accordingly, the currently reported financial information is not necessarily indicative of the Company's future operating results or financial condition.

Liquidity and Capital Resources

The Company requires capital to fund its investment strategy and pay its operating expenses. The Company's capital sources upon consummation of the Merger include cash flow from operations, borrowings under repurchase agreements and mortgage loans on the Company's remaining direct real estate investments, which are currently held for sale.

Since the Merger, the Company has primarily financed its mortgage investments through repurchase agreements totalling $147.6 million with a weighted average borrowing rate of 5.51% at September 30, 1998. The repurchase agreements have balances of between $8.1 million and $27 million. These arrangements have original terms to maturity ranging from three months to twelve months and annual interest rates based on LIBOR. To date, the Company has not had any significant margin calls on its repurchase agreements.

The Company believes it has adequate financial resources to meet its obligations as they come due and fund committed dividends as well as to actively pursue its new investment policy.

Results of Operations

Three Month Period Ended September 30, 1998 Compared to 1997

During the three months ended September 30, 1998, total interest income increased $2,409,925 as compared to total interest income of the Predecessor for the three months ended September 30, 1997. This increase is a result of the interest generated by mortgage investments acquired from Prep Fund 2 and Pension Fund in the Merger as well as the acquisition of additional mortgage investments during 1998.

The increase in the Company's interest expense on borrowed funds during the three months ended September 30, 1998 compared to that of the Predecessor for the three months ended September 30, 1997, relates to interest expense on repurchase arrangements used to fund additional investments.

Income from other investments increased as a result of income generated by other investments acquired from Prep Fund 2 and Pension Fund.

General and administrative expenses increased $254,212 as compared to that of the Predecessor as a result of (i) the management fee payable to the Advisor and (ii) the increased scope of operations resulting from the Merger.

Nine month period ended September 30, 1998 compared to 1997

During the nine months ended September 30, 1998, total interest income increased $3,122,602 as compared to total interest income of the Predecessor for the nine months ended September 30, 1997. This increase is a result of the interest generated by mortgage investments acquired from Prep Fund 2 and Pension Fund in the Merger as well as the acquisition of additional mortgage investments during 1998.

Income from other investments increased as a result of income generated by other investments acquired from Prep Fund 2 and Pension Fund.

The Company realized a gain of $385,000 from the sale of a mortgage loan on May 1, 1998 and a gain of $29,951 on the sale of other investments.

The increase in the Company's interest expense on borrowed funds during the nine months ended September 30, 1998 compared to that of the Predecessor for the nine months ended September 30, 1997, relates to interest expense on repurchase arrangements used to fund additional investments.

General and administrative expenses increased $680,647 as compared to that of the Predecessor as a result of (i) the management fee payable to the Advisor and (ii) the increased scope of operations resulting from the Merger and continuing implementation of the new investment strategy.

Interest Rate Risks

The Company's operating results will depend in part on the difference between the interest income earned on its interest-earned assets and the interest expense incurred in connection with its interest-bearing liabilities. Competition from other providers of investment capital may lead to a lowering of the interest rate earned on the Company's interest bearing assets which the Company may not be able to offset by obtaining lower interest costs on its borrowings. Changes in the general level of interest rates prevailing in the economy can affect the spread between the Company's interest-earning assets and interest-bearing liabilities. Any significant compression of the spreads between interest-earning assets and interest-bearing liabilities could have material adverse effect on the Company. In addition, an increase in interest rates could, among other things, reduce the value of the Company's interest-bearing assets and its ability to realize gains from the sale of such assets, and a decrease in the interest rates could reduce the average life of the Company's interest earning assets.

Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors beyond the control of the Company. The Company may employ various hedging strategies to limit the effects of changes in interest rates on its operations, including asset liability matching, which represents the current strategy, or engaging in active hedging using derivative instruments including interest rate swaps, caps, floors and other interest rate exchange contracts. There can be no assurance that the profitability of the Company or the value of the Company's investment assets will not be adversely affected during any period as a result of changing interest rates. In addition, hedging transactions involve certain additional risks such as counter-party credit risk, legal enforceability of hedging contracts and the risk that unanticipated and significant changes in interest will cause a significant loss of basis in the contract. With regard to loss of basis in a hedging contract, indices upon which contracts are priced may be more or less variable than the indices upon which the hedged loans are priced, thereby making the hedge less effective. There can be no assurance that the Company will be able to adequately protect against the foregoing risks and that the Company will ultimately realize an economic benefit from any hedging contract it enters into.

Other Matters

The Company at all times intends to conduct its business so as to not become regulated as an investment company under the Investment Company Act of 1940. If the Company were to become regulated as an investment company, then, among other things, the Company's ability to use leverage would be substantially reduced. The Investment Company Act exempts entities that are "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate" (i.e. "Qualifying Interests"). Under the current interpretation of the staff of the SEC, in order to qualify for this exemption, the Company must maintain at least 55% of its assets directly in Qualifying Interests. In addition, unless certain Mortgage Securities represent an undivided interest in the entire pool backing such Mortgage Securities (i.e. "Whole Pool" Mortgage Securities), such Mortgage Securities may be treated as securities separate from the underlying Mortgage Loan, thus, may not be considered Qualifying Interests for purposes of the 55% exemption requirement. Accordingly, the Company monitors its compliance with this requirement in order to maintain its exempt status. As of September 30, 1998, the Company calculates that it is in and has maintained compliance with this requirement.

Year 2000

The Company does not own or operate its own computer system and owns no business or other equipment. However, the operation of the Company's business relies on the computer system and other equipment maintained by America First Companies L.L.C., the principal shareholder of the Company's Advisor ("America First"). In addition, the Company has business relationships with a number of third parties whose ability to perform their obligations to the Company depend on such systems and equipment. Some or all of these systems and equipment may be affected by the inability of certain computer programs and embedded circuitry to correctly recognize dates occurring after December 31, 1999. America First has adopted a plan to deal with this so-called "Year 2000 problem" with respect to its information technology ("IT") systems, non-IT systems and third party business relationships.

State of Readiness

The IT system maintained by America First consists primarily of personal computers, most of which are connected by a local area network. All accounting and other record keeping functions relating to the Company that are conducted in house by America First are performed on this PC-LAN system. America First does not own or operate any "mainframe" computer systems. The PC-LAN system runs software programs that America First believes are compatible with dates after December 31, 1999. America First has engaged a third party computer consulting firm to review and test its PC-LAN system to ensure that it will function correctly after that date and expects that this process, along with any necessary remediation, will be completed by March 31, 1999. America First believes any Year 2000 problems relating to its IT systems will resolved without significant operational difficulties. However, there can be no assurance that testing will discover all potential Year 2000 problems or that it will not reveal unanticipated material problems with the America First IT systems that will need to be resolved.

Non-IT systems include embedded circuitry such as microcontrollers found in telephone equipment, security and alarm systems, copiers, fax machines, mail room equipment, heating and air conditioning systems and other infrastructure systems that are used by America First in connection with the operation of the Company's business. America First is reviewing its non-IT systems along with the providers that service and maintain these systems, with initial emphasis being placed on those, such as telephone systems, which have been identified as necessary to America First's ability to conduct the operation of the Company's business activities. America First expects that any necessary modification or replacement of such "mission critical" systems will be accomplished by mid-1999.

The Company has no control over the remediation efforts of third parties with which it has material business relationships and the failure of certain of these third parties to successfully remediate their Year 2000 issues could have a material adverse effect on the Company. Accordingly, America First has undertaken the process of contacting each such third party to determine the state of their readiness for Year 2000. Such parties include, but are not limited to, the obligors on the Company's mortgage securities, the Company's transfer and paying agent and the financial institutions with which the Company maintains accounts. America First has received initial assurances from certain of these third parties that their ability to perform their obligations to the Company are not expected to be materially adversely affected by the Year 2000 problem. America First will continue to request updated information from these material third parties in order to assess their Year 2000 readiness. If a material third party vendor is unable to provide assurance to America First that it is, or will be, ready for Year 2000, America First intends to seek an alternative vendor to the extent practical.

Costs

All of the IT systems and non-IT systems used to conduct the Company's business operations are owned or leased by America First. The Company will bear its proportionate share of the costs associated with surveying the Year 2000 readiness of third parties and with the identification, remediation and testing of America First's IT and non-IT systems. However, the Company's share of the costs associated with these activities is expected to be insignificant. Accordingly, the costs associated with addressing the Company's Year 2000 issues are not expected to have a material effect on the Company's results of operations, financial position or cash flow.

Year 2000 Risks

The Company's Advisor believes that the most reasonably likely worst-case scenario will be that one or more of the third parties with which it has a material business relationship will not have successfully dealt with its Year 2000 issues and, as a result, is unable to provide services or otherwise perform its obligations to the Company. For example, if an obligor on the Company's mortgage securities encounters a serious and unexpected Year 2000 issue, it may be unable to make a timely payment of principal and interest to the Company. This, in turn, could cause a delay in dividend payments to shareholders. In addition, if the Company's transfer and paying agent experiences Year 2000-related difficulties, it may cause delays in making dividend payments to shareholders or in the processing of trading of shares. It is also possible that one or more of the IT and non-IT systems of America First will not function correctly, and that such problems may make it difficult to conduct necessary accounting and other record keeping functions for the Company. However, based on currently available information, the Company's Advisor does not believe that there will be any protracted systemic failures of the IT or non-IT systems utilized by America First in connection with the operation of the Company's business.

Contingency Plans

Because of the progress which America First has made toward achieving Year 2000 readiness, the Company has not made any specific contingency plans with respect to the IT and non-IT systems of America First. In the event of a Year 2000 problem with its IT system, America First may be required to manually perform certain accounting and other record-keeping functions. America First plans to terminate the Company's relationships with material third party service providers that are not able to represent to America First that they will be able to successfully resolve their material Year 2000 issues in a timely manner. However, the Company will not be able to readily terminate its relationships with all third parties, such as the obligors on its mortgage securities, who may experience Year 2000 problems. The Company has no specific contingency plans for dealing with Year 2000 problems experienced with these third parties.

All forecasts, estimates or other statements in this report relating to the Year 2000 readiness of the Company and its affiliates are based on information and assumptions about future events. Such "forward-looking statements" are subject to various known and unknown risks and uncertainties that may cause actual events to differ from such statements. Important factors upon which the Company's Year 2000 forward-looking statements are based include, but are not limited to, (a) the belief of America First that the software used in IT systems is already able to correctly read and interpret dates after December 31, 1999 and will require little or any remediation; (b) the ability to identify, repair or replace mission critical non-IT equipment in a timely manner, (c) third parties' remediation of their internal systems to be Year 2000 ready and their willingness to test their systems interfaces with those of America First, (d) no third party system failures causing material disruption of telecommunications, data transmission, payment networks, government services, utilities or other infrastructure, (e) no unexpected failures by third parties with which the Company has a material business relationship and (f) no material undiscovered flaws in America First's Year 2000 testing process.

Forward Looking Statements

When used in this Form 10-Q, in future SEC filings or in press releases or other written or oral communications, the words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project" or similar expressions are intended to identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The Company cautions that such forward looking statements speak only as of the date made and that various factors including regional and national economic conditions, changes in levels of market interest rates, credit and other risks of lending and investment activities, and competitive and regulatory factors could affect the Company's financial performance and could cause actual results for future periods to differ materially from those anticipated or projected.

The Company does not undertake and specifically disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The requirements of Item 3 of Form 10-Q are not applicable to the Company prior to its Annual Report on Form 10-K for the year ended December 31, 1998.

PART II. OTHER INFORMATION

Item 5. Other Information.

The proxy for the 1999 annual meeting of shareholders will confer discretionary authority on the Board of Directors to vote on any matter proposed by any shareholder for consideration at the meeting if the Company does not receive written notice of the matter from the proponent on or before February 6, 1999. Such notice must be submitted in writing and mailed by certified mail to Stewart Zimmerman, America First Mortgage Investments, Inc., 399 Park Avenue, New York, New York, 10022.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

2.1 Agreement and Plan of Merger by and among the Registrant, America First Participating/Preferred Equity Mortgage Fund Limited Partnership, America First Prep Fund 2 Limited Partnership, America First Prep Fund 2 Pension Series Limited Partnership and certain other parties, dated as of July 29, 1997 (incorporated herein by reference to Exhibit 2.1 of the Registration Statement on Form S-4 dated February 12, 1998, filed by the Registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)).

3.1 Amended and Restated Articles of Incorporation of the Registrant (incorporated herein by reference from Form 8-K dated April 10, 1998, filed by the Registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)).

3.2 Amended and Restated Bylaws of the Registrant (incorporated herein by reference from Form 8-K dated April 10, 1998, filed by the Registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)).

3.3 Agreement of Limited Partnership, dated May 25, 1988, of America First Prep Fund 2 Pension Series Limited Partnership (incorporated herein by reference to Form

10-K, dated December 31, 1988, filed with the Securities and Exchange Commission (File No. 33-13407)).

4.1 Specimen of Common Stock Certificate of the Company. (incorporated herein by reference to Exhibit 4.1 of the Registration Statement on Form S-4 dated February 12, 1998, filed by the Registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)).

10.1 Form of Advisory Agreement by and between the Company and America First Mortgage Advisory Corporation (incorporated herein by reference to Exhibit 10.1 of the Registration Statement on Form S-4 dated February 12, 1998, filed by the Registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)).

10.2 Employment Agreement of Stewart Zimmerman (incorporated herein by reference to Exhibit 10.2 of the Registration Statement on Form S-4 dated February 12, 1998, filed by the Registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)).

10.3 Employment Agreement of William S. Gorin (incorporated herein by reference to Exhibit 10.3 of the Registration Statement on Form S-4 dated February 12, 1998, filed by the Registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)).

10.4 Employment Agreement of Ronald A. Freydberg (incorporated herein by reference to Exhibit 10.4 of the Registration Statement on Form S-4 dated February 12, 1998, filed by the Registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)).

10.5 Form of 1997 Stock Option Plan of the Company (incorporated herein by reference to Exhibit 10.5 of the Registration Statement on Form S-4 dated February 12, 1998, filed by the Registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)).

10.6 Form of Dividend Reinvestment Plan (incorporated herein by reference to Appendix C of the Registration Statement on Form S-4 dated February 12, 1998, filed by the Registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)).

(b) Reports on Form 8-K

The Registrant filed the following reports on Form 8-K during the quarter for which this report is filed.

Item Reported	Financial Statements Filed	Date of Report
2. Acquistion or Disposition of Assets	Yes	June 26, 1998
2. Acquisition or Disposition of Assets	Yes	July 29, 1998

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.

Dated: November 13, 1998 AMERICA FIRST MORTGAGE INVESTMENTS, INC.

By /s/ Gary Thompson
Gary Thompson
Authorized Officer and Chief Financial Officer

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