

Cherry Hill Mortgage Investment Corp
Form 424B5
August 14, 2017
TABLE OF CONTENTS

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-200152

PROSPECTUS SUPPLEMENT
(To Prospectus Dated December 3, 2014)

2,200,000 Shares

8.20% Series A Cumulative Redeemable Preferred Stock (Liquidation Preference \$25.00 Per Share)

Cherry Hill Mortgage Investment Corporation is offering to the public 2,200,000 shares of its 8.20% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share, or the Series A Preferred Stock. This is an original issuance of the Series A Preferred Stock. Holders of Series A Preferred Stock will be entitled to receive cumulative cash dividends at a rate of 8.20% per annum of the \$25.00 per share liquidation preference (equivalent to \$2.05 per annum per share). Dividends will be payable quarterly in arrears on the 15th day of each January, April, July and October, when and as declared, beginning on October 15, 2017. Dividends will accumulate and be cumulative from, and including, the date of original issuance of the Series A Preferred Stock.

The Series A Preferred Stock is not redeemable by us prior to August 17, 2022, except under circumstances where it is necessary to preserve our qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes and except as described below upon the occurrence of a Change of Control (as defined herein). On or after August 17, 2022, we may, at our option, redeem any or all of the shares of the Series A Preferred Stock at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date. In addition, upon the occurrence of a Change of Control, we may, at our option, redeem any or all of the shares of Series A Preferred Stock within 120 days after the first date on which such Change of Control occurred at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date. The Series A Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless repurchased or redeemed by us or converted into our common stock in connection with a Change of Control by the holders of Series A Preferred Stock.

Upon the occurrence of a Change of Control, each holder of Series A Preferred Stock will have the right (subject to our election to redeem the Series A Preferred Stock in whole or in part, as described above, prior to the Change of Control Conversion Date (as defined herein)) to convert some or all of the shares of the Series A Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock per share of Series A Preferred Stock equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of the Series A Preferred Stock, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date (as defined herein) and prior to the corresponding dividend payment date (as defined herein) for the Series A Preferred Stock, in which case no additional amount for such accumulated and unpaid dividends will be included in this sum) by (ii) the Common Stock Price (as defined herein); and

•2.62881, or the Share Cap, subject to certain adjustments as explained herein; in each case, on the terms and subject to the conditions described in this prospectus supplement, including provisions for the receipt, under specified circumstances, of alternative consideration as described in this prospectus supplement.

The Series A Preferred stock has not been rated. No current market exists for the Series A Preferred Stock. We intend to apply to list the shares of the Series A Preferred Stock on the New York Stock Exchange, or NYSE, under the symbol CHMI-PRA. If the application is approved, trading of the Series A Preferred Stock on the NYSE is expected to begin within 30 days after the date of initial issuance of the Series A Preferred Stock. Our common stock is traded on the NYSE under the symbol CHMI.

There are restrictions on transfer and ownership of the Series A Preferred Stock intended to, among other purposes, preserve our qualification as a REIT. Please see the sections entitled Description of the Series A Preferred Stock—Restrictions on Transfer and Ownership, in this prospectus supplement and Restrictions on Ownership and Transfer in the accompanying prospectus. In addition, except under limited circumstances as described in this prospectus supplement, holders of Series A Preferred Stock generally do not have any voting rights.

Investing in the Series A Preferred Stock involves risk. The Series A Preferred Stock has not been rated and is subject to risks associated with non-rated securities. See Risk Factors beginning on page S-8 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Per Share	Total ⁽¹⁾
Price to the public	\$ 25.0000	\$ 55,000,000
Underwriting discounts and commissions	\$ 0.7875	\$ 1,732,500
Proceeds to us (before expenses)	\$ 24.2125	\$ 53,267,500

(1) Assumes no exercise of the underwriters' over-allotment option.

Neither the U.S. Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters have an option to purchase a maximum of 330,000 additional shares of Series A Preferred Stock solely to cover over-allotments, if any, on the same terms and conditions set forth above within 30 days of the date of this prospectus supplement. If the option is exercised in full the total price to the public will be \$63,250,000, the total underwriting discounts and commissions will be \$1,992,375, and the proceeds to us, before expenses, will be \$61,257,625.

Delivery of the shares of the Series A Preferred Stock will be made on or about August 17, 2017, only in book-entry form through The Depository Trust Company.

Joint Book-Running Managers

Morgan Stanley RBC Capital Markets

Lead Managers

Citigroup J.P. Morgan

The date of this prospectus supplement is August 10, 2017.

TABLE OF CONTENTS

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	<u>S-ii</u>
<u>FORWARD-LOOKING STATEMENTS</u>	<u>S-ii</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>S-ii</u>
<u>INFORMATION INCORPORATED BY REFERENCE</u>	<u>S-iii</u>
<u>THE COMPANY</u>	<u>S-1</u>
<u>THE OFFERING</u>	<u>S-2</u>
<u>RISK FACTORS</u>	<u>S-8</u>
<u>USE OF PROCEEDS</u>	<u>S-12</u>
<u>RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS</u>	<u>S-13</u>
<u>DESCRIPTION OF THE SERIES A PREFERRED STOCK</u>	<u>S-14</u>
<u>ADDITIONAL MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	<u>S-26</u>
<u>UNDERWRITING</u>	<u>S-30</u>
<u>LEGAL MATTERS</u>	<u>S-34</u>
<u>EXPERTS</u>	<u>S-34</u>
Prospectus	

	Page
<u>ABOUT THIS PROSPECTUS</u>	<u>1</u>
<u>CHERRY HILL MORTGAGE INVESTMENT CORPORATION</u>	<u>1</u>
<u>RISK FACTORS</u>	<u>2</u>
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>3</u>
<u>RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS</u>	<u>5</u>
<u>USE OF PROCEEDS</u>	<u>6</u>
<u>DESCRIPTION OF COMMON STOCK</u>	<u>7</u>
<u>DESCRIPTION OF PREFERRED STOCK</u>	<u>9</u>
<u>DESCRIPTION OF WARRANTS</u>	<u>11</u>
<u>DESCRIPTION OF RIGHTS</u>	<u>12</u>
<u>DESCRIPTION OF UNITS</u>	<u>13</u>
<u>CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS</u>	<u>14</u>
<u>RESTRICTIONS ON OWNERSHIP AND TRANSFER</u>	<u>19</u>
<u>BOOK-ENTRY SECURITIES</u>	<u>22</u>
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	<u>23</u>
<u>PLAN OF DISTRIBUTION</u>	<u>51</u>
<u>LEGAL MATTERS</u>	<u>54</u>

<u>EXPERTS</u>	<u>54</u>
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	<u>54</u>
<u>INCORPORATION OF INFORMATION WE FILE WITH THE SEC</u>	<u>54</u>

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any applicable free writing prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information.

We are not, and the underwriters are not, making an offer of the shares of Series A Preferred Stock covered by this prospectus supplement and the accompanying prospectus in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any applicable free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

S-i

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the offering, and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which includes more general information about the securities we may offer from time to time, some of which may not apply to this offering. Before you buy any shares of our Series A Preferred Stock, it is important for you to read and consider the information contained in this prospectus supplement and the accompanying prospectus together with additional information described under the headings **Information Incorporated by Reference** and **Where You Can Find More Information**.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus supplement to the terms **we**, **us**, **our** and **our company** refer to Cherry Hill Mortgage Investment Corporation and its consolidated subsidiaries, references to **our operating partnership** refer to Cherry Hill Operating Partnership, LP and references to **our Manager** refer to Cherry Hill Mortgage Management, LLC.

FORWARD-LOOKING STATEMENTS

When used in this prospectus supplement and in the accompanying prospectus and in the documents incorporated herein and therein by reference, in future filings with the SEC or in press releases or other written or oral communications, statements which are not historical in nature, including those containing words such as **believe**, **expect**, **anticipate**, **estimate**, **plan**, **continue**, **intend**, **should**, **would**, **could**, **goal**, **objective**, **wil** expressions, are intended to identify **forward-looking statements** within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and, as such, may involve known and unknown risks, uncertainties and assumptions.

Forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations and our ability to make distributions to our stockholders may vary materially from those expressed in our forward-looking statements. The following factors are examples of those factors that could cause actual results to vary from our forward-looking statements: general volatility of the capital markets; changes in our investment objectives and business strategy; availability, terms and deployment of capital; availability of suitable investment opportunities; our dependence on our Manager, and our ability to find a suitable replacement if we or our Manager were to terminate the management agreement we have entered into with our Manager; changes in our assets, interest rates or the general economy; increased rates of default and/or decreased recovery rates on our investments; changes in interest rates, interest rate spreads, the yield curve or prepayment rates; our ability to maintain our qualification as a REIT for U.S. federal income tax purposes; limitations on our business due to compliance with the requirements necessary for REIT qualification; the degree and nature of our competition, including competition for our targeted assets; our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended; and risks associated with investing in residential mortgage-related assets. These and other risks, uncertainties and factors, including the risk factors described below and in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016, as updated by those risk factors included in our subsequent filings under the Exchange Act, could cause our actual results to differ materially from those projected in any forward-looking statements we make. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events

or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and, in accordance with those requirements, file reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information, as well as the registration statement and the exhibits and schedules thereto, can be inspected at the

S-ii

TABLE OF CONTENTS

public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of such materials may be obtained from the SEC at prescribed rates. Information about the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information regarding registrants, including us, that file such information electronically with the SEC. The address of the SEC's website is *www.sec.gov*. Our common stock is listed on the NYSE. We intend to apply to list the Series A Preferred Stock on the NYSE. Our corporate website is located at *www.chmireit.com*. Our corporate website and the information contained therein or connected thereto do not constitute a part of this prospectus supplement, the accompanying prospectus or any amendment or supplement thereto.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the securities offered by this prospectus supplement and the accompanying prospectus, and the registration statement has been declared effective. This prospectus supplement and the accompanying prospectus, which form a part of the registration statement, do not contain all of the information set forth in the registration statement and its exhibits and schedules, certain parts of which are omitted in accordance with the SEC's rules and regulations. For further information about us and the Series A Preferred Stock, we refer you to the registration statement and to such exhibits and schedules. Statements contained in this prospectus supplement and the accompanying prospectus concerning the provisions of any document filed as an exhibit to the registration statement or otherwise filed with the SEC are not necessarily complete, and in each instance reference is made to the copy of such document so filed. Each such statement is qualified in its entirety by such reference.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with the SEC, which means that we can disclose important business, financial and other information to you by referring you to other documents separately filed with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement and before the date that the offering of the securities by means of this prospectus supplement and the accompanying prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus.

We incorporate by reference the following documents or information filed with the SEC and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and prior to completion of the offering of the Series A Preferred Stock described in this prospectus supplement and the accompanying prospectus (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed with the SEC on March 15, 2017;
 - our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017 and June 30, 2017, filed with the SEC on May 9, 2017 and August 8, 2017, respectively;
 - our Current Reports on Form 8-K filed on January 17, 2017, March 16, 2017, March 29, 2017 and June 15, 2017;
 - the information specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2016 from our Definitive Proxy Statement on Schedule 14A filed on April 27, 2017; and
 - the description of our common stock in our Registration Statement on Form 8-A filed on September 27, 2013.
- We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus are delivered, upon his or her written or oral request, a copy of any or all documents referred to above that have been or may be incorporated by reference into this prospectus supplement and the

Edgar Filing: Cherry Hill Mortgage Investment Corp - Form 424B5

accompanying prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request those documents from us by writing to Cherry Hill Mortgage Investment Corporation, c/o Investor Relations, 301 Harper Drive, Suite 110, Moorestown, New Jersey 08057 or by calling Investor Relations at (877) 870-7005.

S-iii

TABLE OF CONTENTS

THE COMPANY

We are a REIT focused on acquiring, investing in and managing residential mortgage assets in the United States. We were incorporated in Maryland on October 31, 2012, and we commenced operations in October 2013, following the completion of our initial public offering and a concurrent private placement. We are externally managed by Cherry Hill Mortgage Management, LLC, an SEC-registered investment adviser established by Stanley Middleman. Our Manager is a party to a services agreement with Freedom Mortgage Corporation, or Freedom Mortgage, which is owned and controlled by Mr. Middleman.

We conduct substantially all of our operations through our operating partnership, Cherry Hill Operating Partnership, LP, and its subsidiaries. We are the sole general partner of our operating partnership.

Our principal objective is to generate attractive current yields and risk-adjusted total returns for our stockholders over the long term, primarily through dividend distributions and secondarily through capital appreciation. We attempt to attain this objective by selectively constructing and actively managing a portfolio of servicing-related assets, consisting of mortgage servicing rights, or MSRs, on residential mortgage loans and residential mortgage-backed securities. Subject to market conditions, we may also invest in prime residential mortgage loans and other cashflowing residential mortgage assets.

Our principal executive offices are located at 301 Harper Drive, Suite 110, Moorestown, New Jersey 08057, and our telephone number is (877) 870-7005. The offices of our Manager are located at 907 Pleasant Valley Avenue, Mount Laurel, New Jersey 08054. Our website is www.chmireit.com. Our website and the information contained at or connected to our website do not constitute a part of this prospectus supplement or the accompanying prospectus.

S-1

TABLE OF CONTENTS

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Series A Preferred Stock, see "Description of the Series A Preferred Stock" in this prospectus supplement and "Description of Preferred Stock" in the accompanying prospectus.

In this prospectus supplement, (i) our "Junior Stock" means our common stock and any class or series of stock we may issue in the future that by its terms ranks junior to the Series A Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of our liquidation, dissolution or winding up, (ii) our "Parity Stock" means any class or series of stock we may issue in the future with terms specifically providing that such stock ranks on parity with the Series A Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of our liquidation, dissolution or winding up, and (iii) our "Senior Stock" means any class or series of stock we may issue in the future with terms specifically providing that such stock ranks senior to the Series A Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of our liquidation, dissolution or winding up. The term "stock" does not include any convertible or exchangeable debt securities we may issue in the future.

Issuer

Cherry Hill Mortgage Investment Corporation

Securities Offered

2,200,000 shares of 8.20% Series A Cumulative Redeemable Preferred Stock, \$0.01 par value per share (plus up to an additional 330,000 shares of 8.20% Series A Cumulative Redeemable Preferred Stock that we will issue and sell in the event the underwriters exercise their over-allotment option).

Dividends

Holders of Series A Preferred Stock will be entitled to receive cumulative cash dividends at a rate of 8.20% per annum of the \$25.00 per share liquidation preference (equivalent to \$2.05 per annum per share).

Dividends will be payable quarterly in arrears on the 15th day of each January, April, July and October, when and as declared, provided that if any dividend payment date is not a business day, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day. Dividends will accumulate and be cumulative from, and including, the date of original issuance, which is expected to be August 17, 2017. The first dividend is scheduled to be paid on October 15, 2017 in the amount of \$0.33028 per share and will be paid to the persons who are the holders of record of the Series A Preferred Stock at the close of business on the corresponding record date fixed by our board of directors in accordance with the articles supplementary designating the Series A Preferred Stock.

No Maturity

The Series A Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of the Series A Preferred Stock will remain outstanding indefinitely unless we decide to redeem or otherwise repurchase them or they become convertible and are converted as described below under "—Conversion Rights." We are not required to set apart for payment the funds to redeem the Series A Preferred Stock.

TABLE OF CONTENTS

Optional Redemption

The Series A Preferred Stock is not redeemable by us prior to August 17, 2022, except under circumstances where it is necessary to preserve our qualification as a REIT for U.S. federal income tax purposes and except as described below under —Special Optional Redemption upon the occurrence of a Change of Control (as defined herein). On and after August 17, 2022, we may, at our option, redeem the Series A Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date. Please see the section entitled

Description of the Series A Preferred Stock—Redemption—Optional Redemption.

Special Optional Redemption

Upon the occurrence of a Change of Control, we may, at our option, redeem the Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date. If, prior to the Change of Control Conversion Date (as defined herein), we have provided notice of our election to redeem some or all of the shares of Series A Preferred Stock (whether pursuant to our optional redemption right described above or this special optional redemption right), the holders of Series A Preferred Stock will not have the conversion right described below under —Conversion Rights with respect to the shares of Series A Preferred Stock called for redemption. Please see the section entitled Description of the Series A Preferred Stock—Redemption in this prospectus supplement.

A Change of Control is deemed to occur when, after the original issuance of the Series A Preferred Stock, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our stock entitling that person to exercise more than 50% of the total voting power of all our stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

TABLE OF CONTENTS

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE MKT LLC or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT LLC or the Nasdaq Stock Market.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series A Preferred Stock will have the right (unless we have exercised our right to redeem the Series A Preferred Stock in whole or part, as described above under —Optional Redemption or —Special Optional Redemption, prior to the Change of Control Conversion Date) to convert some or all of the shares of Series A Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock per share of Series A Preferred Stock to be converted equal to the lesser of: the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Series A Preferred Stock, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date (as defined herein) and prior to the corresponding dividend payment date (as defined herein) for the Series A Preferred Stock, in which case no additional amount for such accumulated and unpaid dividends will be included in this sum) by (ii) the Common Stock Price (as defined herein); and