

N E W S B U L L E T I N

FROM:



RE: **ECC Capital Corporation**
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Revised June 10, 2011 to Reflect Corrected Ex-Dividend date

ECC Capital Corporation
Announces Distribution Declaration and Business Update

CORONA DEL MAR, Calif., June 3, 2011 -- ECC Capital Corporation (OTC:[ECRO.PK](http://www.ecro.pk)), a mortgage finance real estate investment trust, announced today that its Board of Directors has declared a cash distribution of \$0.03 per share of common stock. ECC Capital will make this distribution on Thursday, June 23, 2011, to shareholders of record on Tuesday, June 14, 2011. The distribution will have an ex-dividend date of Friday, June 10, 2011.

ECC Capital's ability to make this distribution is the result of net positive cash flow for the year ended 2010. This positive cash flow resulted from a combination of onetime events, including the sale and liquidation of certain investments and the continuing but diminishing cash flow from the Company's liquidating asset base.

Thus far, ECC Capital's strategy of retaining and managing certain self liquidating assets has resulted in a greater realization of cash, net of related management expenses, compared with selling those assets at depressed market prices. Management continues to monitor the fluctuating market prices of its assets as a base line and will select the hold/sell strategy that provides the greatest shareholder value. At some point, a sale of its assets may produce greater shareholder value than holding the self liquidating pool of assets due to the cost of maintaining supporting operations. At this point, however, the Board plans to retain a certain level of cash for investment purposes and will do so as long as it believes the investments have the potential to provide an adequate risk weighted return net of the cost to acquire and manage such investments. ECC Capital also needs to retain a certain amount of capital to maintain its ongoing operations and meet creditor obligations. Management will continue scaling operations and adjusting costs to match its reduced operations.

Based on the nature of the Company's assets and the uncertain market in which it operates, positive performance may not continue. Consequently, the current distribution should not be viewed as an indicator of future distributions. While ECC Capital currently believes that there could be future distributions, there are no assurances. Investors should recognize that ECC Capital's remaining shareholder value and possible future cash distributions may be impacted or eliminated by potential losses on investments, expenses associated with ongoing operations, liabilities and uncertainties in the market place. Furthermore, the timing of future distributions, if any, remains uncertain due to these factors.

ECC Capital is no longer required to issue periodic reports in accordance with SEC regulations. Due to the required resources and staffing associated with the preparation, review and posting of quarterly and annual financial statements, the Company does not presently intend to provide quarterly and annual information regarding its performance going forward. It is possible that there will be limited or no future disclosures provided going forward due to a reduction of ECC Capital's personnel and operations. Please continue to check ECC Capital's website for future information. You may also contact ECC Capital at 949-954-7052 or investorrelations@ecccapital.com.

Quotation on the Pink Sheets and Stock Ownership Limitation

The Company's common stock is currently quoted on the Pink Sheets under the symbol "ECRO.PK." However, the Company does not control whether its stock is quoted on the Pink Sheets and therefore cannot guarantee there will be a market to trade the common stock. Further, the Company does not anticipate applying for listing on any stock exchange or quotation on any electronic trading system in the near future. Since January 7, 2008, the Company's corporate charter prohibits non-founding stockholders from owning more than 2.5% of its common stock. The reason for this restriction is so the Company can comply with the ownership limitations imposed upon REITs. The Company's charter provides that any ownership in excess of the 2.5% restriction may be automatically transferred to a charitable trust and sold. Please refer to the Company's charter for specific information regarding this restriction. Currently, there are 97,073,300 shares of ECC Capital common stock outstanding. Concurrent with the amendment of the corporate charter, the Company reduced its ownership limitation to 2.5%. Shareholders whose ownership percentage of the Company's common stock exceeds the reduced ownership limit on January 6, 2008, but was less than or equal to the existing 5.6% ownership limit, will be grandfathered and therefore, permitted to continue owning the Company's stock at their current ownership percentage. However, if those shareholders subsequently reduce their ownership percentage of the Company's common stock, their maximum ownership limit will be reduced accordingly until their limit is equal to the new ownership limit. The Company reduced the ownership limit to provide greater flexibility should it decide to pursue different structuring options, although no structuring options are currently contemplated.

Risk Factors

You should consider all risk factors, including those relating to our continued qualification as a REIT and our Investment Company Act exemption, as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, the Company's consolidated financial statements and related notes for the year ended December 31, 2007, the information and interim quarterly reports through 2008 and the cautionary statements included therein. These risk factors, as well as other risk factors not presently known, could materially affect the Company's business, financial condition and results of operations.

Safe Harbor Regarding Forward-Looking Statements

Certain statements contained in this web release, including those regarding future distributions to shareholders and projected cash flows from its assets may be deemed forward-looking statements under federal securities laws and ECC Capital intends that those forward-looking statements be subject to the safe-harbor created thereby. These forward-looking statements are based on current expectations and assumptions and are subject to risks and uncertainties, which could affect ECC Capital's future plans. ECC Capital cautions that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by the forward-looking statements. These factors include, but are not limited to: (1) the impact of losses and delinquencies from ECC Capital's residual interests in securitizations and non-securitized assets, (2) the tightening of credit standards, (3) the condition of the U.S. economy and financial system, (4) interest rates and the subsequent effect on the business, (5) ECC Capital's ability to obtain quality loan servicing and default management services, (6) the stability of residential property values, (7) the potential effect of new state or federal laws or regulations, (8) ECC Capital's ability to implement successfully its business plan, (9) continued availability of credit facilities and access to the securitization and capital markets or other sources of capital, (10) ECC Capital's ability and the ability of its subsidiaries to operate effectively within the limitations imposed on REITs by federal tax rules, (11) ECC Capital's ability to qualify for exemptions under any SEC registration requirements, (12) ECC Capital's ability to retain qualified personnel, (13) the outcome of various pending litigation, (14) ECC Capital's ability to control expenses, (15) the performance of ECCs assets and investments, and (16) other factors and risks discussed in ECC Capital's financial report for the year ended December 31, 2008 posted on its webpage and its Annual Report on Form 10-K for the year ended December 31, 2006, which is on file with the Securities and Exchange Commission. You should also be aware that, except as otherwise specified, all information in this release is as of June 3, 2011. ECC Capital undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in ECC Capital's expectations.