FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
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FILER

TIS MORTGAGE INVESTMENT CO

CIK:**833088**| IRS No.: **943067889** | State of Incorp.:**MD** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-10004** | Film No.: **94528404**
SIC: **6798** Real estate investment trusts

Business Address
655 MONTGOMERY ST STE 800
SAN FRANCISCO CA 94111
4153938000

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended March 31, 1994

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 No. 1-10004

TIS MORTGAGE INVESTMENT COMPANY

(Exact name of Registrant as specified in its Charter)

Maryland (State or other jurisdiction of incorporation or organization)	94-3067889 (IRS Employer Identification No.)
655 Montgomery Street San Francisco, California (Address of principal executive offices)	94111 (Zip Code)

Registrant's telephone number, including area code (415) 393-8000

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 and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock as of the latest practicable date

Class of Common Stock	Outstanding at May 13, 1994
$.001 Par Value	8,105,880 Shares

TIS MORTGAGE INVESTMENT COMPANY

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Part I.. Financial Information

Part I. Financial Information

Item 1. Financial Statements

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TIS MORTGAGE INVESTMENT COMPANY AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(Amounts in Thousands except Per Share Data)

<CAPTION>

	Three Months Ended March 31 1994	Three Months Ended March 31 1993
<S>	<C>	<C>
INTEREST INCOME		
Mortgage Certificates, net	$5,427	$11,256
Short-term Investments	23	52
Residual Interests	595	36
Interest Only (IO) Bonds	439	539
Other	0	25
	6,484	11,908
INTEREST AND CMO RELATED EXPENSES		
Collateralized Mortgage Obligations		
Interest	5,180	11,750
Administration Fees	41	57
Amortization of Deferred Bond Issuance Costs	67	512
Short-term Debt	113	157
	5,401	12,476
Net Interest Income (Loss)	1,083	(568)
Write-downs of Mortgage Assets	0	(4,860)
Management and Residual Interest Administration Fees	(60)	(86)
General and Administrative Expense	(330)	(492)
Income (Loss) before Minority Interest	693	(6,006)
Minority Interest	0	89
Net Income (Loss)	$693	($5,917)
Net Income (Loss) per Share Outstanding	$0.09	($0.73)
Dividends Declared per Share	$0.00	$0.05
Weighted Average Shares Outstanding	8,106	8,106

<FN>
See Notes to Consolidated Financial Statements
</TABLE>

<TABLE>

TIS MORTGAGE INVESTMENT COMPANY AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

<CAPTION>

	March 31, 1994	December 31, 1993
	(Unaudited)	
<S>	<C>	<C>
ASSETS		
Real Estate Investments		
Mortgage Certificates, net	$207,725	$250,015
Residual Interests	11,120	11,919
Interest Only (IO) Bonds	13,523	12,212
Reserve for Loss on Investments	(3,852)	(3,852)
Total Real Estate Investments	228,516	270,294
Cash and Cash Equivalents	2,401	680
Restricted Cash	8,428	17,982
Accrued Interest and Accounts Receivable	5,562	8,289
Deferred Bond Issuance Costs	2,600	2,667
Other Assets	293	278

Total Assets	$247,800	$300,190

LIABILITIES

Collateralized Mortgage Obligations, net	$214,068	$268,742
Payable to Affiliate	32	31
Accounts Payable and Accrued Liabilities	163	190
Accrued Interest Payable	3,032	3,702
Short-term Debt	11,612	11,745
Total Liabilities	228,907	284,410

SHAREHOLDERS' EQUITY

Common Stock, par value $.001 per share; 100,000,000 shares authorized; 8,105,880 shares issued and outstanding	8	8
Additional Paid-in Capital	74,696	74,696
Unrealized Gain on Investments	3,771	1,351
Retained Earnings	(59,582)	(60,275)
Total Shareholders' Equity	18,893	15,780
Total Liabilities and Shareholders' Equity	$247,800	$300,190

<FN>
See Notes to Consolidated Financial Statements
</TABLE>

<TABLE>
TIS MORTGAGE INVESTMENT COMPANY AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Amounts in Thousands)

<CAPTION>

	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$693	($5,917)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	(225)	914
Write-downs of Mortgage Assets	0	4,860
Decrease (Increase) in Accrued Interest and Accounts Receivable	2,727	7,697
Decrease in Prepaid Expenses	(15)	(255)
Increase in Payable to Affiliate	1	0
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(27)	210
Decrease in Accrued Interest Payable	(670)	(613)
Net Cash Provided by (Used in) Operating Activities	2,484	6,896
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Short-term Debt	(133)	322
Principal Payments on CMO's	(54,633)	(48,372)
Decrease in Minority Interest in Owner Trust Residuals	0	(82)
Cash Dividends Paid on Common Stock	0	(405)
Net Cash Used in Financing Activities	(54,766)	(48,537)
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Net Decrease in Restricted Cash	9,554	5,428
Principal Reduction in Mortgage Certificates	42,542	35,943
Principal Reduction in Residual Interests	828	1,923
Principal Reduction in IO Bonds	1,079	1,578
Purchase of IO Bonds	0	(3,071)
Net Cash Provided by Investment Activities	54,003	41,801
Net Increase (Decrease) in Cash and Cash Equivalents	1,721	160
Cash and Cash Equivalents at Beginning of Period	680	903
Cash and Cash Equivalents at End of Period	$2,401	$1,063

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<FN>
See Notes to Consolidated Financial Statements
</TABLE>

TIS MORTGAGE INVESTMENT COMPANY AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 - Basis of Presentation

The accompanying interim condensed consolidated financial statements do not include all of the information and disclosures generally required for annual financial statements. They include the accounts of the Company and its wholly-owned subsidiary. All significant intercompany balances and transactions have been eliminated. In the opinion of management all adjustments considered necessary for a fair presentation have been made. Operating results for the quarter ended March 31, 1994 are not necessarily indicative of the results that may be expected for the entire year. These condensed consolidated financial statements should be read in conjunction with the December 31, 1993 consolidated financial statements and notes thereto.

Note 2 - Summary of Significant Accounting Policies

Overall Methods of Accounting - On May 31, 1990, the Emerging Issues Task Force of the Financial Accounting Standards Board reached a consensus (Issue 89-4) for a uniform method of accounting for Residual Interests in collateralized mortgage obligations ("CMOs"). The consensus, among other things, required Residual Interests to be classified either as "equity" (and be accounted for under the Equity Method) or as "nonequity" (and be accounted for under a level yield method referred to as the Prospective Method). The methods described in Issue 89-4 are essentially the same as those used by the Company.

Accounting Change - On December 31, 1993 the Company adopted Financial Accounting Standards Board Standard No. 115 ("SFAS 115") - Accounting for Certain Investments in Debt and Equity Securities. In accordance with this new standard, the Company is required to classify its investments as either trading investments, available-for-sale investments or held-to-maturity investments. The Company is not in the business of trading its real estate investments, however, from time to time the Company may sell an investment as part of its efforts to adjust its portfolio composition to reflect changes in economic conditions. Therefore, the Company has classified all its real estate investments as available-for-sale investments, carried at fair value in the financial statements. Unrealized holding gains and losses for unimpaired available-for-sale investments are excluded from earnings and reported as a net amount in shareholders' equity until realized.

All of the Company's investments are subject to write down whenever the yield on the projected cash flows is less than a risk free rate. If the yield on the projected cash flows is less than a risk free rate, the decline in value is considered to be "other than temporary" and the investment is written down to its fair value as the new cost basis. The amount of the write down is included in the Company's current earnings (i.e. accounted for as a realized loss). The Emerging Issues Task Force of the Financial Accounting Standards Board reached a consensus (EITF 93-18) as to the definition of "other than temporary" impairment. The Company's accounting policy is consistent with this consensus.

For purposes of applying the impairment provisions of SFAS 115, the Company considers its investment in each of its Equity Residuals to be a net cash flow investment (net of CMO Bond interest payments and related CMO Bond administrative expenses). The Company measures other than temporary impairment by comparing the yield on the projected net cash flows from the Equity Residual, (i.e. Mortgage Certificates net of discounts and CMO Bond Liabilities) to a risk free rate. If the yield on the projected cash flows from the Equity Residual is less than a risk free rate, the Company records a reserve to reduce the carrying value to fair value. The fair value is calculated using the forecasted net cash flows discounted at a risk adjusted rate. The risk adjusted rate is determined by the Company using established market transactions for securities having similar characteristics and backed by collateral of similar rate and term.

The Company recognized a $9,879,000 charge to earnings in 1993 from the cumulative effect at December 31, 1993 of adopting the new standard for assets which meet the definition of other than temporary impairment. For assets which do not meet the definition of other than temporary impairment and for assets where the fair value exceeds amortized cost, the Company has recorded, as a cumulative effect of change in accounting for investments, a net unrealized gain of $3,771,000 directly to equity as prescribed by SFAS 115 for assets classified as available-for-sale. Prior years' consolidated financial statements were not permitted to be restated.

The change in accounting principle has significantly reduced the amortized cost of many of the Company's CMO Ownership Interests. As a result, it is anticipated that earnings from these assets will improve in future periods. However, faster prepayment speeds and lower estimates of cash flow from call rights may cause the fair value of CMO Ownership Interests and Acquired CMO Classes to decline further and may require additional write downs in the future.

Principles of Consolidation - The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, TIS Mortgage Acceptance Corporation ("TISMAC"). The assets of TISMAC are not available to pay creditors of the Company. The Company has undertaken to indemnify certain parties who have contracted with TISMAC against certain losses which they might sustain in carrying out their obligations. In addition, under generally accepted accounting principles, the Company consolidates assets and liabilities of Owner Trust Residuals when over 50% equity interest in the trust is held by the Company. The portion of equity interest of each such Owner Trust Residual not owned by the Company is accounted for as minority interest.

Mortgage Certificates and CMOs - Mortgage certificates and CMO bonds of consolidated Owner Trusts are carried at their outstanding principal balance plus or minus any premium or discount, respectively.

Amortization of Premiums and Discounts - Premiums and discounts related to mortgage certificates and CMOs are amortized to income using the interest method over the stated maturity of the mortgage certificates or CMOs.

Residual Interests and Interest Only (IO) Bonds - Residual Interests held in bond form and Corporate Real Estate Mortgage Investment Conduit ("REMIC") Residual Interests, regardless of percentage ownership, are Nonequity Residual Interests and, along with IO Bonds, are accounted for under the Prospective method. Under this method, assets are carried at cost and income is amortized over their estimated lives based on a method which provides a constant yield. At the end of each quarter, the yield over the remaining life of the asset is recalculated based on expected future cash flows using current interest rates and mortgage prepayment speeds. This new yield is then used to calculate the subsequent quarter's financial statement income. Owner Trust Residuals are accounted for under the equity method.

Restricted Cash - Restricted cash represents the cash balances of CMOs in which the Company holds a Residual Interest and whose assets and liabilities are consolidated with those of the Company. This cash is not available to the Company or its creditors.

Income Taxes - The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. As a REIT, the Company must distribute at least 95% of its taxable income to its shareholders. No provision has been made for income taxes in the accompanying consolidated financial statements as the Company is not subject to federal income taxes. The loss reported in the accompanying financial statements may be greater or less than the taxable loss because some income and expense items are reported in different periods for income tax purposes. Over the life of a Residual Interest or IO Bond, total taxable income will equal total financial statement income. However, the timing of income recognition may differ between the two from year to year.

Net Income (Loss) Per Share - Net income (loss) per share is based upon the weighted average number of shares of Common Stock outstanding.

Statement of Cash Flows - For purposes of the statement of cash flows, the Company considers only highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Note 3 - Mortgage Certificates

Information is presented in the table below as of March 31, 1994 and December 31, 1993 with respect to the fair value of the mortgage certificates collateralizing those CMO Bonds where the residual interests are accounted for under the equity method and the Company owns more than a 50% interest in the trust. See the CMO Collateral chart in note 4 for additional information on the mortgage collateral. The Company is not able to sell the mortgage collateral, and therefore realize any gain, until the CMO Bonds which are collateralized by the mortgages mature or are called in accordance with the underlying bond indenture.

<TABLE>
MORTGAGE CERTIFICATES
(In thousands)

<CAPTION>

Residual Series	Principal Amount of Mortgage Certificates	Fair Value of Mortgage Certificates	Cost Less Unamortized Discount
March 31, 1994			
CMOT 28	$127,207	$131,421	$125,401
TMAC 1986-1	30,712	33,268	29,241
TISMAC 1989-1	54,196	58,870	53,083
	$212,115	$223,559	$207,725
December 31, 1993			
CMOT 28	$153,880	$162,103	$152,080
TMAC 1986-1	36,461	39,414	34,938
TISMAC 1989-1	64,316	70,888	62,997
	$254,657	$272,405	$250,015

Note 4 - Residual Interests

Residual Interests are classified as either equity or nonequity. Presented below is a schedule of the nonequity residual interests and unconsolidated equity residual interests.

NONEQUITY RESIDUAL INTERESTS
(In thousands)

Residual Series	Purchase Price	Book Value March 31, 1994	Book Value December 31, 1993
Nonequity Residual Interests			
DBLU	$ 5,169	$ 110	$ 138
FNMA 88-22	10,387	1,864	1,679
PB-4	10,523	2,909	2,828
CMSC I	8,642	104	105
PB-7	3,994	451	419
FHLMC 21	5,361	9	19
ML-38	1,306	1,343	1,814
OXFORD 3F	1,382	4	3
FHLMC 25	4,934	9	11
LFR-9	2,589	218	219
DBLS	2,424	469	453
BT 88-1	1,537	535	658
RYLAND 62	3,039	690	644
CMSC 88-2	2,554	582	575
PB-5	16,112	1,823	2,354
		11,120	11,919
Unconsolidated Equity Residual Interests			
TMAC 1986-2	67	0	0
TMAC 1987-3	165	0	0
Total Residual Interests		$11,120	$11,919

Certain characteristics of the Company's residual interests are presented in the following tables:

CMO COLLATERAL

CMO Collateral Data (100% of Issue)

Residual Series	Residual Interest Type	Type of Collateral	Weighted Average Pass-Through Rate	Mar. 31, 1994 Collateral Principal Balance ($000)	Current Weighted Average Coupon Rate	Weighted Average Remaining Months to Maturity
Equity Residual Interests						
CMOT 28	Fixed	FNMA	8.50%	$127,207	9.10%	274.4
TMAC 1986-1	Fixed	FHLMC	9.00%	31,674	10.00%	263.0
TISMAC 1989-1	Fixed	GNMA I	10.00%	54,196	10.50%	296.9

TMAC 1986-2	Fixed	FHLMC	9.50%	15,346	10.10%	251.0
TMAC 1987-3	Fixed	FHLMC	9.08%	36,189	9.80%	255.0
Nonequity Residual Interests						
DBLU	Variable	GNMA I	10.00%	$81,403	10.50%	282.0
FNMA 88-22	Variable	FNMA	9.50%	34,034	10.10%	290.3
PB-4	Variable	GNMA I	10.00%	55,337	10.50%	287.1
CMSC I	Fixed	FNMA	9.50%	73,082	10.10%	258.2
PB-7	Fixed	GNMA I	10.00%	84,596	10.50%	290.7
FHLMC 21	Fixed	FHLMC	9.50%	157,897	10.20%	288.8
ML-38	Fixed	FNMA	9.50%	33,082	10.20%	291.5
OXFORD 3F	Fixed	FHLMC	8.50%	99,053	9.10%	270.0
FHLMC 25	Fixed	FHLMC	9.50%	89,964	10.30%	286.8
LFR-9	Fixed	FNMA	9.50%	24,540	10.20%	290.0
DBLS	Fixed	FNMA	10.00%	55,414	10.60%	283.0
BT 88-1	Fixed	GNMA	9.00%	42,054	9.50%	276.0
RYLAND-62	Fixed	GNMA	10.00%	42,331	10.50%	284.4
CMSC 88-2	Fixed	FHLMC	10.50%	33,738	11.30%	227.0
PB-5	Fixed	FNMA	9.50%	31,521	10.10%	280.8

</TABLE>

<TABLE>

EQUITY RESIDUAL INTERESTS

<CAPTION>

				CMO Bond Data (100% of Issue)				
Name of Issuer and Series/ CMO Issue Date	TIS Purchase Date	TIS % Ownership	TIS Purchase Price ($000)	Bond Class	Initial Principal Balance ($000)	Mar. 31, 1994 Principal Balance ($000)	Bond Coupon	Stated Maturity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1) Collateralized	Aug 31, 1988	98.000%	$4,810	A	$275,000	$ 0	8.00%	Jun 1, 2006
Mortgage	Aug 8, 1990	2.000%	47	B	77,200	0	8.50%	Jun 1, 2008
Obligation		--------	------	C	108,300	63,314	8.50%	Dec 1, 2010
(CMOT 28)		100.000%	$4,857	Z	39,500	69,459	8.45%	Jun 1, 2017
May 29, 1987		--------	------		--------	--------		
					$500,000	$132,773		
2) TMAC 1986-1	Dec 27, 1988	16.964%	$442	1-A	$ 98,500	$ 0	7.92%	Nov 20, 2010
Nov 6, 1986	Jan 6, 1989	23.214%	607	1-B	50,000	27,215	8.89%	Feb 20, 2018
	Jan 11, 1989	20.536%	538	1-C	41,750	0	8.95%	Feb 20, 2013
	Jun 18, 1993	39.286%	108	1-D(Z)	9,750	10,256	8.95%	Feb 20, 2018
		--------	------		--------	--------		
		100.000%	$1,695		$200,000	$37,471		
3) TIS Mortgage	Jun 29, 1989	100.000%	$1,302	1-A	$ 10,100	$ 0	10.00%	Mar 1, 2016
Acceptance Corp.				1-B	29,030	20,448	10.00%	Nov 1, 2017
Series 1989-1				1-C	14,260	14,260	10.00%	Aug 1, 2018
(TISMAC 89-1)				1-D	18,887	18,887	10.00%	Jul 1, 2019
June 29, 1989				1-E	63,590	0	10.00%	Jun 1, 2016
				1-F	63,533	0	10.00%	Jul 1, 2019
				R	600	600	Residual Bond	Jul 1, 2019
					--------	--------		
					$200,000	$54,195		
4) TMAC 1986-2	Jun 18, 1993	44.990%	$67	2-A	$ 72,600	$11,141	LIBOR+.60%	Mar 20, 2018
Dec 10, 1986				2-B	27,400	4,205	25.11987% -	Mar 20, 2018
					--------	--------		
					$100,000	$15,346	(2.00959) x LIBOR	
5) TMAC 1987-3	Jun 18, 1993	44.767%	$165	3-A	$ 55,070	$ 2,669	LIBOR+.60%	Apr 20, 2013
Mar 30, 1987				3-B	72,135	0	7.50%	Apr 20, 2009
				3-C	18,535	0	8.31%	Jan 20, 2011
				3-D	39.765	15,816	8.58%	Jul 20, 2013
				3-E(Z)	9,495	17,704	9.00%	Apr 20, 2018
					--------	--------		
					$195,000	$36,189		
Total						$275,974		
Less Residual Bond						600		
Total Collateralized Mortgage Obligations						$275,374		

</TABLE>

<TABLE>

NONEQUITY RESIDUAL INTERESTS
VARIABLE RATE RESIDUALS

<CAPTION>

Name of Issuer and Series/ CMO Issue Date	TIS Purchase Date	TIS % Ownership	TIS Purchase Price ($000)	CMO Bond Data (100% of Issue) Bond Class	Initial Principal Balance ($000)	Mar. 31, 1994 Principal Balance ($000)	Bond Coupon	Bond Cap	Stated Maturity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1) Drexel	Aug 30, 1988	20.267%	$5,169	U-1	$135,000	$41,208	9.3%		Jun 1, 2017
Burnham				U-2	40,000	40,000	10%		Sep 1, 2018
Lambert CMO				U-3F	87,500	0	LIBOR+.95%	14.25%	Sep 1, 2018
Trust Series U				U-4AV	10,000	0	Zero Coupon		Jun 1, 2015
(DBLU)				U-5AV	27,500	0	Zero Coupon		Sep 1, 2018
Aug 30, 1988				U-6	750	203	Residual Bond		Sep 1, 2018
					$300,750	$81,411			
2) FNMA Series	Aug 30, 1988	40.000%	$10,387	22-A	$146,140	$24,869	COFI+1.25%	13.00%	Aug 25,2018
1988-22				22-B	53,820	9,159	Zero Coupon		Aug 25,2018
(FNMA 88-22)				22-R	40	7	Residual Bond		Aug 25,2018
Aug 30, 1988					$200,000	$34,035			
3) Prue Bache	Aug 29, 1988	33.571%	$10,523	4-A	$160,440	$42,312	COFI+1.25%	13.00%	Sep 1, 2018
CMO Trust 4				4-B	49,420	13,033	Zero Coupon		Sep 1, 2018
(PB-4)				R	140	37	Residual Bond		Sep 1, 2018
Aug 29, 1988					$210,000	$55,382			

</TABLE>
<TABLE>

FIXED RATE RESIDUALS

<CAPTION>

Name of Issuer and Series/ CMO Issue Date	TIS Purchase Date	TIS % Ownership	TIS Purchase Price ($000)	CMO Bond Data (100% of Issue) Bond Class	Initial Principal Balance ($000)	Mar. 31, 1994 Principal Balance ($000)	Bond Coupon	Stated Maturity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1) Collateralized	Dec 21, 1988	44.000%	$4,462	I-1	$291,000	$ 0	7.95%	Feb 1, 2009
Mortgage	Mar 23, 1989	44.000%	4,180	I-2	194,000	43,585	9.45%	May 1, 2013
Securities Corp.	Subtotal	88.000%	$8,642	I-3(Z)	15,000	29,524	9.45%	Feb 1, 2017
Series I (CMSC I)					$500,000	$ 73,109		
Jan 28, 1987								
2) Prue Bache	Dec 29, 1988	29.000%	$3,994	7-A	$ 20,080	$ 0	9.75%	Sep 1, 2000
CMO Trust 7				7-B	40,410	0	9.50%	Mar 1, 2009
(PB-7)				7-C	19,460	0	9.60%	Aug 1, 2011
Dec 29, 1988				7-D	12,000	0	Zero Coupon	Mar 1, 2013
				7-E	37,880	18,153	9.70%	Jan 1, 2015
				7-F	35,690	35,690	9.83%	May 1, 2017
				7-G(Z)	10,360	0	9.50%	Feb 1, 2018
				7-H	30,830	30,830	9.00%	Jan 1, 2019
				7-I	51,930	0	9.00%	Jan 1, 2019
				7-J	41,510	0	9.63%	Jan 1, 2019
				R	100	0	Residual Bond	Jan 1, 2019
					$300,250	$ 84,673		
3) Federal Home	Jan 5, 1989	62.500%	$5,361	21-A	$ 140,645	$ 0	8.90%	Jan 15, 1998
Loan Mortgage				21-B	216,267	0	8.90%	Feb 15, 2004
Corporation				21-C	101,503	0	9.10%	Jan 15, 2006
Series 21				21-D	93,376	0	9.25%	Jun 15, 2007
(FHLMC 21)				21-E	122,951	0	9.35%	Feb 15, 2009
Nov 30, 1988				21-F	240,408	17,497	9.45%	Sep 15, 2011
				21-Z	84,750	140,383	9.50%	Jan 15, 2020
				R	100	16	Residual Bond	Jan 15, 2020
					$1,000,000	$157,896		
4) Merrill Lynch	Jan 6, 1989	100.000%	$1,306	A	$ 51,810	$ 0	9.05%	Oct 27, 2012
Series 38				B	36,200	9,232	9.45%	Dec 27, 2016
(ML-38)				C	7,400	7,400	9.45%	Aug 27, 2017
Nov 30, 1988				D	16,400	16,400	9.45%	Nov 27, 2018
				E	31,610	0	9.10%	Mar 27, 2016
				F	18,580	0	9.15%	Sep 27, 2017
				G	38,000	0	9.40%	Nov 27, 2018
				H	50	50	Residual Bond	Nov 27, 2018

					$200,050	$ 33,032		
5) Oxford	Feb 29, 1989	100.000%	$1,382	F-1	$ 51,600	$ 0	7.19%	Nov 20, 2001
CMO Trust III				F-2	112,000	0	7.98%	Oct 20, 2010
Series F				F-3	15,000	0	8.32%	Jul 20, 2011
(OXFORD 3F)				F-4	83,500	0	8.45%	Oct 20, 2014
May 28, 1987				F-5	90,000	51,087	8.45%	May 20, 2017
				F-6	48,000	48,000	8.45%	Jun 20, 2018
					--------	--------		
					$400,100	$ 99,077		
6) Federal Home	Jun 22, 1989	55.000%	$4,934	25-A	$105,923	$ 0	9.00%	Nov 15, 2018
Loan Mortgage				25-B	51,002	0	9.50%	Nov 15, 2005
Corporation				25-C	53,028	0	9.50%	Mar 15, 2011
Series 25				25-D	46,414	0	9.50%	Feb 15, 2014
(FHLMC 25)				25-E	50,936	0	9.50%	May 15, 2016
Dec 1, 1988				25-F	76,167	46,006	9.50%	Dec 15, 2018
				25-G	43,940	43,940	9.50%	Feb 15, 2020
				25-H	72,490	0	7.90%	Feb 15, 2020
				R	100	18	Residual Bond	Feb 15, 2020
					--------	--------		
					$500,000	$ 89,964		
7) L F Rothschild	Nov 7, 1990	100.000%	$2,589	A	$ 11,000	$ 0	Zero Coupon	Jan 1, 2019
Trust 9				B	22,000	0	Zero Coupon	Jan 1, 2019
(LFR-9)				C	54,000	16,060	Zero Coupon	Jan 1, 2019
Dec 2, 1988				D	32,850	9,532	Zero Coupon	Jan 1, 2019
				E	30,000	0	Zero Coupon	Jan 1, 2019
				R	150	150	Residual Bond	Jan 1, 2019
					--------	--------		
					$150,000	$ 25,742		
8) Drexel Burnham	Apr 16, 1991	33.328%	$2,424	S-1	$ 96,500	$ 0	8.50%	Apr 1, 2011
Lambert				S-2	75,000	55,830	9.00%	Aug 1, 2018
Series S				S-3	68,500	0	9.00%	Feb 1, 2014
(DBLS)				S-4(Z)	10,000	876	9.50%	Aug 1, 2018
June 30, 1988				S-5	625	142	Residual Bond	Aug 1, 2018
					--------	--------		
					$250,625	$ 56,848		
9) Bankers Trust	May 29, 1991	99.990%	$1,537	1-A	$ 9,722	$ 0	7.35%	Jan 1, 2013
Series 1988-1				1-B	8,017	0	8.50%	Apr 1, 2014
(BT 88-1)				1-C	34,769	24,609	8.75%	Apr 1, 2018
Feb 16, 1988				1-D	47,492	22,789	8.63%	Apr 1, 2018
					--------	--------		
					$100,000	$ 47,398		
10) Ryland	May 29, 1991	42.000%	$3,039	62-A	$ 58,355	$ 26,085	8.85%	May 1, 2018
Acceptance				62-B	31,365	0	9.00%	Jul 1, 2009
Corp 4				62-C	6,000	0	8.85%	Dec 1, 2009
Series 62				62-D	12,880	0	7.50%	Feb 1, 2011
(RYLAND 62)				62-E	32,000	929	9.05%	Nov 1, 2012
Jan 28, 1988				62-F	9.400	15,268	8.00%	Mar 1, 2018
				62-R	200	50	Residual Bond	Mar 1, 2018
					--------	--------		
					$150,200	$ 42,332		
11) Collateralized	Jun 4, 1991	46.000%	$2,554	A	$ 84,680	$ 0	9.15%	Oct 20, 2018
Mortgage				B	100,500	33,739	8.80%	Apr 20, 2019
Securities Corp.				C	14,820	0	9.90%	Apr 20, 2019
Series 1988-2					--------	--------		
(CMSC 88-2)					$200,000	$ 33,739		
March 31, 1988								
12) Prue Bache	Sept 29, 1988	100.000%	$16,112	5-A	$ 30,130	$ 0	9.00%	Aug 1, 2005
CMO Trust 5				5-B	45,830	0	LIBOR+0.5%	Oct 1, 2012
(PB-5)				5-C	21,250	0	7.05%	Oct 1, 2014
Sept 29, 1988				5-D	28,640	0	7.75%	Nov 1, 2016
				5-E	34,229	31,531	8.25%	Oct 1, 2018
				5-F	6,181	0	Zero Coupon	Oct 1, 2018
				5-G	6,980	0	Zero Coupon	Oct 1, 2018
				5-H	26,026	0	LIBOR+1.00%	Oct 1, 2018
				R	800	0	Residual Bond	Oct 1, 2018
					--------	--------		
					$200,066	$ 31,531		

</TABLE>

Note 5 - IO and PO Bonds

IO Bonds include both regular IO Bonds and Inverse IO Bonds. Presented below is a schedule of the Company's IO Bonds.

<TABLE>
INTEREST ONLY (IO) BONDS

(In thousands)

<CAPTION>

Name and Issuer and Series	Purchase Price	Book Value March 31, 1994	Book Value December 31, 1993
FNMA SMBS Trust 7 Class 2 IO	$9,541	$2,574	$1,918
Pru Home Mtg Corp Series 1992-7	4,776	1,281	1,135
Sears Mtg Sec Corp Series 1992-6	2,611	581	568
Bear Stearns Mtg Sec Series 1992-1	2,720	347	437
FNMA SMBS Trust 4 Class 2 IO	2,909	724	623
FNMA Series 1992-123 Class S	8,203	4,054	4,044
FHLMC Series 1993-1483 Class SA	3,071	2,828	2,441
FHLMC-G Series 24 Class SK	998	1,134	1,046
		$13,523	$12,212

</TABLE>

The Company currently holds no PO Bonds nor does it have commitments to purchase additional IO or PO Bonds. Certain characteristics of the Company's IO Bonds are on the following table:

<TABLE>
INTEREST ONLY BONDS

<CAPTION>

Name of Issuer and Series/ CMO Issue Date	TIS Purchase Date	TIS Purchase Price ($000)	Collateral Data (% of IO held by TIS): Type of Collateral	Weighted Average Pass Through Rate to IO	Mar. 31, 1994 Collateral Principal Balance ($000)	Current Weighted Average Coupon Rate	Weighted Average Remaining Months to Maturity
1) FNMA SMBS Trust 7 Class 2 IO April 1, 1987	Feb 21, 1992 Mar 16, 1992	$4,576 4,965 $9,541	FNMA	8.500%	$9,358	9.17%	264.0
2) Prudential Home Mortgage Corporation Series 1992-7 March 1, 1992	Mar 27, 1992	$4,776	NON AGENCY	0.5873%	$81,054	8.78%	329.0
3) Sears Mortgage Securities Corporation Series 1992-6 March 25, 1992	Mar 30, 1992	$2,611	NON AGENCY	0.0171%	$88,744	8.4045%	330.0
4) Bear Stearns Mortgage Securities, Inc. Series 1992-1 May 1, 1992	May 28, 1992	$2,720	NON AGENCY	0.5624%	$10,012	9.66%	264.0
5) FNMA SMBS Trust 4 Class 2 IO March 2, 1987	June 18, 1992	$2,909	FNMA	9.500%	$2,736	10.09%	259.0
6) FNMA Series 1992-123 Class S July 25, 1992	July 30, 1992	$8,203	FNMA	49.58 - (5.67 x LIBOR)	$6,692	8.96%	332.0
7) FHLMC Series 1993-1483 Class S A March 30, 1993	Mar 30, 1993	$3,071	FHLMC	35.4% - (4*LIBOR)	$5,600	8.50%	338.0
8) FHLMC-G Series 24 Class S K	Nov 30, 1993	$998	GNMA	8.0 % - LIBOR	$10,000	7.0%	350.0

October 12, 1993
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</TABLE>

Note 6 - Short-Term Debt

Short-term debt is due within 360 days after the end of the quarter. At March 31, the Company owed $11,612,000 under three repurchase agreements. All of the borrowings had initial terms of one month, are renewed on a month-to-month basis and have a floating rate of interest which is tied to the one month LIBOR rate. The weighted average interest rate of these borrowings at March 31, 1994 was 4.10%. The debt was collateralized by some of the Company's Nonequity Residual Interests and IO Bonds whose fair values approximated $22,000,000.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

The Company primarily invests in the Residual Interests of CMOs and other mortgage-related assets. The mortgage collateral underlying the CMOs in the Company's portfolio of Residual Interests are mortgage-backed certificates issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC).

The Company is not in the business of selling its real estate investments and therefore purchases these assets with the intention of holding them to term. However, from time to time the Company may sell an asset as part of the Company's ongoing effort to adjust its portfolio composition to reflect changes in economic conditions. The Company may also occasionally acquire real estate assets which are available for sale before their term. It may also utilize hedging strategies with certain mortgage-related assets and other instruments which would not be held to term.

The Company's net income is sensitive to changes in mortgage prepayments and interest rates. The Company attempts to reduce the prepayment and interest rate risks by purchasing mortgage-related assets which have characteristics and yields that complement the characteristics and yields of existing assets.

RESULTS OF OPERATIONS

The Company had net income of $693,000, or $0.09 per share, for the quarter ended March 31, 1994. This compares to a net loss of $5,917,000, or $0.73 per share, for the quarter ended March 31, 1993. The Company did not pay a dividend in the first quarter of 1994, but did declare and pay dividends of $0.05 per share for the first quarter of 1993.

The dramatic improvement in earnings in 1994 as compared to 1993 is primarily attributable to the change in accounting principle described in Note 2 which significantly reduced the amortized cost of many of the Company's CMO Ownership Interests. As a result, earnings from these assets improved in the first quarter of 1994 and the need for additional write-downs which existed throughout 1992 and 1993 no longer existed. In addition, first quarter 1994 results reflect a lowering of mortgage prepayment expectations from prior periods due to a higher mortgage interest rate environment in the period. The National Mortgage Home owner Commitment Rate for 30 year U.S. mortgages was at 7.80% as compared to 7.13% at December 31, 1993 and 7.50% at March 26, 1993.

The net loss for the quarter ended March 31, 1993 was primarily due to significant increases in both actual mortgage prepayments and the forecast of future prepayments over the levels that existed at the end of the previous quarter. This resulted in downward adjustment in the carrying value of some of the Company's mortgage-related assets totaling $4,860,000.

The Manager oversees the operations of the Company pursuant to a management agreement. For the quarter ended March 31, 1994, the Company incurred management fees of $34,712 and Residual Interest Administration Fees of $25,000. This compares to management fees of $59,000 and Residual Interest Administrative Fees of $27,000 for the first quarter of 1993. A major portion of the management fee is the incentive fee which varies based on the earnings performance of the Company. The incentive management fee is equal to 25% of the amount by which the Company's annualized return on equity, calculated using taxable income, exceeds the ten-year US Treasury rate plus 1%. The results for the period were such that there was no incentive management fee in the first quarter of 1994.

LIQUIDITY AND CAPITAL RESOURCES

The Company uses cash flow from operations to provide working capital to support its operations and for the payment of dividends to its stockholders, and uses its other capital resources for the purchase of Residual Interests, mortgage instruments and other mortgage-related assets.

The Company currently has agreements with several investment banking firms to borrow funds under repurchase agreements. At March 31, 1994 the Company had borrowings outstanding under these agreements totaling $11,612,000. This debt was collateralized by some of the Company's Nonequity Residual Interests and IO Bonds whose fair values approximated $22,000,000. The Company did not have any other outstanding borrowings.

The Company has no committed lines of credit. Management of the Company believes that cash flows from operations and the availability of repurchase agreements are sufficient to enable the Company to meet its current and anticipated future liquidity requirements including payment of dividends to its stockholders, which must equal at least 95% of the Company's taxable income in order for the Company to qualify as a REIT.

DIVIDEND REINVESTMENT PLAN

The Company has a Dividend Reinvestment and Share Purchase Plan designed to enable shareholders to have their dividends from the Company automatically invested in additional shares of the Company. Mellon Securities Trust Company, which is unaffiliated with the Company, acts as the Plan Administrator. The purpose of the Plan is to provide shareholders with a convenient and economical way of investing dividends in additional shares of the Company's Common Stock. These shares will be purchased on the open market or, at the direction of the Company's Board of Directors, directly from the Company at a 3% discount from the open market price. The Company has registered 1,000,000 Common shares for possible issuance under the Plan. The impact on liquidity from the Dividend Reinvestment and Share Purchase Plan, if any, is expected to be immaterial.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

Not Applicable

ITEM 2. Changes in Securities

Not Applicable

ITEM 3. Defaults Upon Senior Securities

Not Applicable

ITEM 4. Submission of Matters to a Vote of Security Holders

Not Applicable

ITEM 5. Other Information

Not Applicable

ITEM 6. Exhibits and Reports on Form 8-K

The Company filed no reports on Form 8-K during the quarter ended March 31, 1994.

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.

TIS MORTGAGE INVESTMENT COMPANY

Date: May 13, 1994

By: /s/ Lorraine O. Legg

Lorraine O. Legg, President and Chief Executive Officer (Principal Executive Officer)

Date: May 13, 1994

By: /s/ John E. Castello

John E. Castello, Executive Vice President and Chief Financial Officer (Principal Financial Officer)