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

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): March 14, 2008

Commission File Number 1-13610

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**PMC COMMERCIAL TRUST**

(Exact name of registrant as specified in its charter)

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TEXAS

(State or other jurisdiction  
of incorporation or organization)

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75-6446078

(I.R.S. Employer Identification No.)

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17950 Preston Road, Suite 600, Dallas, TX 75252

(Address of principal executive offices)

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(972) 349-3200

(Registrant's telephone number)

Former name, former address and former fiscal year, if changed since last report: NONE

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On March 14, 2008, PMC Commercial Trust issued a press release describing, among other things, its results of operations for the three months and year ended December 31, 2007. A copy of the press release is attached as Exhibit 99.1 to this report. This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 8.01. Other Events.**

On March 14, 2008, PMC Commercial Trust issued a press release describing, among other things, its dividend declared for the fourth quarter of 2007.

**Item 9.01. Financial Statements and Exhibits.**

Exhibits:

99.1 Press Release dated March 14, 2008.

99.2 Press Release dated March 14, 2008.

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**SIGNATURE**

Pursuant to the requirements of Section 13 or 15 (d) 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.

Date: March 14, 2008

**PMC COMMERCIAL TRUST**

By: /s/ Barry N. Berlin

Barry N. Berlin, Chief Financial Officer

**FOR IMMEDIATE PRESS RELEASE**

FOR: PMC Commercial Trust  
17950 Preston Road, Suite 600  
Dallas, TX 75252

CONTACT: Investor Relations  
972-349-3235

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**PMC Commercial Trust Announces Fourth Quarter and Year-End Results**

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**PMC Commercial Trust  
AMEX (Symbol PCC)****Dallas, TX****March 14, 2008**

PMC Commercial Trust (AMEX: PCC) announced fourth quarter and year-end results today. Our net income for the fourth quarter of 2007 was \$2,648,000, or \$0.24 per share, compared to \$3,017,000, or \$0.28 per share, for the fourth quarter of 2006. Income from continuing operations for the fourth quarter 2007 was \$2,167,000, or \$0.20 per share compared to \$2,936,000, or \$0.27 per share, for the fourth quarter of 2006.

For the year ended December 31, 2007, our net income was \$13,135,000, or \$1.22 per share, compared to \$15,684,000, or \$1.46 per share during 2006. Our income from continuing operations in 2007 was \$12,094,000, or \$1.12 per share, compared to \$13,532,000, or \$1.26 per share, during the year ended December 31, 2006.

*Financial Position*

- Total assets decreased to approximately \$231.4 million at December 31, 2007 from approximately \$233.8 million at September 30, 2007 and approximately \$240.4 million at December 31, 2006, a decrease of \$2.4 million, or 1.0% from the prior quarter and a decrease of \$9.0 million, or 3.7%, from December 31, 2006.
- Total serviced loan portfolio decreased to approximately \$326.4 million at December 31, 2007 from approximately \$340.8 million at September 30, 2007 and approximately \$397.6 million as of December 31, 2006, a decrease of \$14.4 million, or 4.2% from the prior quarter and a decrease of \$71.2 million, or 17.9%, from December 31, 2006.
- Outstanding retained loan portfolio was approximately \$166.4 million as of December 31, 2007 and approximately \$164.1 million at September 30, 2007 compared to approximately \$169.7 million as of December 31, 2006, an increase of \$2.3 million, or 1.4% from the prior quarter and a decrease of \$3.3 million, or 1.9%, from December 31, 2006.

*Quarterly Operating Results*

- Revenues decreased by \$238,000 when comparing the fourth quarter of 2007 to the fourth quarter of 2006 due primarily to a reduction in (1) income from retained interests in transferred assets ("Retained Interests") resulting from the reduced outstanding balance of our Retained Interests and (2) other income resulting from lower prepayment fees received.
  - Revenues decreased by \$1,300,000 when comparing the fourth quarter of 2007 to the third quarter of 2007 due primarily to a reduction in income from Retained Interests resulting from the reduced outstanding balance of our Retained Interests and lower prepayment fees.
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- Expenses increased by \$528,000 during the fourth quarter of 2007 compared to the fourth quarter of 2006 due primarily to increased (1) interest expense, (2) salaries and related benefits and (3) general and administrative expenses.
- In addition to the changes in continuing operations described above, our net income during the fourth quarter of 2007 included recognition of a \$443,000 in gains that had previously been deferred. There were no significant comparable items during the fourth quarter of 2006 or third quarter of 2007.

#### *Year-to-Date Operating Results*

- For the year ended December 31, 2007 compared to the year ended December 31, 2006, our revenue decrease was partially offset by a reduction in expenses.
- During the year ended December 31, 2006, there was a one-time gain on early extinguishment of debt of \$563,000.
- Total revenues during 2007 decreased \$1,678,000 (5.8%) from 2006 primarily due to reductions in income from our Retained Interests and other income partially offset by increased interest income.
- The decrease in income from our Retained Interests during 2007 was due primarily to a decrease in the outstanding balance of our Retained Interests mainly as the result of principal prepayments.
- The decrease in other income was primarily due a reduction in prepayment fees collected and servicing income mainly due to principal prepayments.
- Offsetting these decreases was an increase in interest income due primarily to an increase in our weighted average loans outstanding and a slight year-over-year increase in variable interest rates.
- Net income during 2007 decreased \$2,549,000 (16.3%) from 2006. In addition to the changes in continuing operations described above, net income decreased due to a \$329,000 reduction in net gains on sales of real estate included in discontinued operations. We sold or leased all of our hotel properties; however, we will continue to recognize deferred gains to income as the underlying loans which were originated to facilitate the property sales receive principal payments.

#### *Interest Rate Sensitivity*

- Approximately 78% of our loans receivable at December 31, 2007 were based on LIBOR.
- The average LIBOR base utilized to set our borrowers interest rates during 2007 was 5.33% compared to the first quarter 2008 base LIBOR rate of 4.73%.
- During 2008, there have been additional interest rate reductions as the prime rate decreased from 7.25% to 6.00% and the 90-day LIBOR, on which interest is based to be charged to our borrowers, decreased from 4.73% at January 1, 2008 to 3.08% at February 29, 2008.
- Assuming LIBOR remains the same or continues to decrease as expected, our interest income will decrease unless it is offset with investment portfolio increases.

#### *Originations and Prepayments*

- During 2007, we originated \$44.4 million of loans.
- We anticipate that our 2008 aggregate loan originations will be approximately \$40 million to \$50 million.
- During January and February 2008 we funded approximately \$16.4 million of loans.
- Principal prepayments on our retained portfolio were \$26.5 million in 2007 compared to \$40.7 million in 2006.
- Prepayments of our serviced portfolio were \$84.1 million in 2007 compared to \$91.7 million in 2006.
- During January and February 2008, we had prepayments of our retained portfolio and securitized loans of approximately \$5.4 million and \$16.6 million, respectively.
- We believe that high levels of prepayment activity will continue during the remainder of 2008, however, the credit market disruptions may have a moderating effect.

*Liquidity*

- During January 2008, we increased the amount available under our revolving credit facility, which matures December 31, 2009, from \$20 million to \$45 million.
- We are assessing additional increases to the amount available under our revolving credit facility.
- During January 2008, we extended the maturity date on our conduit facility from February 2008 to May 2, 2008. No further extensions are anticipated.

*Dividends*

- A regular quarterly dividend of \$0.30 per common share was paid on January 7, 2008 to common shareholders of record as of December 31, 2007.
- The total amount of dividends per share declared in 2007 was \$1.20.
- A regular quarterly dividend on our common stock of \$0.20 per share was announced for the first quarter of 2008. It will be payable April 7, 2008 to shareholders of record on March 31, 2008.
- We are anticipating a continuation of the \$0.20 per share quarterly dividend for the remainder of 2008.

Dr. Andrew S. Rosemore, Chairman of the Board, stated, "Our portfolio continued to perform well in 2007. We had no REO (real estate owned) at the end of the year and delinquencies were minimal. However, our prepayments for last year were high at approximately \$84 million compared with \$92 million the year before. These early repayments were a function of other lenders that, in our opinion, were willing to accept a higher risk profile with lesser returns that were often bolstered with ancillary profit centers in checking, savings and credit card services.

"In addition, our earnings were diminished as interest rates fell causing a significant impact in our predominately floating rate portfolio. Also, the effect of prepayments on our securitized portfolio affected both the earnings from the spreads on these loans as well as the valuation of the Retained Interests. Although we have never originated nor held any sub-prime residential loans, the overall market for new securitizations has been markedly impaired from the credit market disruptions. Our ability to securitize our loans to create a leveraged return will be delayed until the market dynamics return to a level of normalcy.

"I feel that it is important for us to stay the course as we continue our disciplined approach to lending. By maintaining a tradition of high quality loan originations, your company will be positioned to achieve attractive but highly selective growth in 2008. It is imperative that, as shareholders, we temper our yield expectations with the reality of the current, lower interest rate environment. By originating a predominately floating rate product, we will be able to realize higher yields if inflationary pressures result in an interest rate trend reversal."

Barry N. Berlin, Chief Financial Officer, stated, "The country faces an illiquid credit market and the threat of a recession. We are approaching this market by maintaining our credit standards. However, obtaining leverage in credit markets that are in disarray has become more difficult even though our loan portfolios have performed in an exemplary fashion. Consequently, we have recently extended the maturity and increased availability under our revolving credit facility. We are currently assessing ways to expand further our availability of funds under our revolving credit facility. We have availability through 2009 under our current revolving credit facility; however, the limited amount of capital available to originate new loans may cause us to curtail some non-SBA 7(a) loan origination activity.

"As a national "Preferred Lender" under the SBA 7(a) loan program, we are targeting an increased SBA 7(a) loan volume and have added marketing resources to this product area. Partially as a result of this expanded effort, we are anticipating that loan volume in 2008 under the SBA 7(a) loan program will exceed our 2007 origination volumes. Due to the ability to sell the government guaranteed portion of SBA 7(a) loans (usually 75% of the originated loan) in a liquid market, we typically have built-in 3 to 1 leverage on these loans."

The following tables contain comparative selected financial data:

**FINANCIAL POSITION INFORMATION***(In thousands)*

	December 31, 2007	September 30, 2007	December 31, 2006
Loans receivable, net	\$ 165,969	\$ 164,064	\$ 169,181
Retained interests in transferred assets	\$ 48,616	\$ 50,611	\$ 55,724
Real estate investments	\$ —	\$ —	\$ 4,414
Total assets	\$ 231,420	\$ 233,784	\$ 240,404
Debt	\$ 62,953	\$ 63,420	\$ 68,509
Total beneficiaries' equity	\$ 156,354	\$ 157,487	\$ 157,291
Shares outstanding	10,765	10,765	10,754



**RESULTS OF OPERATIONS***(In thousands, except per share information)*

	<b>Years Ended December 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>		
Interest income	\$ 16,465	\$ 15,460
Income from retained interests in transferred assets	8,443	9,390
Hotel property revenues	—	450
Other income	2,387	3,673
Total revenues	<u>27,295</u>	<u>28,973</u>
<b>Expenses:</b>		
Interest expense	5,403	5,217
Salaries and related benefits	5,058	4,739
General and administrative expenses	2,717	2,694
Hotel property expenses	—	420
Permanent impairments on retained interests in transferred assets	1,111	1,167
Provision for loss on rent and related receivables	239	925
Provision for (reduction of ) loan losses, net	99	103
Total expenses	<u>14,627</u>	<u>15,265</u>
Gain on early extinguishment of debt	—	563
<b>Income before income tax provision, minority interest, and discontinued operations</b>	<u>12,668</u>	<u>14,271</u>
Income tax expense	(484)	(649)
Minority interest (preferred stock dividend of subsidiary)	(90)	(90)
<b>Income from continuing operations</b>	<u>12,094</u>	<u>13,532</u>
<b>Discontinued operations</b>	<u>1,041</u>	<u>2,152</u>
<b>Net income</b>	<u><b>\$ 13,135</b></u>	<u><b>\$ 15,684</b></u>
<b>Basic weighted average shares outstanding</b>	<u>10,760</u>	<u>10,748</u>
<b>Basic and diluted earnings per share:</b>		
Income from continuing operations	\$ 1.12	\$ 1.26
Discontinued operations	0.10	0.20
Net income	<u>\$ 1.22</u>	<u>\$ 1.46</u>

	Three Months Ended		
	December 31, 2007	September 30, 2007	December 31, 2006
<b>Revenues:</b>			
Interest income	\$ 4,056	\$ 4,155	\$ 3,872
Income from retained interests in transferred assets	1,789	2,676	2,071
Other income	346	660	486
Total revenues	<u>6,191</u>	<u>7,491</u>	<u>6,429</u>
<b>Expenses:</b>			
Interest expense	1,312	1,346	1,185
Salaries and related benefits	1,484	1,193	1,302
General and administrative expenses	838	583	658
Impairments and provisions	344	691	305
Total expenses	<u>3,978</u>	<u>3,813</u>	<u>3,450</u>
<b>Income before income tax provision, minority interest, and discontinued operations</b>	2,213	3,678	2,979
Income tax expense	(23)	(114)	(20)
Minority interest (preferred stock dividend of subsidiary)	(23)	(22)	(23)
<b>Income from continuing operations</b>	2,167	3,542	2,936
<b>Discontinued operations</b>	481	(45)	81
<b>Net income</b>	<u>\$ 2,648</u>	<u>\$ 3,497</u>	<u>\$ 3,017</u>
<b>Basic weighted average shares outstanding</b>	<u>10,765</u>	<u>10,765</u>	<u>10,751</u>
<b>Basic and diluted earnings per share:</b>			
Income from continuing operations	\$ 0.20	\$ 0.33	\$ 0.27
Discontinued operations	0.04	—	0.01
Net income	<u>\$ 0.24</u>	<u>\$ 0.33</u>	<u>\$ 0.28</u>

**REAL ESTATE INVESTMENT TRUST (“REIT”) TAXABLE INCOME**

REIT taxable income is presented to assist investors in analyzing our performance and is a measure that is presented quarterly in our consolidated financial statements and is one of the factors utilized by our Board of Trust Managers in determining the level of dividends to be paid to our shareholders.

The following reconciles net income to REIT taxable income:

	Years Ended December 31,		
	2007	2006 <i>(in thousands)</i>	2005
Net income	\$ 13,135	\$ 15,684	\$ 11,297
Book/tax difference on depreciation	(65)	(277)	(243)
Book/tax difference on property sales	236	171	(350)
Book/tax difference on Retained Interests, net	1,631	1,973	1,880
Impairment losses	233	43	2,210
Book/tax difference on rent and related receivables	(1,152)	925	(25)
Book/tax difference on amortization and accretion	(239)	(641)	(264)
Asset valuation	(299)	(890)	181
Other book/tax differences, net	189	(59)	16
	<u>13,669</u>	<u>16,929</u>	<u>14,702</u>
Less: taxable REIT subsidiaries net income, net of tax	(852)	(1,280)	(1,414)
REIT taxable income	<u>\$ 12,817</u>	<u>\$ 15,649</u>	<u>\$ 13,288</u>
Distributions declared	<u>\$ 12,915</u>	<u>\$ 13,975</u>	<u>\$ 13,569</u>
Common shares outstanding	<u>10,760</u>	<u>10,748</u>	<u>10,874</u>

*CERTAIN MATTERS DISCUSSED IN THIS PRESS RELEASE ARE “FORWARD-LOOKING STATEMENTS” INTENDED TO QUALIFY FOR THE SAFE HARBORS FROM LIABILITY ESTABLISHED BY THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE FORWARD-LOOKING STATEMENTS CAN GENERALLY BE IDENTIFIED AS SUCH BECAUSE THE CONTEXT OF THE STATEMENT WILL INCLUDE WORDS SUCH AS THE COMPANY “EXPECTS,” “ANTICIPATES” OR WORDS OF SIMILAR IMPORT. SIMILARLY, STATEMENTS THAT DESCRIBE THE COMPANY’S FUTURE PLANS, OBJECTIVES OR GOALS ARE ALSO FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES, INCLUDING THE FINANCIAL PERFORMANCE OF THE COMPANY, REAL ESTATE CONDITIONS AND MARKET VALUATIONS OF ITS STOCK, WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CURRENTLY ANTICIPATED. ALTHOUGH THE COMPANY BELIEVES THE EXPECTATIONS REFLECTED IN ANY FORWARD-LOOKING STATEMENTS ARE BASED ON REASONABLE ASSUMPTIONS, THE COMPANY CAN GIVE NO ASSURANCE THAT ITS EXPECTATIONS WILL BE ATTAINED. SHAREHOLDERS, POTENTIAL INVESTORS AND OTHER READERS ARE URGED TO CONSIDER THESE FACTORS CAREFULLY IN EVALUATING THE FORWARD-LOOKING STATEMENTS. THE FORWARD-LOOKING STATEMENTS MADE HEREIN ARE ONLY MADE AS OF THE DATE OF THIS PRESS RELEASE AND THE COMPANY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE SUCH FORWARD-LOOKING STATEMENTS TO REFLECT SUBSEQUENT EVENTS OR CIRCUMSTANCES.*

**FOR IMMEDIATE PRESS RELEASE**

**FOR: PMC COMMERCIAL TRUST**  
17950 Preston Road, Suite 600  
Dallas, TX 75252

**CONTACT: Investor Relations**  
972-349-3235

**PMC COMMERCIAL TRUST ANNOUNCES FOURTH QUARTER DIVIDEND OF  
\$0.20 PER SHARE**

**PMC Commercial Trust**  
AMEX (Symbol: "PCC")

**Dallas, Texas**

**March 14, 2008**

PMC Commercial Trust ("PMC Commercial" or the "Company"), a real estate investment trust, announced today that its Board of Trust Managers has declared a quarterly cash dividend of \$0.20 per common share to be paid to shareholders of record on March 31, 2008. The Company will pay the dividend on April 7, 2008. The quarterly cash dividend compares to a dividend of \$0.30 per common share paid to shareholders of record on December 31, 2007.

The Board established the dividend in an amount it believes can reasonably be paid in each of the four quarters this year. In setting the dividend, the Board considered the likely adverse impact on the Company's earnings from declining interest rates affecting the Company's existing portfolio, which is composed primarily of floating rate loans, and greater uncertainty surrounding the Company's prospects for new loan originations in the current market of diminished liquidity available to the Company.

The Company has extended its bank credit facility to December 31, 2009 and increased the amount available from \$20 million to \$45 million. The Company's conduit warehouse facility will expire on May 2, 2008, and, based on current market conditions and communications from the Company's conduit lender, the Company expects that the lender will not extend the conduit facility. As of February 29, 2008, the Company had approximately \$31 million in borrowings outstanding under the combined credit facilities.

PMC Commercial's Chairman and COO, Andrew S. Rosemore stated, "Because we maintain a conservative business philosophy, we feel that it is prudent to conserve capital to enhance our core lending programs during this period of market volatility. Unlike many other financial institutions, our loan portfolio continues to perform very well, and we anticipate a relatively strong first quarter. Nevertheless, we expect that earnings will be negatively influenced due to the factors discussed above."

The dividend is our 57<sup>th</sup> consecutive quarterly dividend.

PMC Commercial primarily originates loans to small businesses primarily secured by real estate.

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*Certain matters discussed in this press release are “forward-looking statements” intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as the Company “expects,” “anticipates,” “will” or words of similar import. Similarly, statements that described the Company’s future plans, objectives or goals are also forward-looking statements. Such forward-looking statements can be subject to certain risks and uncertainties, including the financial performance of the Company, real estate conditions and market valuation of its stock, which could cause actual results to differ materially from those currently anticipated. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.*