

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): September 11, 2012 (September 11, 2012)

Two Harbors Investment Corp.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-34506
(Commission
File Number)

27-0312904
(I.R.S. Employer
Identification No.)

601 Carlson Parkway, Suite 150
Minnetonka, MN 55305
(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code: **(612) 629-2500**

Not Applicable

(Former name or former address, if changed since last report)

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 7.01 Regulation FD

On September 11, 2012, Two Harbors Investment Corp. issued a press release announcing a proposed contribution transaction involving its portfolio of single-family rental properties as well as a conference call to discuss the proposed transaction. A copy of the press release and an investor presentation to accompany the conference call are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

The information in Item 7.01 of this Current Report, including Exhibits 99.1 and 99.2 attached hereto, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for any other purpose, including for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that Section. This information shall not be deemed to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Exchange Act regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued by Two Harbors Investment Corp. dated September 11, 2012
99.2	Investor Presentation dated September 11, 2012

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 hereunto duly authorized.

TWO HARBORS INVESTMENT CORP.

By: /s/ REBECCA B. SANDBERG
Rebecca B. Sandberg
Secretary and Deputy General Counsel

Date: September 11, 2012



Two Harbors Investment Corp. Announces Proposed Contribution of its Single-Family Rental Properties

NEW YORK, September 11, 2012 - Two Harbors Investment Corp. (NYSE: TWO; NYSE MKT: TWO.WS) today announced the proposed contribution of its portfolio of single-family rental properties to a newly formed entity intended to qualify as a real estate investment trust ("REIT").

In exchange for its contribution, Two Harbors would receive shares of common stock of Silver Bay Realty Trust Corp. ("Silver Bay"), a newly organized Maryland corporation focused on the acquisition, renovation, leasing and management of single-family residential properties for rental income and long-term capital appreciation. Silver Bay will be externally managed by PRCM Real Estate Advisers LLC, which is a joint venture between an affiliate of Pine River Capital Management L.P. and Provident Real Estate Advisers LLC ("Provident"). An affiliate of Pine River also serves as the external manager of Two Harbors and provides acquisition and property management services with respect to Two Harbors' portfolio of single-family rental properties.

Silver Bay has filed a registration statement with the U.S. Securities and Exchange Commission with respect to the proposed initial public offering ("IPO") of its common stock. Silver Bay intends to acquire two large portfolios of single-family rental properties, including the Two Harbors portfolio and the portfolio currently managed by Provident, concurrently with the proposed IPO. The proposed contribution of the Two Harbors portfolio to Silver Bay is dependent upon the value of the contribution and amount of capital raised in the proposed IPO as well as market and other conditions. Subject to the approval of its board of directors and compliance with applicable securities laws, Two Harbors anticipates that it would distribute its shares of common stock in Silver Bay by means of a special dividend after the expiration of a 90-day lock-up period following the completion of Silver Bay's proposed IPO.

"We are excited about the proposed Silver Bay transaction," said Thomas Siering, President and Chief Executive Officer of Two Harbors. "We believe Two Harbors shareholders would benefit from the creation of a stand-alone, pure-play single-family residential property REIT. The current investment opportunity for single-family rental properties remains attractive and the proposed transaction would add additional scale and diversification to our existing portfolio."

The board of directors of Two Harbors has formed a committee of independent directors to review, negotiate and approve the proposed transactions and consider and review potential alternative transactions or alternative structures for the proposed transaction. The committee has retained Goodwin Procter LLP as its legal counsel and Gleacher & Company Securities, Inc. as its financial adviser with respect to the proposed contribution and to represent the interests of Two Harbors and its stockholders with respect to the Two Harbors portfolio. The contribution remains subject to the approval of the committee and Two Harbors' board of directors, finalization of all relevant documentation on terms acceptable to Two Harbors and the committee, the satisfaction of all conditions to the closing of the transaction, Securities and Exchange Commission clearance and market conditions.

This press release does not constitute an offer of any securities for sale.

Conference Call

Two Harbors will host a conference call on September 11, 2012 at 5:00 p.m. EDT to discuss this announcement. To participate in the teleconference, please call toll-free (877) 868-1835 (or (914) 495-8581 for international callers), conference number 29967335, approximately 10 minutes prior to the above start time. You may also listen to the teleconference live via the Internet at www.twoharborsinvestment.com in the Investor Relations section under the Events and Presentations link.

Two Harbors Investment Corp.

Two Harbors Investment Corp., a Maryland corporation, is a real estate investment trust that invests in residential mortgage-backed securities, residential mortgage loans, residential real properties and other financial assets.

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995, including with respect to the completion of the contribution, the IPO and the distribution of shares of Silver Bay common stock to Two Harbors stockholders. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “target,” “assume,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believe,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results.

Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Two Harbors does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. Additional information concerning these and other risk factors is contained in Two Harbors' most recent filings with the Securities and Exchange Commission. All subsequent written and oral forward looking statements concerning Two Harbors or matters attributable to Two Harbors or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.

Contact

July Hugen, Investor Relations, Two Harbors Investment Corp., (612) 629-2514, july.hugen@twoharborsinvestment.com



Two Harbors
Investment Corp.

September 11, 2012

Investor Conference Call

Safe Harbor Statement

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “target,” “assume,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believe,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results. Factors that could cause actual results to differ include, but are not limited to, the inability to acquire residential real properties at attractive prices or lease such properties on a profitable basis; unanticipated changes in overall market and economic conditions; and the failure of any of the following to occur: the completion of the contribution of Two Harbors’ portfolio of single-family rental properties to Silver Bay, the completion of Silver Bay’s proposed IPO, or a distribution of shares of Silver Bay by Two Harbors to its stockholders by special dividend.



Transaction Summary

- On September 11, 2012, Two Harbors announced the proposed contribution of its portfolio of single-family rental properties to Silver Bay Realty Trust Corp. (“Silver Bay”).
- The contribution is intended to be part of a larger transaction in which Silver Bay expects to acquire two large portfolios of single-family rental properties while concurrently offering its common stock in an initial public offering (“IPO”).
- In exchange for its contribution, Two Harbors would receive shares of Silver Bay common stock at the closing of the transaction and proposed IPO. Two Harbors anticipates distributing these shares by special dividend at some point after the expiration of a 90-day lock-up period following the completion of Silver Bay’s proposed IPO.
- The contribution remains subject to the finalization of transaction documents, approval of Two Harbors’ board of directors, satisfaction of closing conditions, SEC clearance and market conditions.

Silver Bay Realty Trust Corp.

- Silver Bay is a newly organized Maryland corporation focused on the acquisition, renovation, leasing and management of single-family properties for rental income and long-term capital appreciation. It intends to elect and qualify to be taxed as a real estate investment trust (“REIT”).
- Silver Bay will be externally managed by PRCM Real Estate Advisers LLC, which is a joint venture between an affiliate of Pine River Capital Management L.P. and Provident Real Estate Advisers LLC. An affiliate of Pine River also serves as external manager of Two Harbors.
- Silver Bay has filed a registration statement on Form S-11 with the Securities and Exchange Commission with respect to the proposed IPO.



Transaction Rationale

- Two Harbors continuously strives to deliver stockholder value.
- We believe our stockholders will benefit from the creation of a stand-alone, pure-play single-family residential property REIT.
- We believe that the proposed transaction will enable the single-family rental strategy to achieve a greater level of scale, operational efficiencies and geographic diversification that can best be captured by a substantially larger portfolio.
- Additionally, the transaction would allow Two Harbors' stockholders to maintain exposure to the new single-family property rental asset class.

Single-Family Rental Strategy

Business Rationale

- Recent dislocations in the U.S. housing market have created an attractive investment opportunity to buy and lease single-family properties
- With home prices in some of our target markets down at least 50% from recent peak levels, we have been able to acquire properties at significant discounts to replacement cost
- Historically, there has been a high correlation between home prices and rents and thus, if home prices recover, we anticipate a corresponding increase in rents.

Two Harbors' Portfolio of Single-Family Residential Properties

- In the first quarter of 2012, Two Harbors initiated a strategy to purchase single-family residential properties.
- The strategy entails renting the properties to achieve attractive yields while simultaneously participating in any home price appreciation that would be part of the broader housing recovery.
- Two Harbors has invested approximately \$150 million to purchase roughly 1,370 single-family residential properties as of the end of August 2012.
- Two Harbors expects to continue to acquire additional single-family properties and recently expanded its target markets to include North Carolina.



Considerations to Two Harbors' Current Business

- Two Harbors will continue to focus on investing in RMBS securities in addition to exploring business diversification initiatives.
- Residential real properties currently represent a relatively small percentage of Two Harbors' assets. Therefore, we do not anticipate any meaningful changes to our legacy portfolio as a direct result of this transaction.
- Two Harbors will continue to diversify its businesses to benefit its stockholders and optimize value.

Contact Information

For further information, please contact:

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