
**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): November 7, 2007

Commission File Number 1-13610

PMC COMMERCIAL TRUST

(Exact name of registrant as specified in its charter)

TEXAS

(State or other jurisdiction
of incorporation or organization)

17950 Preston Road, Suite 600, Dallas, TX 75252

(Address of principal executive offices)

75-6446078

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

(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 November 7, 2007, PMC Commercial Trust issued a press release describing, among other things, its results of operations for the three and nine months ended September 30, 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 9.01. Financial Statements and Exhibits.

Exhibits:

99.1 Press Release dated November 7, 2007.

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: November 8, 2007

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

PMC Commercial Trust Announces Third Quarter and Year-to-Date Results**PMC Commercial Trust
AMEX (Symbol PCC)**

Dallas, TX

November 7, 2007

PMC Commercial Trust (AMEX: PCC) announced third quarter and year-to-date results today.

Our third quarter 2007 income from continuing operations was \$3,542,000 (\$0.33 per share) which is our 56th consecutive quarterly profit since commencing operation in December 1993. However, these earnings represented a 9.7% reduction from our third quarter 2006 income from continuing operations of \$3,921,000 (\$0.36 per share). Our 2007 year-to-date income from continuing operations decreased to \$9,927,000 (\$0.93 per share) from \$10,596,000 (\$0.99 per share) during the nine months ended September 30, 2006, representing a 6.3% decrease.

The principal reasons for the decrease in income from continuing operations were reductions in other income of \$664,000 and \$1,146,000 during the three and nine months ended September 30, 2007, respectively, due primarily to decreases in prepayment fee income and premium income. In addition, during the nine months ended September 30, 2007 we had a reduction in income from retained interests in transferred assets of \$665,000 due to a decrease in our outstanding retained interests in transferred assets resulting from prepayments. During the three and nine months ended September 30, 2006, we also had a \$563,000 gain on early extinguishment of debt resulting from the repayment of \$7,310,000 of SBA debentures owned by our small business investment companies which were repaid, without penalty, on September 1, 2006.

These decreases were partially offset by the following. Interest income increased by \$178,000 and \$821,000 during the three and nine months ended September 30, 2007, respectively, due primarily to increases in variable interest rates and our weighted average loans outstanding. However, our outstanding loan portfolio declined to approximately \$164.5 million at September 30, 2007 from \$169.7 million at December 31, 2006. The 3% decrease in portfolio will cause future reductions in interest income until our investment portfolio increases. Beginning October 1, 2007, interest rates also were reduced on our variable-rate portfolio as a result of the 50 basis point reduction in the prime rate and recent reductions in LIBOR. In addition, our non-cash losses decreased by \$137,000 and \$785,000 during the three and nine months ended September 30, 2007, respectively. Our non-cash losses include provisions for loss on rent and related receivables, permanent impairments on retained interests in transferred assets and loan losses. We also had an increase in income from retained interests in transferred assets of \$292,000 during the three months ended September 30, 2007 due primarily to increased unanticipated prepayment fees of our sold loans.

Our net income decreased to \$10,487,000 (\$0.98 per share) during the nine months ended September 30, 2007 from \$12,667,000 (\$1.18 per share) during the nine months ended September 30, 2006. In addition to the changes in income from continuing operations described above, net income decreased due to net gains on sales of real estate included in discontinued operations of \$2,024,000 during the nine months ended September 30, 2006 compared to \$1,292,000 during the nine months ended September 30, 2007.

Dr. Andrew S. Rosemore, Chairman of the Board, stated, "We are pleased to report that the quality of our portfolio remains strong with minimal delinquencies and problem loans. The volume of loans funded remains at low levels with approximately \$36 million originated during both the first nine months of this year as well as the same period last year. As the quality of our portfolio of loans attracts other lenders, prepayments of our retained and serviced portfolio continue at high levels which hampers our growth.

We are currently working to improve our marketing initiatives, especially with respect to SBA 7(a) loans. Recent additions to our marketing staff will hopefully contribute to increased fundings in 2008."

The following tables contain comparative selected financial data as of September 30, 2007 and December 31, 2006 and for the three and nine months ended September 30, 2007 and 2006:

FINANCIAL POSITION INFORMATION*(In thousands)*

	<u>September 30,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>	<u>Decrease %</u>
Loans receivable, net	\$ 164,064	\$ 169,181	(3%)
Retained interests in transferred assets	\$ 50,611	\$ 55,724	(9%)
Real estate investments	\$ —	\$ 4,414	(100%)
Total assets	\$ 233,784	\$ 240,404	(3%)
Debt	\$ 63,420	\$ 68,509	(7%)
Total beneficiaries' equity	\$ 157,487	\$ 157,291	—
Shares outstanding	10,765	10,754	—

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

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2007	2006	Inc (Dec) %	2007	2006	Inc (Dec) %
Income:						
Interest income	\$ 12,409	\$ 11,588	7%	\$ 4,155	\$ 3,977	4%
Income from retained interests in transferred assets	6,654	7,319	(9%)	2,676	2,384	12%
Hotel property revenues	—	450	(100%)	—	175	(100%)
Other income	2,041	3,187	(36%)	660	1,324	(50%)
Total income	<u>21,104</u>	<u>22,544</u>	<u>(6%)</u>	<u>7,491</u>	<u>7,860</u>	<u>(5%)</u>
Expenses:						
Interest	4,091	4,032	1%	1,346	1,248	8%
Salaries and related benefits	3,574	3,437	4%	1,193	1,164	2%
General and administrative	1,879	2,023	(7%)	583	766	(24%)
Hotel property expenses	—	433	(100%)	—	179	(100%)
Impairments and provisions	1,105	1,890	(42%)	691	828	(17%)
Total expenses	<u>10,649</u>	<u>11,815</u>	<u>(10%)</u>	<u>3,813</u>	<u>4,185</u>	<u>(9%)</u>
Gain on early extinguishment of debt	—	563	(100%)	—	563	(100%)
Income before income tax provision, minority interest and discontinued operations	10,455	11,292	(7%)	3,678	4,238	(13%)
Income tax provision	(461)	(629)	(27%)	(114)	(295)	(61%)
Minority interest (preferred stock dividend of subsidiary)	<u>(67)</u>	<u>(67)</u>	<u>—</u>	<u>(22)</u>	<u>(22)</u>	<u>—</u>
Income from continuing operations	9,927	10,596	(6%)	3,542	3,921	(10%)
Discontinued operations	560	2,071	(73%)	(45)	55	(182%)
Net income	<u>\$ 10,487</u>	<u>\$ 12,667</u>	<u>(17%)</u>	<u>\$ 3,497</u>	<u>\$ 3,976</u>	<u>(12%)</u>
Basic weighted average shares outstanding						
	<u>10,758</u>	<u>10,747</u>		<u>10,765</u>	<u>10,751</u>	
Basic and diluted earnings per share:						
Income from continuing operations	\$ 0.93	\$ 0.99		\$ 0.33	\$ 0.36	
Discontinued operations	0.05	0.19		—	0.01	
Net income	<u>\$ 0.98</u>	<u>\$ 1.18</u>		<u>\$ 0.33</u>	<u>\$ 0.37</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:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2007	2006	2007	2006
	<i>(In thousands)</i>			
Net income	\$ 10,487	\$ 12,667	\$ 3,497	\$ 3,976
Book/tax difference on depreciation	(49)	(243)	(24)	(12)
Book/tax difference on property sales	680	561	(13)	(4)
Book/tax difference on retained interests in transferred assets, net	1,243	1,499	675	550
Impairment losses	233	43	—	—
Book/tax difference on rent and related receivables	(1,152)	925	—	500
Book/tax difference on amortization and accretion	(192)	(586)	(46)	(497)
Asset valuation	(295)	(891)	6	(5)
Other book/tax differences, net	101	(217)	(73)	(55)
Subtotal	<u>11,056</u>	<u>13,758</u>	<u>4,022</u>	<u>4,453</u>
Less: taxable REIT subsidiaries net income, net of tax	<u>(796)</u>	<u>(1,236)</u>	<u>(231)</u>	<u>(615)</u>
REIT taxable income	<u>\$ 10,260</u>	<u>\$ 12,522</u>	<u>\$ 3,791</u>	<u>\$ 3,838</u>
Common distributions declared	<u>\$ 9,685</u>	<u>\$ 9,674</u>	<u>\$ 3,229</u>	<u>\$ 3,225</u>
Weighted average common shares outstanding	<u>10,758</u>	<u>10,747</u>	<u>10,765</u>	<u>10,751</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.