

Mail Stop 4561

January 24, 2008

VIA U.S. MAIL

Harold F. McElraft
Chief Financial Officer
Hanover Capital Mortgage Holdings, Inc.
200 Metroplex Drive, Suite 100
Edison, NJ 08817

**Re: Hanover Capital Mortgage Holdings, Inc.
Form 10-K for Fiscal Year Ended
December 31, 2006
Filed March 16, 2007
Form 10-Q for Quarterly Period Ended
September 30, 2007
Filed November 19, 2007
File No. 001-13417**

Dear Mr. McElraft:

We have completed our review of your Form 10-K and related filings and do not, at this time, have any further comments.

Sincerely,

Kevin Woody
Branch Chief