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): **May 4, 2017**

MFA FINANCIAL, INC.
(Exact name of registrant as specified in its charter)

Maryland	**1-13991**	**13-3974868**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

350 Park Avenue, 20th Floor New York, New York	**10022**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(212) 207-6400**

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 (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 2.02 Results of Operations and Financial Condition and

Item 7.01 Regulation FD Disclosure

MFA Financial, Inc. ("MFA") issued a press release, dated May 4, 2017, announcing its financial results for the quarter ended March 31, 2017, which is attached hereto as Exhibit 99.1 and is incorporated herein by reference. In addition, in conjunction with the announcement of its financial results, MFA issued additional information relating to its 2017 first quarter financial results. Such additional information is attached to this report as Exhibit 99.2 and is incorporated herein by reference.

The information referenced in this Current Report on Form 8-K (including Exhibits 99.1 and 99.2) is being "furnished" and, as such, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information set forth in this Current Report on Form 8-K (including Exhibits 99.1 and 99.2) is and will not be incorporated by reference into any registration statement or other document filed by MFA pursuant to the Securities Act of 1933, as amended (the "Securities Act"), except as may be expressly set forth by specific reference in such filing.

As discussed therein, the press release contains forward-looking statements within the meaning of the Securities Act and the Exchange Act and, as such, may involve known and unknown risks, uncertainties and assumptions. These forward-looking statements relate to MFA's current expectations and are subject to the limitations and qualifications set forth in the press release as well as in MFA's other documents filed with the SEC, including, without limitation, that actual events and/or results may differ materially from those projected in such forward-looking statements.

Exhibit

99.1	Press Release, dated May 4, 2017, announcing MFA's financial results for the quarter ended March 31, 2017.
99.2	Additional information relating to the financial results of MFA for the quarter ended March 31, 2017.

SIGNATURE

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.

MFA FINANCIAL, INC.
(REGISTRANT)

By: /s/ Harold E. Schwartz
Name: Harold E. Schwartz
Title: Senior Vice President and General Counsel

Date: May 4, 2017

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated May 4, 2017, announcing MFA Financial Inc.'s financial results for the quarter ended March 31, 2017.
99.2	Additional information relating to the financial results of MFA Financial, Inc. for the quarter ended March 31, 2017.

Exhibit 99.1

MFA
FINANCIAL, INC.

350 Park Avenue
New York, New York 10022

PRESS RELEASE		**FOR IMMEDIATE RELEASE**
May 4, 2017		**NEW YORK METRO**
INVESTOR CONTACT:	**InvestorRelations@mfafinancial.com** **212-207-6488** **www.mfafinancial.com**	**NYSE: MFA**
MEDIA CONTACT:	**Abernathy MacGregor** **Tom Johnson, Andrew Johnson** **212-371-5999**	

MFA Financial, Inc.

Announces First Quarter 2017 Financial Results

NEW YORK - MFA Financial, Inc. (NYSE:MFA) today announced its financial results for the first quarter ended March 31, 2017.

First Quarter 2017 and other highlights:

- MFA generated first quarter net income available to common shareholders of $74.3 million, or $0.20 per common share (based on 372.6 million weighted average common shares outstanding). As of March 31, 2017, book value per common share was $7.66.
- On April 28, 2017, MFA paid its first quarter 2017 dividend of $0.20 per share of common stock to shareholders of record as of March 29, 2017.
- MFA acquired $150.0 million of 3 year step-up securities and $87.4 million of Credit Risk Transfer securities during the quarter.

William Gorin, MFA's CEO, said, "In the first quarter, we continued to execute our strategy of targeted investment within the residential mortgage universe with a focus on credit sensitive assets. We acquired 3 year step-up securities and Credit Risk Transfer securities during the quarter. Further, we opportunistically sold $21.6 million of Non-Agency MBS issued prior to 2008 ("Legacy Non-Agency

MBS"), realizing gains of $10.0 million for the quarter. This is the nineteenth consecutive quarter we have realized gains through selected sales of Legacy Non-Agency MBS based on our projections of future cash flows relative to market pricing.

"MFA remains well-positioned to generate attractive returns despite historically low interest rates. Through asset selection and hedging strategy, the estimated net effective duration, a gauge of MFA's interest rate sensitivity, remains low and measured 0.69 at quarter-end. MFA's book value per common share increased to $7.66 versus $7.62 at the end of 2016. Leverage, which reflects the ratio of our financing obligations to equity, was 2.9:1 at quarter-end."

Craig Knutson, MFA's President and COO, added, "MFA's portfolio asset selection process continues to emphasize residential mortgage credit exposure while seeking to minimize sensitivity to interest rates. As housing prices maintain their upward trend and borrowers repair their credit and balance sheets, MFA's Legacy Non-Agency MBS portfolio continues to outperform our credit assumptions. In the first quarter of 2017, we reduced our credit reserve on this portfolio by $9.3 million. Also, our credit sensitive residential whole loans offer additional exposure to residential mortgage credit while affording us the opportunity to improve outcomes through sensible and effective servicing decisions."

MFA's Legacy Non-Agency MBS had a face amount of $3.3 billion with an amortized cost of $2.4 billion and a net purchase discount of $921.6 million at March 31, 2017. This discount consists of a $653.3 million credit reserve and other-than-temporary impairments and a $268.2 million net accretable discount. We believe this credit reserve appropriately factors in remaining uncertainties regarding underlying mortgage performance and the potential impact on future cash flows. Our Legacy Non-Agency MBS have underlying mortgage loans that are on average approximately eleven years seasoned and approximately 12.4% are currently 60 or more days delinquent.

The Agency MBS portfolio had an amortized cost basis of 103.8% of par as of March 31, 2017, and generated a 1.98% yield in the first quarter. The Legacy Non-Agency MBS portfolio had an amortized cost of 72.4% of par as of March 31, 2017, and generated a loss-adjusted yield of 8.90% in the first quarter. At the end of the first quarter, MFA held approximately $2.5 billion of 3 year step-up securities. These securities had an amortized cost of 99.9% of par and generated a 4.02% yield for the quarter.

In addition, at March 31, 2017, our investments in credit sensitive residential whole loans totaled $1.3 billion. Of this amount, $573.7 million is recorded at carrying value, or 86.0% of the interest-bearing unpaid principal balance, and generated a loss-adjusted yield of 5.95% (5.65% net of servicing costs) during the quarter, and $775.2 million is recorded at fair value on our consolidated balance sheet. On this portion of the portfolio, we recorded gains for the quarter of approximately $13.8 million, primarily reflecting changes in the fair value of the underlying loans and coupon interest payments received during the quarter.

For the three months ended March 31, 2017, MFA's costs for compensation and benefits and other general and administrative expenses were $12.0 million, or an annualized 1.57% of stockholders' equity as of March 31, 2017.

The following table presents the weighted average prepayment speed on MFA's MBS portfolio.

Table 1

	First Quarter 2017 Average CPR	Fourth Quarter 2016 Average CPR
Agency MBS	15.1%	15.9%
Legacy Non-Agency MBS	16.8%	17.3%
3 Year Step-up securities *(1)*	25.7%	25.6%

(1) All principal payments are considered to be prepayments for conditional prepayment rate ("CPR") purposes. 3 year step-up securities are securitized financial instruments that are primarily backed by securitized re-performing and non-performing Loans. The majority of these securities are structured such that the coupon increases up to 300 basis points at 36 months from issuance or sooner.

As of March 31, 2017, under its swap agreements, MFA had a weighted average fixed-pay rate of interest of 1.89% and a floating receive rate of 0.94% on notional balances totaling $2.9 billion, with an average maturity of 32 months.

The following table presents MFA's asset allocation as of March 31, 2017, and the first quarter 2017 yield on average interest earning assets, average cost of funds and net interest rate spread for the various asset types.

Table 2

ASSET ALLOCATION

At March 31, 2017 ($ in Millions)	Agency MBS	Legacy Non-Agency MBS	3 Year Step-Up Securities	Credit Risk Transfer Securities	Residential Whole Loans, at Carrying Value	Residential Whole Loans, at Fair Value	Other, net (1)	Total
Fair Value/Carrying Value	$ 3,495	$ 3,015	$ 2,453	$ 498	$ 574	$ 775	$ 480	$ 11,290
Less Repurchase Agreements	(3,094)	(1,940)	(1,875)	(345)	(328)	(508)	(47)	(8,137)
Less Senior Notes	—	—	—	—	—	—	(97)	(97)
Net Equity Allocated	$ 401	$ 1,075	$ 578	$ 153	$ 246	$ 267	$ 336	$ 3,056
Debt/Net Equity Ratio *(2)*	7.7x	1.8x	3.2x	2.3x	1.3x	1.9x		2.9x
For the Quarter Ended March 31, 2017								
Yield on Average Interest Earning Assets *(3)*	1.98%	8.90%	4.02%	5.93%	5.95%	N/A	—%	4.61%
Less Average Cost of Funds *(4)*	(1.49)	(3.05)	(2.30)	(2.25)	(3.19)	(3.29)	—	(2.34)
Net Interest Rate Spread	0.49%	5.85%	1.72%	3.68%	2.76%	N/A	—%	2.27%

(1) Includes cash and cash equivalents and restricted cash, securities obtained and pledged as collateral, other assets, obligation to return securities obtained as collateral and other liabilities.

(2) Represents the sum of borrowings under repurchase agreements as a multiple of net equity allocated. The numerator of our Total Debt/Net Equity Ratio also includes the obligation to return securities obtained as collateral of $510.7 million and Senior Notes.

(3) Yields reported on our interest earning assets are calculated based on the interest income recorded and the average amortized cost for the quarter of the respective asset. At March 31, 2017, the amortized cost of our interest earning assets were as follows: Agency MBS - $3.5 billion; Legacy Non-Agency MBS - $2.4 billion; 3 year step-up securities - $2.4 billion; Credit Risk Transfer securities - $467.2 million; and Residential Whole Loans at carrying value - $573.7 million. In addition, the yield for residential whole loans at carrying value was 5.65% net of 30 basis points of servicing fee expense incurred during the quarter. For GAAP reporting purposes, such expenses are included in Loan servicing and other related operating expenses in our statement of operations. Interest payments received on residential whole loans at fair value is reported in Other Income as Net gain on residential whole loans held at fair value in our statement of operations. Accordingly, no yield is presented as such loans are not included in interest earning assets for reporting purposes.

(4) Average cost of funds includes interest on repurchase agreements and other advances, the cost of swaps and Senior Notes. Agency cost of funds includes 60 basis points and Legacy Non-Agency cost of funds includes 58 basis points associated with swaps to hedge interest rate sensitivity on these assets.

At March 31, 2017, MFA's $6.5 billion of Agency and Legacy Non-Agency MBS were backed by Hybrid, adjustable and fixed-rate mortgages. Additional information about these MBS, including average months to reset and three-month average CPR, is presented below:

Table 3

	Agency MBS			Legacy Non-Agency MBS (1)			Total (1)		
Time to Reset	Fair Value (2)	Average Months	3 Month	Fair Value	Average Months	3 Month	Fair Value (2)	Average Months	3 Month

		to Reset (3)	Average CPR (4)		to Reset (3)	Average CPR (4)		to Reset (3)	Average CPR (4)
($ in Millions)									
< 2 years *(5)*	$ 1,747	7	18.7%	$ 2,054	4	16.6%	$ 3,801	6	17.5%
2-5 years	268	33	19.6	—	—	—	268	33	19.6
> 5 years	117	66	6.6	—	—	—	117	66	6.6
ARM-MBS Total	$ 2,132	14	18.2%	$ 2,054	4	16.6%	$ 4,186	9	17.3%
15-year fixed *(6)*	$ 1,362		10.4%	$ 5		26.1%	$ 1,367		10.7%
30-year fixed *(6)*	—		—	930		17.4	930		17.4
40-year fixed *(6)*	—		—	26		5.8	26		5.8
Fixed-Rate Total	$ 1,362		10.4%	$ 961		17.4%	$ 2,323		13.6%
MBS Total	$ 3,494		15.1%	$ 3,015		16.8%	$ 6,509		16.0%

(1) Excludes $2.5 billion of 3 year step-up securities.

(2) Does not include principal payments receivable of $1.1 million.

(3) Months to Reset is the number of months remaining before the coupon interest rate resets. At reset, the MBS coupon will adjust based upon the underlying benchmark interest rate index, margin and periodic or lifetime caps. Months to Reset does not reflect scheduled amortization or prepayments.

(4) 3 month average CPR weighted by positions as of beginning of each month in the quarter.

(5) Includes floating rate MBS that may be collateralized by fixed-rate mortgages.

(6) Information presented based on data available at time of loan origination.

Webcast

MFA Financial, Inc. plans to host a live audio webcast of its investor conference call on Thursday, May 4, 2017, at 11:00 a.m. (Eastern Time) to discuss its first quarter 2017 financial results. The live audio webcast will be accessible to the general public over the internet at http://www.mfafinancial.com through the “Webcasts & Presentations” link on MFA’s home page. To listen to the conference call over the internet, please go to the MFA website at least 15 minutes before the call to register and to download and install any needed audio software. Earnings presentation materials will be posted on the MFA website prior to the conference call and an audio replay will be available on the website following the call.

Cautionary Language Regarding Forward-Looking Statements

When used in this press release or other written or oral communications, statements which are not historical in nature, including those containing words such as “will,” “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “could,” “would,” “should,” “may” or similar expressions, are intended to identify “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known and unknown risks, uncertainties and assumptions. Statements regarding the following subjects, among others, may be forward-looking: changes in interest rates and the market value of MFA’s MBS; changes in the prepayment rates on the mortgage loans securing MFA’s MBS, an increase of which could result in a reduction of the yield on MBS in our portfolio and could require us to reinvest the proceeds received by us as a result of such prepayments in MBS with lower coupons; credit risks underlying MFA’s assets, including changes in the

default rates and management’s assumptions regarding default rates on the mortgage loans securing MFA’s Non-Agency MBS and relating to MFA’s residential whole loan portfolio; MFA’s ability to borrow to finance its assets and the terms, including the cost, maturity and other terms, of any such borrowings; implementation of or changes in government regulations or programs affecting MFA’s business; MFA’s estimates regarding taxable income, the actual amount of which is dependent on a number of factors, including, but not limited to, changes in the amount of interest income and financing costs, the method elected by MFA to accrete the market discount on Non-Agency MBS and residential whole loans and the extent of prepayments, realized losses and changes in the composition of MFA’s Agency MBS, Non-Agency MBS and residential whole loan portfolios that may occur during the applicable tax period, including gain or loss on any MBS disposals and whole loan modification, foreclosure and liquidation; the timing and amount of distributions to stockholders, which are declared and paid at the discretion of MFA’s Board of Directors and will depend on, among other things, MFA’s taxable income, its financial results and overall financial condition and liquidity, maintenance of its REIT qualification and such other factors as the Board deems relevant; MFA’s ability to maintain its qualification as a REIT for federal income tax purposes; MFA’s ability to maintain its exemption from registration under the Investment Company Act of 1940, as amended (or the “Investment Company Act”), including statements regarding the Concept Release issued by the Securities and Exchange Commission (“SEC”) relating to interpretive issues under the Investment Company Act with respect to the status under the Investment Company Act of certain companies that are engaged in the business of acquiring mortgages and mortgage-related interests; MFA’s ability to successfully implement its strategy to grow its residential whole loan portfolio, which is dependent on, among other things, the supply of loans offered for sale in the market; expected returns on our investments in non-performing residential whole loans (“NPLs”), which are affected by, among other things, the length of time required to foreclose upon, sell, liquidate or otherwise reach a resolution of the property underlying the NPL, home price values, amounts advanced to carry the asset (e.g., taxes, insurance, maintenance expenses, etc. on the underlying property) and the amount ultimately realized upon resolution of the asset; and risks associated with investing in real estate assets, including changes in business conditions and general economic conditions. These and other risks, uncertainties and factors, including those described in the annual, quarterly and current reports that MFA files with the SEC, could cause MFA’s actual results to differ materially from those projected in any forward-looking statements it makes. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect MFA. Except as required by law, MFA is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

MFA FINANCIAL, INC.

CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share and Per Share Amounts)	March 31, 2017 (Unaudited)	December 31, 2016

Assets:				
Mortgage-backed securities ("MBS") and credit risk transfer ("CRT") securities:				
Agency MBS, at fair value ($3,361,376 and $3,540,401 pledged as collateral, respectively)	$	3,494,614	$	3,738,497
Non-Agency MBS, at fair value ($4,446,745 and $4,978,199 pledged as collateral, respectively)		5,468,178		5,651,412
Non-Agency MBS transferred to consolidated variable interest entities ("VIEs"), at fair value *(1)*		—		174,404
CRT securities, at fair value ($446,231 and $357,488 pledged as collateral, respectively)		498,067		404,850
Securities obtained and pledged as collateral, at fair value		371,333		510,767
Residential whole loans, at carrying value ($418,372 and $427,880 pledged as collateral, respectively)		573,715		590,540
Residential whole loans, at fair value ($745,044 and $734,331 pledged as collateral, respectively)		775,152		814,682
Cash and cash equivalents		421,572		260,112
Restricted cash		10,980		58,463
Other assets		286,495		280,295
Total Assets	$	11,900,106	$	12,484,022
Liabilities:				
Repurchase agreements and other advances	$	8,137,102	$	8,687,268
Obligation to return securities obtained as collateral, at fair value		510,733		510,767
8% Senior Notes due 2042 ("Senior Notes")		96,743		96,733
Other liabilities		99,581		155,352
Total Liabilities	$	8,844,159	$	9,450,120
Stockholders' Equity:				
Preferred stock, $.01 par value; 7.50% Series B cumulative redeemable; 8,050 shares authorized; 8,000 shares issued and outstanding ($200,000 aggregate liquidation preference)	$	80	$	80
Common stock, $.01 par value; 886,950 shares authorized; 372,819 and 371,854 shares issued and outstanding, respectively		3,728		3,719
Additional paid-in capital, in excess of par		3,030,603		3,029,062
Accumulated deficit		(573,127)		(572,641)
Accumulated other comprehensive income		594,663		573,682
Total Stockholders' Equity	$	3,055,947	$	3,033,902
Total Liabilities and Stockholders' Equity	$	11,900,106	$	12,484,022

MFA FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)		**Three Months Ended March 31, 2017 (Unaudited)**		**2016 (Unaudited)**
Interest Income:				
Agency MBS	$	17,894	$	23,997
Non-Agency MBS		80,163		80,305
Non-Agency MBS transferred to consolidated VIEs		2,080		5,847
CRT securities		6,376		2,692
Residential whole loans held at carrying value		8,690		4,436
Other interest-earning investments		1,699		—
Cash and cash equivalent investments		355		140
Interest Income	$	117,257	$	117,417
Interest Expense:				
Repurchase agreements and other advances	$	48,339	$	45,395
Senior Notes and other interest expense		2,010		2,205
Interest Expense	$	50,349	$	47,600
Net Interest Income	$	66,908	$	69,817
Other-Than-Temporary Impairments:				
Total other-than-temporary impairment losses	$	(63)	$	—
Portion of loss reclassed from other comprehensive income		(351)		—
Net Impairment Losses Recognized in Earnings	$	(414)	$	—
Other Income, net:				
Net gain on residential whole loans held at fair value	$	13,773	$	12,348
Net gain on sales of MBS and U.S. Treasury securities		9,708		9,745
Other, net		4,512		619
Other Income, net	$	27,993	$	22,712
Operating and Other Expense:				
Compensation and benefits	$	7,793	$	7,407
Other general and administrative expense		4,225		3,918
Loan servicing and other related operating expenses		4,409		3,134
Operating and Other Expense	$	16,427	$	14,459
Net Income	$	78,060	$	78,070

Less Preferred Stock Dividends		3,750		3,750
Net Income Available to Common Stock and Participating Securities	$	74,310	$	74,320
Earnings per Common Share - Basic and Diluted	$	0.20	$	0.20
Dividends Declared per Share of Common Stock	$	0.20	$	0.20

Exhibit 99.2

MFA FINANCIAL, INC.

First Quarter 2017

Earnings Presentation

Forward Looking Language

When used in this presentation or other written or oral communications, statements which are not historical in nature, including those containing words such as "will," "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "could," "would," "may" or similar expressions, are intended to identify "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known and unknown risks, uncertainties and assumptions. Statements regarding the following subjects, among others, may be forward-looking: changes in interest rates and the market value of MFA's MBS; changes in the prepayment rates on the mortgage loans securing MFA's MBS, an increase of which could result in a reduction of the yield on MBS in our portfolio and could require us to reinvest the proceeds received by us as a result of such prepayments in MBS with lower coupons; credit risks underlying MFA's assets, including changes in the default rates and management's assumptions regarding default rates on the mortgage loans securing MFA's Non-Agency MBS and relating to MFA's residential whole loan portfolio; MFA's ability to borrow to finance its assets and the terms, including the cost, maturity and other terms, of any such borrowings; implementation of or changes in government regulations or programs affecting MFA's business; MFA's estimates regarding taxable income, the actual amount of which is dependent on a number of factors, including, but not limited to, changes in the amount of interest income and financing costs, the method elected by MFA to accrete the market discount on Non-Agency MBS and residential whole loans and the extent of prepayments, realized losses and changes in the composition of MFA's Agency MBS, Non-Agency MBS and residential whole loan portfolios that may occur during the applicable tax period, including gain or loss on any MBS disposals and whole loan modification, foreclosure and liquidation; the timing and amount of distributions to stockholders, which are declared and paid at the discretion of MFA's Board of Directors and will depend on, among other things, MFA's taxable income, its financial results and overall financial condition and liquidity, maintenance of its REIT qualification and such other factors as the Board deems relevant; MFA's ability to maintain its qualification as a REIT for federal income tax purposes; MFA's ability to maintain its exemption from registration under the Investment Company Act of 1940, as amended (or the Investment Company Act), including statements regarding the Concept Release issued by the Securities and Exchange Commission (SEC) relating to interpretive issues under the Investment Company Act with respect to the status under the Investment Company Act of certain companies that are engaged in the business of acquiring mortgages and mortgage-related interests; MFA's ability to successfully implement its strategy to grow its residential whole loan portfolio which is dependent on, among other things, the supply of loans offered for sale in the market; expected returns on our investments in non-performing residential whole loans (NPLs), which are affected by, among other things, the length of time required to foreclose upon, sell, liquidate or otherwise reach a resolution of the property underlying the NPL, home price values, amounts advanced to carry the asset (e.g., taxes, insurance, maintenance expenses, etc. on the underlying property) and the amount ultimately realized upon resolution of the asset; and risks associated with investing in real estate assets, including changes in business conditions and general economic conditions. These and other risks, uncertainties and factors, including those described in the annual, quarterly and current reports that MFA files with the SEC, could cause MFA's actual results to differ materially from those projected in any forward-looking statements it makes. All forward-looking statements speak only as of the date on which they are made and are based on beliefs, assumptions and expectations of MFA's future performance, taking into account information currently available. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect MFA. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Except as required by law, MFA is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Executive summary

- In this historically low interest rate environment, we continue to generate attractive returns from residential credit mortgage assets.
- In the first quarter we generated EPS of $0.20.
- Book value per share increased to $7.66 versus $7.62 at the end of 2016.
- MFA continued to acquire credit sensitive residential mortgage assets, such as 3 year step-up securities and Credit Risk Transfer securities in response to attractive investment opportunities.

Executive summary

Through volatile markets and both interest rate and credit cycles, MFA has generated strong long term returns to investors

Time Period	Annualized MFA Shareholder Return [1]
Since January 1, 2000	15.4%
10 Year	13.8%
5 Year	15.7%
1 Year	31.0%

[1] As of 3/31/17 assuming reinvestment of dividends.

2017 investment strategy

Be positioned for less predictable fiscal and monetary policy.

1. Focus on shorter term, less interest rate sensitive assets.

2. Blend mortgage credit exposure with interest rate exposure.

3. Maintain staying power and the ability to invest in distressed, less liquid assets:

    - Permanent equity capital

    - Debt to equity ratio is low enough to accommodate potential declines in asset prices

4. Invest with focus on long term performance

Market conditions and changes in asset allocation

- While the Federal Reserve increased the Fed Funds rate in both December and March, yields on credit sensitive assets remained flat as investors priced in more optimistic credit assumptions.
- We did not reinvest all of our first quarter runoff due to credit asset pricing and our strategy of allowing Agency MBS runoff.
- However, we are seeing ample supply of credit sensitive loans which we believe will lead to sizable investment opportunities for MFA in 2017.

First quarter investment flows

Our assets run off due to amortization, paydowns or sale, allowing reinvestment opportunities in changing interest rate and credit environments.

$ in Millions	December 31, 2016	1st Quarter Runoff	1st Quarter Acquisitions	MTM and other changes	March 31, 2017	1st Quarter Change
Re-performing and Non-performing Loans	$1,405	$(43)	$—	$(13)	$1,349	$(56)
3 Year Step-up Securities (1)	$2,655	$(353)	$150	$1	$2,453	$(202)
Credit Risk Transfer Securities	$405	$(4)	$87	$10	$498	$93
Legacy Non-Agency MBS	$3,171	$(190)	$—	$34	$3,015	$(156)
Agency MBS	$3,738	$(226)	$—	$(17)	$3,495	$(243)
Totals	**$11,374**	**$(816)**	**$237**	**$15**	**$10,810**	**$(564)**

(1) 3 year step-up securities are securitized financial instruments that are backed primarily by re-performing and non-performing loans. The majority of these securities are structured such that the coupon increases up to 300 basis points (bps) at 36 months or sooner.

MFA's yields and spreads remain attractive

	First Quarter 2017	Fourth Quarter 2016	Third Quarter 2016	Second Quarter 2016
Yield on Interest Earning Assets	4.61%	4.34%	4.23%	4.19%
Net Interest Rate Spread	2.27%	2.12%	2.13%	2.14%
Debt to Equity Ratio	2.9x	3.1x	3.1x	3.3x

First quarter 2017 yields and spreads by asset type

Asset	Yield/Return	Cost of Funds	Net Spread	Debt/Net Equity Ratio
Agency MBS	1.98%	(1.49)%	0.49%	7.7x
Legacy Non-Agency MBS	8.90%	(3.05)%	5.85%	1.8x
3 Year Step-up Securities	4.02%	(2.30)%	1.72%	3.2x
Credit Risk Transfer Securities	5.93%	(2.25)%	3.68%	2.3x
RPL Whole Loans	5.65% (1)	(3.19)%	2.46%	1.3x
NPL Whole Loans	(2)	(3.29)%	(2)	1.9x

(1) Net of 30 bps of servicing costs.

(2) These residential whole loans are held at fair value and produce GAAP income/loss based on changes in fair value in the current period, and therefore results will vary on a quarter-to-quarter basis. MFA expects to realize returns over time on these whole loan investments of 5-7%.

MFA's interest rate sensitivity remains low, as measured by estimated net duration

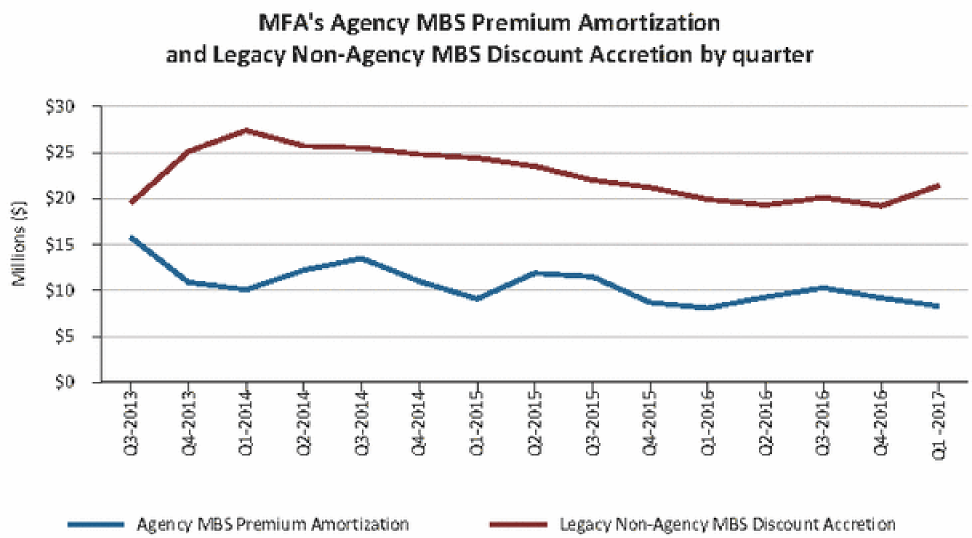
$ in Millions

Assets	Market Value	Average Coupon	Duration
Non-Agency ARMs (12 months or less MTR)	$2,552	3.51%	0.4
3 Year Step-up Securities	$2,453	4.05%	0.3
Non-Agency Fixed Rate	$961	5.80%	3.0
Residential Whole Loans	$1,383	4.44%	2.8
Agency ARMs (12 months or less MTR)	$1,436	3.19%	0.6
Agency ARMs (13-120 MTR)	$694	2.90%	1.7
Agency 15-Year Fixed Rate	$1,362	3.05%	3.1
Cash, Cash Equivalents and Other Assets	$626		0.1
TOTAL ASSETS	**$11,468**		1.29
Hedging Instruments	**Notional Amount**		**Duration**
Swaps (Less than 3 years)	$1,100		-1.0
Swaps (3-10 years)	$1,750		-3.4
TOTAL HEDGES	**$2,850**		**-2.5**
Estimated Net Duration			**0.69**

MTR: Months to reset

Low sensitivity to prepayment rates

Legacy Non-Agency MBS discount accretion has exceeded Agency MBS premium amortization since 2013.



Continued positive fundamentals for residential mortgage credit

- Fundamental ***and*** technical support for residential credit assets and home prices.
- According to the National Association of Realtors:
  - Existing-home sales for March increased 4.4% to a seasonally adjusted annual rate of 5.71 million units, the highest month of sales since February 2007.
  - The median existing home price in March 2017 was up 6.8% versus March 2016.
  - Total housing inventory at the end of March 2017 was 1.83 million units, down 6.6% versus March 2016.
- CoreLogic reports that 1 million mortgages (on homes with a mortgage) were seriously delinquent at year end 2016. This compares to a peak delinquency of 3.7 million mortgages in January 2010.

Recent trends in credit sensitive loan trading

- Bid prices for Re-performing whole loans have been firm due to strong demand despite higher funding costs due to Fed Fund increases in December and March.
- Non-performing whole loans have also seen firm pricing, partly due to DOJ settlements.
- We have maintained our patient and disciplined investment process.
- "Winner take all" nature of whole loan bids is unique and unlike the acquisition process for other assets.
- Significant future supply should afford us ample opportunity to continue to grow this portfolio.

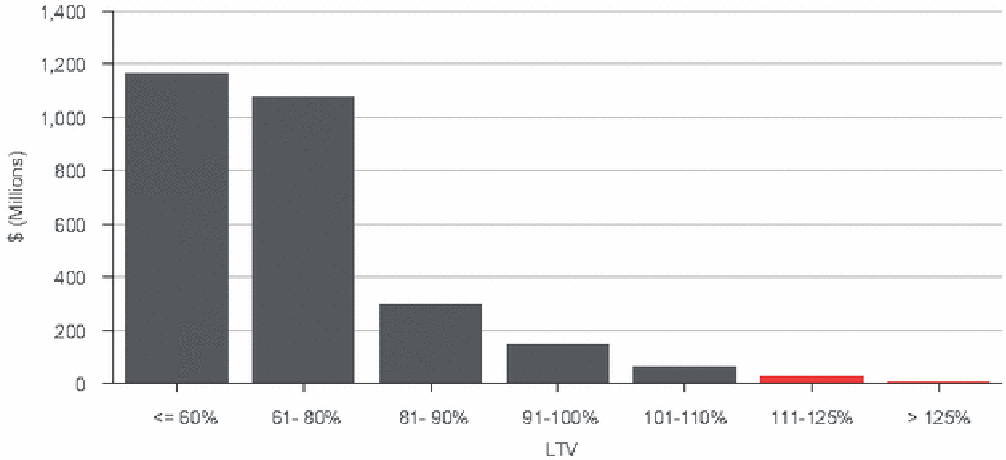
Credit sensitive residential whole loan portfolio

- Early results indicate returns to date are consistent with our expectation of 5-7%.
- Utilizes the same residential mortgage credit expertise we have employed in Legacy Non-Agency MBS since 2008.
- We believe that our oversight of servicing decisions (loan modifications, short sales, etc.) produces better NPV outcomes.
- Actively managing loan portfolio through in-house asset management professionals utilizing third-party special servicers.

3 year step-up securities portfolio

- Current market yields of mid to high 3%.
- Well protected portfolio with substantial credit enhancement.
- Growing number of repo providers for this asset class.
- Very short assets with an average of 18 months remaining to step-up.
- We have witnessed very low levels of price volatility.

LTV breakdown of non-delinquent mortgage loans underlying MFA's Legacy Non-Agency MBS



- These loans are up to date on all required mortgage payments.
- Underlying loans are nearly eleven years seasoned on average.

Source: CoreLogic
Data as of March 31, 2017

Summary

- We continue to identify and acquire attractive credit sensitive residential mortgage assets.
- We continued to acquire 3 year step-up and CRT Securities during the first quarter of 2017.
- Our credit sensitive assets continue to perform well.
- MFA is well-positioned for changes in prepayment rates, monetary policy and/ or interest rates.

Additional Information

Book value increased due to impact of fair value changes in Legacy Non-Agency MBS

Book value per common share as of 12/31/16	$7.62
Net income available to common shareholders	0.20
Common dividend declared during the quarter	(0.20)
Net change attributable to Agency MBS	(0.03)
Net change attributable to Non-Agency MBS and CRT securities	0.04
Net change in value of swap hedges	0.03
Book value per common share as of 3/31/17	$7.66

First Quarter Non-Agency MBS impact on MFA book value

	Impact Per Share[(1)]
Impact of change in market prices	$0.11
Realized gains from asset sales: Reallocation from OCI to Retained Earnings	(0.03)
Discount Accretion: Primarily income in excess of coupon on Non-Agency MBS purchased at a discount. This income increases amortized cost and lowers unrealized gains	(0.06)
Principal Paydowns	0.05
Realized Credit Losses	(0.03)
Total	**$0.04**

(1) Does not include impact of swap hedges.