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 6, 2021

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.)

One Vanderbilt Avenue, 48th Floor New York, New York	10017
(Address of principal executive offices)	(Zip Code)

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

350 Park Avenue
20th Floor
New York, New York 10022
(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):

¨ 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	**Trading Symbols:**	**Name of each exchange on which registered:**
Common Stock, par value $0.01 per share	MFA	New York Stock Exchange
7.50% Series B Cumulative Redeemable Preferred Stock, par value $0.01 per share	MFA/PB	New York Stock Exchange
6.50% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value $0.01 per share	MFA/PC	New York Stock Exchange

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 ¨

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. ¨

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 6, 2021, announcing its financial results for the quarter ended March 31, 2021, which is attached hereto as Exhibit 99.1. In addition, in conjunction with the announcement of its financial results, MFA issued additional information relating to its 2021 first quarter financial results. Such additional information is attached to this report as Exhibit 99.2.

Also on May 6, 2021, the Company issued a press release announcing the execution of a definitive agreement to acquire substantially all of the remaining ownership interests that it does not already own in Lima One Holdings, LLC and made available additional information regarding the transaction. A copy of the press release is attached hereto as Exhibit 99.3 and a copy of the additional information is attached hereto as Exhibit 99.4.

The information referenced in this Current Report on Form 8-K (including Exhibits 99.1, 99.2, 99.3 and 99.4) 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, 99.2, 99.3 and 99.4) 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 releases and additional information contain 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 6, 2021, announcing MFA’s financial results for the quarter ended March 31, 2021.

99.2 Additional information relating to the financial results of MFA for the quarter ended March 31, 2021.

99.3 Press Release, dated May 6, 2021, announcing MFA’s agreement to acquire ownership interests of Lima One Holdings, LLC.

99.4 Additional information relating to agreement to acquire ownership interests of Lima One Holdings, LLC.

104 Cover Page Interactive Data File (formatted as Inline XBRL).

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 6, 2021

EXHIBIT INDEX

Exhibit No.	Description
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99.2	Additional information relating to the financial results of MFA Financial, Inc. for the quarter ended March 31, 2021.
99.3	Press Release, dated May 6, 2021, announcing MFA's agreement to acquire ownership interests of Lima One Holdings, LLC.
99.4	Additional information relating to agreement to acquire ownership interests of Lima One Holdings, LLC.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

MFA
FINANCIAL, INC.

One Vanderbilt Ave
New York, New York 10017

PRESS RELEASE **FOR IMMEDIATE RELEASE**

May 6, 2021 **NEW YORK METRO**

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www.mfafinancial.com

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Tom Johnson
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MFA Financial, Inc. Announces First Quarter 2021 Financial Results and Acquisition of Lima One Holdings, LLC

Earnings driven by strong portfolio performance and lower financing costs

Acquisition of leading business purpose loan originator secures substantial and reliable source of high quality assets - expected to be accretive to 2021 earnings

NEW YORK - MFA Financial, Inc. (NYSE:MFA**)** today provided its financial results for the first quarter ended March 31, 2021.

First Quarter 2021 financial results update:

- MFA generated first quarter net income of $77.3 million, or $0.17 per common share.

- MFA paid a regular cash dividend for the first quarter of $0.075 per share of common stock on April 30, 2021.

- GAAP book value at March 31, 2021 was $4.63 per common share, while Economic book value, a non-GAAP financial measure of MFA's financial position that adjusts GAAP book value by the amount of unrealized market value changes in residential whole loans held at carrying value for GAAP reporting, was $5.09 per common share at quarter-end.

- Strong performance from our portfolio of residential mortgage assets drove first quarter earnings and increases in book value. Income from residential whole loans at fair value included $32.1 million of market value gains, while net CECL reserve releases contributed $22.8 million to net income as borrowers continue to perform well overall and macroeconomic forecasts reflect a more normal post-COVID environment. Changes in the fair value of loans held on our balance sheet at carrying value also contributed $0.08 per common share to Economic book value during the quarter.

- We made further progress on initiatives to lower the cost of financing our investments with more durable forms of borrowing. Interest expense decreased approximately 27% or almost $11 million quarter over quarter. As previously announced, we completed a securitization of $217.5 million of business purpose rental loans, generating $48.4 million of additional liquidity. As the weighted average coupon of the bonds sold was 1.06%, this transaction lowered the funding rate of the underlying assets by more than 150 basis points. During the first quarter, we also completed a securitization transaction collateralized primarily by non-performing loans with an unpaid principal balance of $325.7 million and REO with an estimated value of $50.6 million, which lowered the funding costs for the associated assets by approximately 168 basis points. Subsequent to the end of the first quarter, we completed another securitization of Non-QM loans of $394.2 million, with a weighted average cost of bonds sold of 1.37%, lowering the funding rate by approximately 203 basis points.

- On January 6, 2021, we redeemed all of our outstanding $100 million aggregate principal amount of 8.00% Senior Notes Due 2042.

- Since March 1, 2021 through April 30, 2021, under our previously announced stock repurchase program, we repurchased 10,778,896 shares of common stock at an average price of $4.14 per share. Through March 31, 2021, these repurchases were accretive to both MFA’s GAAP book value and Economic book value by $0.01 per common share.

Commenting on the first quarter 2021 results, Craig Knutson, MFA’s CEO and President said, “MFA had a very strong first quarter of 2021, as our portfolio performed well and our ongoing efforts to use securitizations to term out and lower our funding costs drove financial results. We earned $0.17 per common share in the first quarter, and produced a GAAP total return of 3.6% and an economic total return of 5.0%. Through our stock repurchase program, we have purchased nearly 11 million shares in 2021 (through April 30, 2021) at an average price of $4.14 or approximately 80% of economic book value. Finally, subsequent to the end of the first quarter, we entered into an agreement to acquire substantially all of the remaining ownership interests not already owned by us in Lima One Holdings, LLC, a leading nationwide originator and servicer of business purpose loans (BPLs). With the acquisition of Lima One, we expect to materially enhance our capability to purchase and service BPLs, which include fix and flip, single family and other rental and multifamily loans. MFA has purchased over $1 billion of BPLs from Lima One since 2017, and we have made several investments in Lima One beginning in 2018. We’re excited to add the Lima One team to the MFA family.”

Mr. Knutson added, “Our first quarter results were driven by strong portfolio performance, with improving mortgage credit leading to a release of CECL reserves of $22.8 million in addition to the strong contribution from whole loans accounted for at fair value, which contributed approximately $50 million to income for the second quarter in a row. On the liability side, we continue to execute on our plan to reduce funding costs through securitizations. We completed a single family rental securitization in February 2021 and a re-lever of a non-performing loan securitization in March 2021. Subsequent to quarter end, we also executed our fourth Non-QM securitization. These transactions deliver a meaningful benefit by terming out non-mark-to-market financing while significantly reducing borrowing costs and also generating more liquidity. Our income statement demonstrates the impact of these transactions, as our interest expense decreased by 27% from the fourth quarter. This tailwind should be evidenced further in the second quarter, as these transactions took place in the middle and late first quarter (and the most recent in April 2021)."

Mr. Knutson continued, "We also took advantage of a strong housing market to continue to reduce our REO portfolio, selling 177 properties for aggregate proceeds of $50.6 million and generating $2.2 million of gains."

Q1 2021 Portfolio Activity

MFA's residential mortgage investment portfolio decreased by $215.0 million during the first quarter, primarily due to portfolio run-off. Acquisition of new investments were roughly double the prior quarter, with $212.0 million of Non-QM loans and $41.1 million of Business Purpose loans purchased during the quarter.

At March 31, 2021, the net carrying value of our investments in residential whole loans totaled $5.2 billion. Of this amount, $3.9 billion is recorded at carrying value and $1.3 billion is recorded at fair value on our consolidated balance sheet. Loans held at carrying value generated an overall yield of 4.42% during the quarter, a modest decrease from the prior quarter. Yields on purchased performing loans decreased from the prior quarter to 4.31% from 4.57%, while yields on purchased credit deteriorated loans decreased to 5.00% from 5.16% in the prior quarter. Overall delinquency rates on loans held at carrying value were largely unchanged from the prior quarter. The amount of Non-QM loans that were 60 or more days delinquent, measured as a percentage of the unpaid principal balance, increased during the quarter and was 8.0% at March 31, 2021, compared to 7.9% at December 31, 2020. In addition, the amount of purchased credit deteriorated loans that were 90 or more days delinquent, measured as a percentage of the unpaid principal balance, marginally increased during the quarter and was 19.0% at March 31, 2021, compared to 18.5% at December 31, 2020. Delinquency levels for our Rehabilitation loans decreased from the prior quarter, with loans that were 60 or more days delinquent totaling $149.2 million, compared to $161.8 million at December 31, 2020.

For the first quarter, a reversal of the provision for credit losses of $22.8 million was recorded on residential whole loans held at carrying value, primarily reflecting lower estimates of future rates of unemployment and lower loan balances. The total allowance for credit losses recorded on residential whole loans held at carrying value at March 31, 2021 was $63.2 million. In addition, as of March 31, 2021, reserves for credit losses totaling approximately $796,000 were recorded related to undrawn commitments on loans held at carrying value.

Net gains for the quarter on residential whole loans measured at fair value through earnings were $49.8 million, including unrealized gains in the fair value of the underlying loans of $32.1 million, and $17.7 million of coupon interest payments and other gains realized during the quarter. The percentage amount of fair value loans that were 90 or more days delinquent decreased slightly to 46.0% at March 31, 2021 from 47.0% at December 31, 2020.

In addition, as of the end of the quarter, we held approximately $220 million of REO properties, which decreased from $250 million as of the end of the fourth quarter as foreclosure activity in recent months has slowed, while asset sales continued. MFA's proactive asset management team has been able to shorten liquidation timelines and increase property sale proceeds, leading to improved outcomes and better returns.

At the end of the first quarter, MFA held approximately $350 million of Securities, at fair value.

General and Administrative and other expenses

For the three months ended March 31, 2021, MFA's costs for compensation and benefits and other general and administrative expenses were $15.2 million, or an annualized 2.41% of average stockholders' equity for the quarter ended March 31, 2021. Our overall expense run rate returned to more normal levels this quarter, but were slightly elevated primarily due to costs incurred in connection with exiting certain warehouse lines that were replaced with securitization financing.

Stock Repurchase Program

On November 2, 2020, MFA's Board of Directors authorized a share repurchase program under which MFA may repurchase up to $250 million of its common stock through the end of 2022. Under this program during the first quarter (in the period permitted under the program), the Company repurchased 5,946,678 shares of common stock at an average price of $4.09 per share. For the period from March 1, 2021 through April 30, 2021, the Company purchased 10,778,896 shares of common stock at an average price of $4.14 per share. As of April 30, 2021, the Company was permitted to purchase an additional $121.2 million of its common stock.

MFA expects to fund the share repurchases from current cash balances and future investment portfolio run-off. The Company currently has approximately 441.3 million shares of common stock outstanding.

The following table presents MFA's asset allocation as of March 31, 2021, and the first quarter 2021 yield on average interest-earning assets, average cost of funds and net interest rate spread for the various asset types.

Table 1 - Asset Allocation

At March 31, 2021	**Residential Whole Loans, at Carrying Value *(1)***	**Residential Whole Loans, at Fair Value**	**Securities, at fair value**	**Real Estate Owned**	**Other, net *(2)***	**Total**
($ in Millions)						
Fair Value/Carrying Value	$ 3,869	$ 1,320	$ 350	$ 220	$ 890	$ 6,649
Payable for Unsettled Purchases	—	(112)	—	—	—	(112)
Financing Agreements with non-mark-to-market collateral provisions	(795)	(239)	—	(7)	—	(1,041)
Financing Agreements with mark-to-market collateral provisions	(732)	(236)	(201)	(11)	—	(1,180)
Less Securitized Debt	(1,314)	(224)	—	(11)	—	(1,549)
Less Convertible Senior Notes	—	—	—	—	(225)	(225)
Net Equity Allocated	$ 1,028	$ 509	$ 149	$ 191	$ 665	$ 2,542
Debt/Net Equity Ratio *(3)*	2.8x	1.6x	1.3x	0.2x		1.6x
For the Quarter Ended March 31, 2021						
Yield on Average Interest Earning Assets *(4)(5)*	4.42%	N/A	22.25%	N/A		4.78%
Less Average Cost of Funds (6)	(2.53)	(3.41)	(2.02)	(4.29)		(2.92)
Net Interest Rate Spread	1.89%	N/A	20.23%	(4.29)%		1.86%

(1) Includes $2.2 billion of Non-QM loans, $450.7 million of Rehabilitation loans, $449.0 million of Single-family rental loans, $128.0 million of Seasoned performing loans and $612.4 million of Purchased Credit Deteriorated Loans. At March 31, 2021, the total fair value of these loans is estimated to be approximately $4.1 billion.

(2) Includes $780.7 million of cash and cash equivalents, $5.2 million of restricted cash and $81.4 million of capital contributions made to loan origination partners, as well as other assets and other liabilities.

(3) Total Debt/Net Equity ratio represents the sum of borrowings under our financing agreements noted above as a multiple of net equity allocated.

(4) 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, 2021, the amortized cost of our securities, at fair value was $274.0 million. In addition, the yield for residential whole loans at carrying value was 4.36%, net of 6 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. Yield reported on Securities, at fair value includes $8.1 million of accretion recognized on the redemption of a RPL/NPL MBS security that was purchased at a discount. Excluding this accretion, the yield reported would have been 11.26%.

(5) Interest payments received on residential whole loans at fair value is reported in Other Income as Net (loss)/gain on residential whole loans measured at fair value through earnings in our statement of operations. Accordingly, no yield is presented as such loans are not included in interest earning assets for reporting purposes.

(6) Average cost of funds includes interest on financing agreements, Convertible Senior Notes and securitized debt.

The following table presents the activity for our residential mortgage asset portfolio for the three months ended March 31, 2021:

Table 2 - Investment Portfolio Activity Q1 2021

(In Millions)	**December 31, 2020**	**Runoff *(1)***	**Acquisitions**	**Other *(2)***	**March 31, 2021**	**Change**
Residential whole loans and REO	$ 5,575	$ (484)	$ 253	$ 65	$ 5,409	$ (166)
Securities, at fair value	400	(59)	—	10	351	(49)
Totals	$ 5,975	$ (543)	$ 253	$ 75	$ 5,760	$ (215)

(1) Primarily includes principal repayments, cash collections on Purchased Credit Deteriorated Loans *and sales of REO.*
(2) Primarily includes changes in fair value, draws on previously originated Rehabilitation loans and adjustments to record lower of cost or estimated fair value adjustments on REO.

The following tables present information on our investments in residential whole loans.

Residential Whole Loans, at Carrying Value at March 31, 2021 and December 31, 2020:

Table 3 - Portfolio composition

(Dollars In Thousands)	**March 31, 2021**	**December 31, 2020**
Purchased Performing Loans:		
Non-QM loans	$ 2,243,444	$ 2,357,185
Rehabilitation loans	464,385	581,801
Single-family rental loans	451,791	446,374
Seasoned performing loans	128,069	136,264
Total Purchased Performing Loans	3,287,689	3,521,624
Purchased Credit Deteriorated Loans	644,611	673,708
Total Residential whole loans, at carrying value	$ 3,932,300	$ 4,195,332
Allowance for credit losses on residential whole loans held at carrying value	(63,244)	(86,833)
Total Residential whole loans at carrying value, net	$ 3,869,056	$ 4,108,499
Number of loans	12,575	13,112

Table 4 - Yields and average balances

(Dollars in Thousands)	For the Three-Month Period Ended March 31, 2021 Interest	March 31, 2021 Average Balance	March 31, 2021 Average Yield *(1)*	December 31, 2020 Interest	December 31, 2020 Average Balance	December 31, 2020 Average Yield	March 31, 2020 Interest	March 31, 2020 Average Balance	March 31, 2020 Average Yield
Purchased Performing Loans:									
Non-QM loans	$ 22,114	$ 2,315,890	3.82%	$ 24,316	$ 2,435,751	3.99%	$ 49,070	$ 4,132,283	4.75%
Rehabilitation loans	6,668	540,549	4.93%	9,983	669,320	5.97%	15,327	1,035,738	5.92%
Single-family rental loans	6,278	447,585	5.61%	6,193	470,197	5.27%	7,343	489,338	6.00%
Seasoned performing loans	1,990	132,897	5.99%	1,993	143,926	5.54%	2,600	171,726	6.06%
Total Purchased Performing Loans	37,050	3,436,921	4.31%	42,485	3,719,194	4.57%	74,340	5,829,085	5.10%
Purchased Credit Deteriorated Loans	8,290	662,924	5.00%	8,973	694,988	5.16%	9,146	755,453	4.84%
Total Residential whole loans, at carrying value	$ 45,340	$ 4,099,845	4.42%	$ 51,458	$ 4,414,182	4.66%	$ 83,486	$ 6,584,538	5.07%

(1) Average yield reported for Single-family rental loans for the three-month period ended March 31, 2021 excludes $804,000 of prepayment penalties that are collected on loans that payoff before a specified date. For GAAP reporting purposes, prepayment penalties are reported in Other income. If such fees were included in interest income, the reported yield for the period ended March 31, 2021 would have been 6.33%.

Table 5 - Credit related metrics

March 31, 2021

(Dollars In Thousands)	Carrying Value	Amortized Cost Basis	Unpaid Principal Balance ("UPB")	Weighted Average Coupon *(1)*	Weighted Average Term to Maturity (Months)	Weighted Average LTV Ratio *(2)*	Weighted Average Original FICO *(3)*	Aging by Amortized Cost Basis: Current	Past Due Days: 30-59	Past Due Days: 60-89	Past Due Days: 90+
Purchased Performing Loans:											
Non-QM loans *(4)*	$ 2,228,899	$ 2,243,444	$ 2,183,662	5.82%	350	64%	713	$ 1,975,505	$ 89,767	$ 42,912	$ 135,260
Rehabilitation loans *(4)*	450,717	464,385	464,385	7.23	3	64	719	293,931	21,296	12,167	136,991
Single-family rental loans *(4)*	449,045	451,791	447,072	6.29	320	70	730	421,258	4,507	1,935	24,091
Seasoned performing loans *(4)*	128,003	128,069	139,847	3.12	169	39	723	115,315	2,445	1,589	8,721
Purchased Credit Deteriorated Loans *(4)(5)*	612,392	644,611	751,759	4.49	285	75	N/A	N/M	N/M	N/M	117,509
Residential whole loans, at carrying value, total or weighted average	$ 3,869,056	$ 3,932,300	$ 3,986,725	5.72%	288						

December 31, 2020

(Dollars In Thousands)	Carrying Value	Amortized Cost Basis	Unpaid Principal Balance ("UPB")	Weighted Average Coupon *(1)*	Weighted Average Term to Maturity (Months)	Weighted Average LTV Ratio *(2)*	Weighted Average Original FICO *(3)*	Aging by Amortized Cost Basis: Current	Past Due Days: 30-59	Past Due Days: 60-89	Past Due Days: 90+
Purchased Performing Loans:											
Non-QM loans *(4)*	$ 2,336,117	$ 2,357,185	$ 2,294,086	5.84%	351	64%	712	$ 2,099,134	$ 73,163	$ 36,501	$ 148,387
Rehabilitation loans *(4)*	563,430	581,801	581,801	7.29	3	63	719	390,706	29,315	25,433	136,347
Single-family rental loans *(4)*	442,456	446,374	442,208	6.32	324	70	730	415,386	6,652	3,948	20,388
Seasoned performing loans *(4)*	136,157	136,264	149,004	3.30	171	40	723	124,877	2,186	1,170	8,031
Purchased Credit Deteriorated Loans *(4)(5)*	630,339	673,708	782,319	4.46	287	76	N/A	N/M	N/M	N/M	119,621
Residential whole loans, at carrying value, total or weighted average	$ 4,108,499	$ 4,195,332	$ 4,249,418	5.77%	282						

(1) Weighted average is calculated based on the interest bearing principal balance of each loan within the related category. For loans acquired with servicing rights released by the seller, interest rates included in the calculation do not reflect loan servicing fees. For loans acquired with servicing rights retained by the seller, interest rates included in the calculation are net of servicing fees.

(2) LTV represents the ratio of the total unpaid principal balance of the loan to the estimated value of the collateral securing the related loan as of the most recent date available, which may be the origination date. For Rehabilitation loans, the LTV presented is the ratio of the maximum unpaid principal balance of the loan, including unfunded commitments, to the estimated "after repaired" value of the collateral securing the related loan, where available. For certain Rehabilitation loans, totaling $151.7 million and $189.9 million at March 31, 2021 and December 31, 2020, respectively, an after repaired valuation was not obtained and the loan was underwritten based on an "as is" valuation. The weighted average LTV of these loans based on the current unpaid principal balance and the valuation obtained during underwriting, is 68% and 69% at March 31, 2021 and December 31, 2020, respectively. Excluded from the calculation of weighted average LTV are certain low value loans secured by vacant lots, for which the LTV ratio is not meaningful.

(3) Excludes loans for which no Fair Isaac Corporation ("FICO") score is available.

(4) At March 31, 2021 and December 31, 2020, the difference between the Carrying Value and Amortized Cost Basis represents the related allowance for credit losses.

(5) Purchased Credit Deteriorated Loans tend to be characterized by varying performance of the underlying borrowers over time, including loans where multiple months of payments are received in a period to bring the loan to current status, followed by months where no payments are received. Accordingly, delinquency information is presented only for loans that are more than 90 days delinquent.

Table 6 - LTV 90+ Days Delinquencies

The following table presents certain information regarding the Company's Residential whole loans that are 90 days or more delinquent:

	March 31, 2021				
(Dollars In Thousands)	**Carrying Value / Fair Value**		**UPB**		**LTV *(1)***
Purchased Credit Deteriorated Loans	$	117,509	$	142,850	85.9%
Non-QM loans	$	135,260	$	132,732	65.7%
Rehabilitation loans	$	136,991	$	136,991	65.7%
Single-family rental loans	$	24,091	$	24,052	73.4%
Seasoned performing loans	$	8,721	$	9,449	50.7%
Residential whole loans, at fair value	$	555,171	$	584,025	82.6%

	December 31, 2020				
(Dollars In Thousands)	**Carrying Value / Fair Value**		**UPB**		**LTV *(1)***
Purchased Credit Deteriorated Loans	$	119,621	$	145,028	86.7%
Non-QM loans	$	148,387	$	144,681	65.9%
Rehabilitation loans	$	136,347	$	136,347	65.8%
Single-family rental loans	$	20,388	$	20,233	72.7%
Seasoned performing loans	$	8,031	$	8,823	55.1%
Residential whole loans, at fair value	$	571,729	$	625,621	86.8%

(1) LTV represents the ratio of the total unpaid principal balance of the loan to the estimated value of the collateral securing the related loan as of the most recent date available, which may be the origination date. For Rehabilitation loans, the LTV presented is the ratio of the maximum unpaid principal balance of the loan, including unfunded commitments, to the estimated "after repaired" value of the collateral securing the related loan, where available. For certain Rehabilitation loans, an after repaired valuation was not obtained and the loan was underwritten based on an "as is" valuation. Excluded from the calculation of weighted average LTV are certain low value loans secured by vacant lots, for which the LTV ratio is not meaningful.

Table 7 - Allowance for Credit Losses

The following table presents a roll-forward of the allowance for credit losses on the Company's Residential Whole Loans, at Carrying Value:

	Three Months Ended March 31, 2021					
(Dollars In Thousands)	Non-QM Loans	Rehabilitation Loans *(1)(2)*	Single-family Rental Loans	Seasoned Performing Loans	Purchased Credit Deteriorated Loans *(3)*	Totals
Allowance for credit losses at December 31, 2020	$ 21,068	$ 18,371	$ 3,918	$ 107	$ 43,369	$ 86,833
Current provision	(6,523)	(3,700)	(1,172)	(41)	(10,936)	(22,372)
Write-offs	—	(1,003)	—	—	(214)	(1,217)
Allowance for credit losses at March 31, 2021	$ 14,545	$ 13,668	$ 2,746	$ 66	$ 32,219	$ 63,244

	Three Months Ended March 31, 2020					
(Dollars In Thousands)	Non-QM Loans *(4)*	Rehabilitation Loans *(1)(2)*	Single-family Rental Loans	Seasoned Performing Loans	Purchased Credit Deteriorated Loans *(3)*	Totals
Allowance for credit losses at December 31, 2019	$ 388	$ 2,331	$ 62	$ —	$ 244	$ 3,025
Transition adjustment on adoption of ASU 2016-13 *(5)*	6,904	517	754	19	62,361	70,555
Current provision	26,358	33,213	6,615	230	8,481	74,897
Write-offs	—	(428)	—	—	(219)	(647)
Valuation adjustment on loans held for sale	70,181	—	—	—	—	70,181
Allowance for credit and valuation losses at March 31, 2020	$ 103,831	$ 35,633	$ 7,431	$ 249	$ 70,867	$ 218,011

(1) In connection with purchased Rehabilitation loans, the Company had unfunded commitments of $54.4 million and $123.1 million as of March 31, 2021 and 2020, respectively, with an allowance for credit losses of $795,905 and $3.5 million at March 31, 2021 and 2020, respectively. Such allowance is included in "Other liabilities" in the Company's consolidated balance sheets.

(2) Includes $149.2 million and $110.8 million of loans that were assessed for credit losses based on a collateral dependent methodology as of March 31, 2021 and 2020, respectively.

(3) Includes $87.7 million and $74.5 million of loans that were assessed for credit losses based on a collateral dependent methodology as of March 31, 2021 and 2020, respectively.

(4) Includes Non-QM loans held-for-sale with a net carrying value of $895.3 million at March 31, 2020.

(5) Of the $70.6 million of reserves recorded on adoption of ASU 2016-13, $8.3 million was recorded as an adjustment to stockholders' equity and $62.4 million was recorded as a "gross up" of the amortized cost basis of Purchased Credit Deteriorated Loans.

Residential Whole Loans, at fair value at March 31, 2021 and December 31, 2020:

Table 8 - Credit related metrics

(Dollars in Thousands)	**March 31, 2021 *(1)***	**December 31, 2020**
Less than 60 Days Past Due:		
Outstanding principal balance	$ 590,813	$ 602,292
Aggregate fair value	$ 596,805	$ 595,521
Weighted Average LTV Ratio *(2)*	69.46%	72.57%
Number of loans	2,975	3,033
60 Days to 89 Days Past Due:		
Outstanding principal balance	$ 58,625	$ 54,180
Aggregate fair value	$ 56,021	$ 49,652
Weighted Average LTV Ratio *(2)*	70.56%	82.11%
Number of loans	293	263
90 Days or More Past Due:		
Outstanding principal balance	$ 584,025	$ 625,621
Aggregate fair value	$ 555,171	$ 571,729
Weighted Average LTV Ratio *(2)*	82.56%	86.78%
Number of loans	2,170	2,326
Total Residential whole loans, at fair value	$ 1,207,997	$ 1,216,902

(1) Excluded from this table are approximately $112.2 million of Residential whole loans, at fair value for which the closing of the purchase transaction had not occurred as of March 31, 2021.

(2) LTV represents the ratio of the total unpaid principal balance of the loan, to the estimated value of the collateral securing the related loan. Excluded from the calculation of weighted average LTV are certain low value loans secured by vacant lots, for which the LTV ratio is not meaningful.

Table 9 - Net gain/(loss) on residential whole loans measured at fair value through earnings

	Three Months Ended March 31,	
(In Thousands)	**2021**	**2020**
Coupon payments, realized gains, and other income received *(1)*	$ 16,676	$ 19,036
Net unrealized gains	32,088	(74,556)
Net gain on transfers to REO	1,045	2,760
Total	$ 49,809	$ (52,760)

(1) Primarily includes gains on liquidation of non-performing loans, including the recovery of delinquent interest payments, recurring coupon interest payments received on mortgage loans that are contractually current, and cash payments received from private mortgage insurance on liquidated loans.

Webcast

MFA Financial, Inc. plans to host a live audio webcast of its investor conference call on Thursday, May 6, 2021, at 10:00 a.m. (Eastern Time) to discuss its first quarter 2021 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," "should," "could," "would," "may," the negative of these words 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. These forward-looking statements include information about possible or assumed future results with respect to our business, financial condition, liquidity, results of operations, plans and objectives. Statements regarding the following subjects, among others, may be forward-looking: risks related to the ongoing spread of the novel coronavirus and the COVID-19 pandemic, including the pandemic's effect on the general economy and our business, financial position and results of operations (including, among other potential effects, increased delinquencies and greater than expected losses in our whole loan portfolio); changes in interest rates and the market (i.e., fair) value of MFA's residential whole loans, MBS and other assets; changes in the prepayment rates on residential mortgage assets, an increase of which could result in a reduction of the yield on certain investments in its portfolio and could require MFA to reinvest the proceeds received by it as a result of such prepayments in investments with lower coupons, while a decrease in which could result in an increase in the interest rate duration of certain investments in MFA's portfolio making their valuation more sensitive to changes in interest rates and could result in lower forecasted cash flows; credit risks underlying MFA's assets, including changes in the default rates and management's assumptions regarding default rates on the mortgage loans in 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 residential whole loans and the extent of prepayments, realized losses and changes in the composition of MFA's residential whole loan portfolios that may occur during the applicable tax period, including gain or loss on any MBS disposals and whole loan modifications, foreclosures and liquidations; the timing and amount of distributions to stockholders, which are declared and paid at the discretion of MFA's Board 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 MFA's 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 continue growing 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 MFA's investments in nonperforming 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; targeted or expected returns on MFA's investments in recently-originated loans, the performance of which is, similar to MFA's other mortgage loan investments, subject to, among other things, differences in prepayment risk, credit risk and financing cost associated with such investments; risks associated with MFA's investments in MSR-related assets, including servicing, regulatory and economic risks, risks associated with our investments in loan originators, risks associated with investing in real estate assets, including changes in business conditions and the general economy, and risks associated with our expected acquisition of Lima One Holdings, LLC, including the timing of the completion of such acquisition and the expected benefits to be derived from such acquisition (including, among other benefits, accretion to MFA's earnings, Lima One's ability to grow and lower financing costs for Lima One's assets). 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 are based on beliefs, assumptions and expectations of MFA's future performance, taking into account all information currently available. Readers are cautioned not to place undue reliance on these forward-looking statements, which 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 Per Share Amounts)	March 31, 2021 (Unaudited)	December 31, 2020
Assets:		
Residential whole loans:		
Residential whole loans, at carrying value ($2,366,285 and $2,704,646 pledged as collateral, respectively) *(1)*	$ 3,932,300	$ 4,195,332
Residential whole loans, at fair value ($889,100 and $827,001 pledged as collateral, respectively) *(1)*	1,320,199	1,216,902
Allowance for credit losses on residential whole loans held at carrying value	(63,244)	(86,833)
Total residential whole loans, net	5,189,255	5,325,401
Securities, at fair value ($350,115 and $399,999 pledged as collateral, respectively)	350,115	399,999
Cash and cash equivalents	780,714	814,354
Restricted cash	5,150	7,165
Other assets	392,726	385,381
Total Assets	$ 6,717,960	$ 6,932,300
Liabilities:		
Financing agreements ($2,974,578 and $3,366,772 held at fair value, respectively)	$ 3,995,982	$ 4,336,976
Other liabilities	179,712	70,522
Total Liabilities	$ 4,175,694	$ 4,407,498
Stockholders' Equity:		
Preferred stock, $0.01 par value; 7.5% Series B cumulative redeemable; 8,050 shares authorized; 8,000 shares issued and outstanding ($200,000 aggregate liquidation preference)	$ 80	$ 80
Preferred stock, $0.01 par value; 6.5% Series C fixed-to-floating rate cumulative redeemable; 12,650 shares authorized; 11,000 shares issued and outstanding ($275,000 aggregate liquidation preference)	110	110
Common stock, $0.01 par value; 874,300 and 874,300 shares authorized; 446,114 and 451,714 shares issued and outstanding, respectively	4,461	4,517
Additional paid-in capital, in excess of par	3,825,606	3,848,129
Accumulated deficit	(1,361,664)	(1,405,327)
Accumulated other comprehensive income	73,673	77,293
Total Stockholders' Equity	$ 2,542,266	$ 2,524,802
Total Liabilities and Stockholders' Equity	$ 6,717,960	$ 6,932,300

(1) Includes approximately $1.5 billion and $1.4 billion of Residential whole loans, at carrying value and $311.6 million and $382.3 million of Residential whole loans, at fair value transferred to consolidated variable interest entities ("VIEs") at March 31, 2021 and December 31, 2020, respectively. Such assets can be used only to settle the obligations of each respective VIE.

MFA FINANCIAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)	Three Months Ended March 31, 2021 (Unaudited)	Three Months Ended March 31, 2020 (Unaudited)
Interest Income:		
Residential whole loans held at carrying value	$ 45,340	$ 83,486
Securities, at fair value	16,459	58,581
Other interest-earning assets	—	2,907
Cash and cash equivalent investments	54	486
Interest Income	$ 61,853	$ 145,460
Interest Expense:		
Asset-backed and other collateralized financing arrangements	$ 26,050	$ 77,859
Other interest expense	4,020	5,900
Interest Expense	$ 30,070	$ 83,759
Net Interest Income	$ 31,783	$ 61,701
Reversal/(Provision) for credit and valuation losses on residential whole loans	$ 22,750	$ (150,711)
Net Interest Income after Provision for Credit and Valuation Losses	$ 54,533	$ (89,010)
Other Income, net:		
Impairment and other losses on securities available-for-sale and other assets	$ —	$ (419,651)
Net realized gain/(loss) on sales of residential mortgage securities and residential whole loans	—	(238,380)
Net unrealized gain/(loss) on residential mortgage securities measured at fair value through earnings	101	(77,961)
Net gain/(loss) on residential whole loans measured at fair value through earnings	49,809	(52,760)
Other, net	3,607	(2,011)
Other Income/(Loss), net	$ 53,517	$ (790,763)
Operating and Other Expense:		
Compensation and benefits	$ 8,437	$ 8,899
Other general and administrative expense	6,792	4,575
Loan servicing, financing and other related costs	7,299	11,280
Costs associated with restructuring/forbearance agreement	—	4,468
Operating and Other Expense	$ 22,528	$ 29,222
Net Income/(Loss)	$ 85,522	$ (908,995)
Less Preferred Stock Dividend Requirement	$ 8,219	$ 5,215
Net Income/(Loss) Available to Common Stock and Participating Securities	$ 77,303	$ (914,210)
Basic Earnings/(Loss) per Common Share	$ 0.17	$ (2.02)
Diluted Earnings/(Loss) per Common Share	$ 0.17	$ (2.02)

Reconciliation of GAAP Book Value per Common Share to non-GAAP Economic Book Value per Common Share

"Economic book value" is a non-GAAP financial measure of our financial position. To calculate our Economic book value, our portfolios of Residential whole loans at carrying value are adjusted to their fair value, rather than the carrying value that is required to be reported under the GAAP accounting model applied to these loans. This adjustment is also reflected in our end of period stockholders' equity in the table below. Management considers that Economic book value provides investors with a useful supplemental measure to evaluate our financial position as it reflects the impact of fair value changes for all of our residential mortgage assets, irrespective of the accounting model applied for GAAP reporting purposes. Economic book value does not represent and should not be considered as a substitute for Stockholders' Equity, as determined in accordance with GAAP, and our calculation of this measure may not be comparable to similarly titled measures reported by other companies.

The following table provides a reconciliation of our GAAP book value per common share to our non-GAAP Economic book value per common share for the quarterly periods below:

(In Millions, Except Per Share Amounts)	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**
GAAP Total Stockholders' Equity	$ 2,542.3	$ 2,524.8	$ 2,565.7	$ 2,521.1	$ 2,440.7
Preferred Stock, liquidation preference	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)
GAAP Stockholders' Equity for book value per common share	2,067.3	2,049.8	2,090.7	2,046.1	1,965.7
Adjustments:					
Fair value adjustment to Residential whole loans, at carrying value	203.0	173.9	141.1	(25.3)	(113.5)
Stockholders' Equity including fair value adjustment to Residential whole loans, at carrying value (Economic book value)	$ 2,270.3	$ 2,223.7	$ 2,231.8	$ 2,020.8	$ 1,852.2
GAAP book value per common share	$ 4.63	$ 4.54	$ 4.61	$ 4.51	$ 4.34
Economic book value per common share	$ 5.09	$ 4.92	$ 4.92	$ 4.46	$ 4.09
Number of shares of common stock outstanding	446.1	451.7	453.3	453.2	453.1

Exhibit 99.2

MFA FINANCIAL, INC.

First Quarter 2021

Earnings Presentation

Forward looking statements

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," the negative of these words 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. These forward-looking statements include information about possible or assumed future results with respect to our business, financial condition, liquidity, results of operations, plans and objectives. Statements regarding the following subjects, among others, may be forward-looking: risks related to the ongoing spread of the novel coronavirus and the COVID-19 pandemic, including the pandemic's effect on the general economy and our business, financial position and results of operations (including, among other potential effects, increased delinquencies and greater than expected losses in our whole loan portfolio); changes in interest rates and the market (i.e., fair) value of MFA's residential whole loans, MBS and other assets; changes in the prepayment rates on residential mortgage assets, an increase of which could result in a reduction of the yield on certain investments in its portfolio and could require MFA to reinvest the proceeds received by it as a result of such prepayments in investments with lower coupons, while a decrease in which could result in an increase in the interest rate duration of certain investments in MFA's portfolio making their valuation more sensitive to changes in interest rates and could result in lower forecasted cash flows; credit risks underlying MFA's assets, including changes in the default rates and management's assumptions regarding default rates on the mortgage loans in 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 residential whole loans and the extent of prepayments, realized losses and changes in the composition of MFA's residential whole loan portfolios that may occur during the applicable tax period, including gain or loss on any MBS disposals and whole loan modifications, foreclosures and liquidations; the timing and amount of distributions to stockholders, which are declared and paid at the discretion of MFA's Board 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 MFA's 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 continue growing 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 MFA's investments in nonperforming 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; targeted or expected returns on MFA's investments in recently-originated loans, the performance of which is, similar to MFA's other mortgage loan investments, subject to, among other things, differences in prepayment risk, credit risk and financing cost associated with such investments; risks associated with MFA's investments in MSR-related assets, including servicing, regulatory and economic risks, risks associated with our investments in loan originators, risks associated with investing in real estate assets, including changes in business conditions and the general economy, and risks associated with our expected acquisition of Lima One Holdings, LLC, including the timing of the completion of such acquisition and the expected benefits to be derived from such acquisition (including, among other benefits, accretion to MFA's earnings, Lima One's ability to grow and lower financing costs for Lima One's assets). 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 are based on beliefs, assumptions and expectations of MFA's future performance, taking into account all information currently available. Readers are cautioned not to place undue reliance on these forward-looking statements, which 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.

Executive summary

- Q1 2021 financial results
- Continued execution of securitizations
- Investment portfolio and financing composition
- Strong housing fundamentals
- Share repurchase program
- Investment portfolio and asset based financing composition
- Acquisition of Lima One Holdings, LLC

MFA FINANCIAL, INC.

2021 first quarter financial results

- GAAP earnings of $0.17 per common share
  - Another strong contribution from whole loans accounted for at fair value: $49.8 million
    - Approximately $18 million reflects coupon interest and other cash income
  - $22.8 million of net reversal of provision for credit losses
- GAAP book value was $4.63 and Economic book value (EBV) was $5.09, increasing 2.0%, and 3.5% respectively from December 31, 2020
  - Repurchased 10.8 million shares at average price of $4.14, from March 1 through April 30, 2021 (average price of approximately 80% of EBV).
  - Continued price appreciation of carrying value loans (EBV)
- Economic return of 3.6% (GAAP) and 5.0% (economic book value)
- Leverage ratio of 1.6:1 as of 3/31/2021
- Paid $0.075 dividend to common shareholders on April 30, 2021

2021 first quarter financial results (continued)

- Interest expense declined to $30 million from $41 million in Q4 2020
  - 27% reduction in interest expense
  - Securitizations continue to materially reduce interest expense
  - Due to timing of 2021 securitizations, the impact on Q1 2021 was limited
- Net interest income again increased materially
  - Net interest income increased by $4 million, or 22% vs. Q4 2020, after excluding one-time interest income of $8 million from payoff of Non-Agency bond with very low amortized cost
  - Net interest income increased by over $13 million vs. Q3 2020 after excluding above bond payoff

Securitizations

- MFRA 2021-INV1 ($217 mil) closed February 4, 2021
  - MFA's first single family rental (SFR) securitization
  - $149 million AAA's sold at 0.83% yield
  - Bonds sold represent 91% of UPB with blended cost of debt of 1.06%
- MFRA 2021-NPL1 ($367 mil) closed March 25, 2021
  - Re-lever of MFRA 2018-NPL1 and MFRA 2018 NPL-2
  - $240 mil A1's sold at 2.375% yield
  - Blended cost of debt of 2.36% replaces blended cost of debt of 4.04%
- MFRA 2021 -NQM1 ($394 mil) closed April 13, 2021
  - $279 mil AAA's sold at 1.12% yield
  - Blended cost of debt sold of 1.37%

Strong housing fundamentals

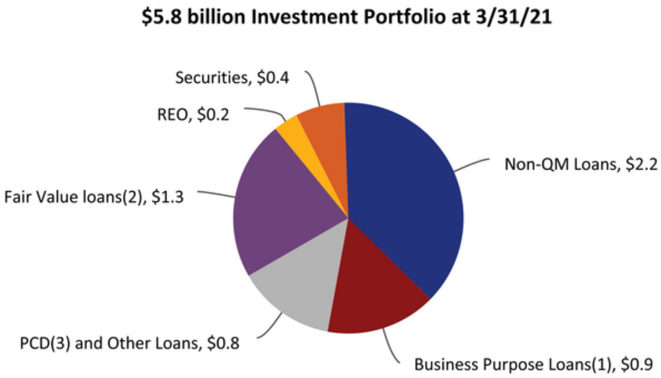
Housing fundamentals continue to support residential mortgage credit

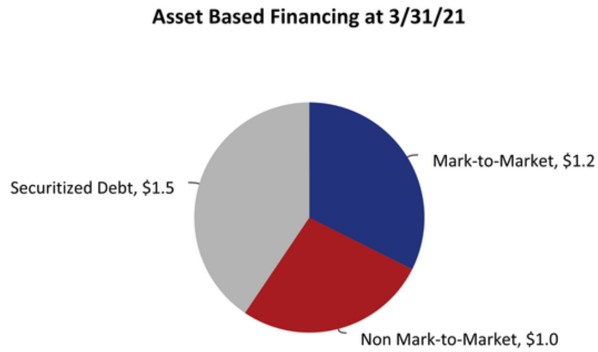
- Rising housing prices
  - According to Zillow, the typical US home price has increased by 10.6% in the last year.
- Low supply
  - Robust demand for single family residential housing
  - National housing supply at 2.1 months in March 2021 (National Association of Realtors)
- Impact on MFA Portfolio
  - Sold 177 REO properties in Q1, generating $50.6 million proceeds and $2.2 million in gains
  - Strong housing fundamentals lead to higher full payoffs of delinquent loans (at no loss) and lower loss severities on liquidated properties
  - We continue to offer loan modifications and repayment plans to borrowers impacted by COVID-19, to allow them to remain in their homes and restore their loans to performing status.

MFA share repurchase program

- MFA Board of Directors authorized $250 million share repurchase program in November 2020
- $50.7 million of common stock repurchases during Q4 2020
  - 14.1 million shares at an average price of $3.61 (including commissions)
- Adopted 10b5-1 plan in March 2021
  - 10b5-1 plan permits share repurchases during closed window periods
  - Share repurchases in March and April 2021 of 10.8 million shares at an average price of $4.14 (including commissions)

Investment portfolio and asset based financing composition





Amounts in the pie charts are in billions as of 3/31/21

- No significant changes in portfolio composition during the quarter:
  - 95% residential whole loans and REO at 3/31/21
  - $253 million of loan purchases in Q1
  - No sales of CRT securities or MSR-related assets
- At 3/31/21, 68% of our asset backed financing arrangements are on non mark-to-market terms.
- Total weighted average financing cost at 3/31/21 of 2.7% versus 3.1% at 12/31/20. Securitizations continue to lower borrowing costs with termed-out non-recourse and non-mark-to market debt.

(1) Business Purpose Loans comprise $0.5 billion of Rehabilitation Loans and $0.4 billion of Single Family Rental Loans at 3/31/21.
(2) The Fair Value option was elected on these loans at acquisition as they were more than 60 days delinquent. At 3/31/21, approximately 50% of this portfolio was less than 60 days delinquent.
(3) PCD or Purchased Credit Deteriorated loans were purchased at a discount (typically as re-performing loans) that reflected, at least in part, the prior credit performance of underlying borrower.

MFA FINANCIAL, INC.

Acquisition of Lima One Holdings, LLC

MFA has entered into a definitive agreement to acquire Lima One Holdings, LLC, (Lima One), a leading nationwide originator and servicer of Business Purpose Loans (BPLs).

- MFA purchased over $1 billion of BPLs from Lima One since 2017
- MFA has made several investments in Lima One since 2018 and currently owns a 43% common equity stake as well as a $22 million preferred stock investment
- Lima One forecasts to originate over $1.2 billion of BPLs in 2021, and we believe it has substantial growth potential
- Improved financing (including securitizations) and access to capital should enhance Lima One’s competitiveness in the BPL space
- Transaction secures a substantial and reliable source of high quality loan production for MFA and is expected to be accretive to MFA’s 2021 earnings

Higher earnings driven by portfolio performance and lower financing costs

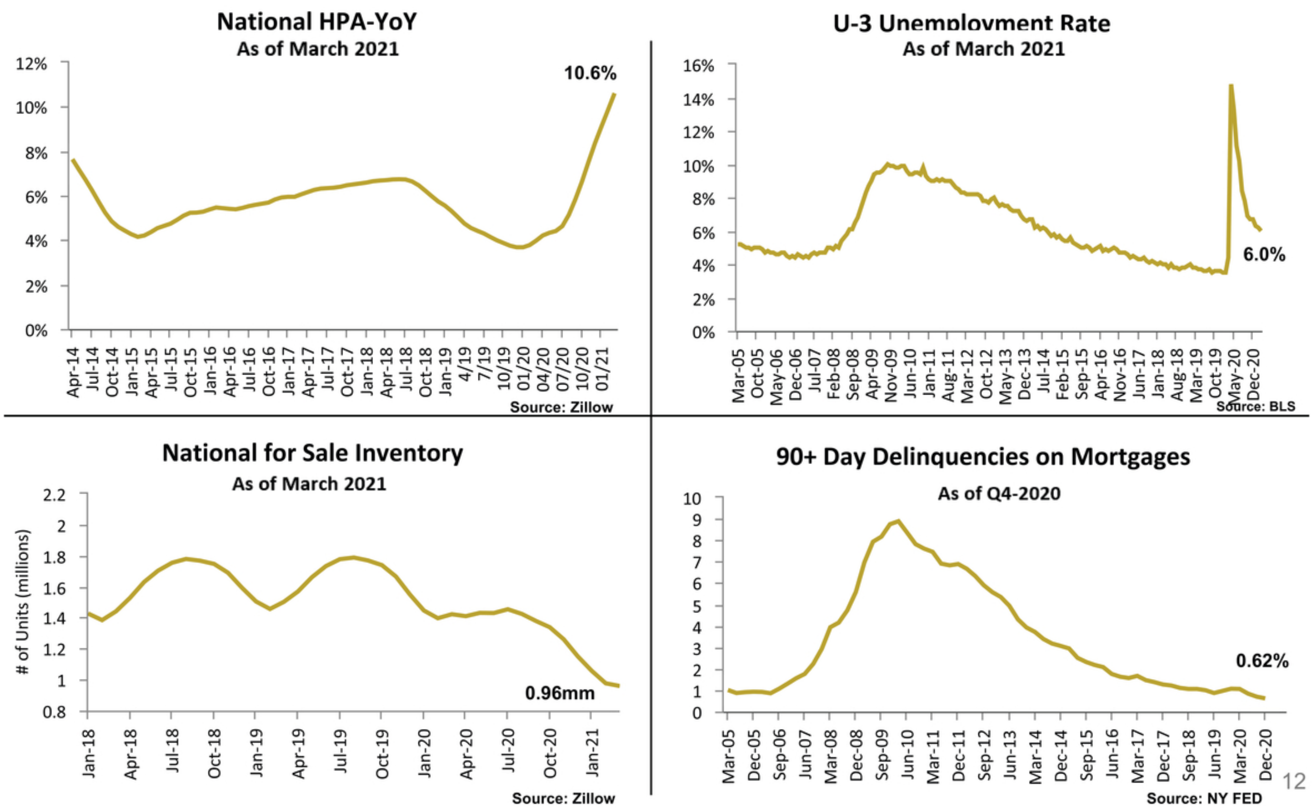
Summary Income Statement	Q1 2021 $ in mm	Q4 2020 $ in mm
Net Interest Income:		
Residential whole loans (RWL) [1]	$ 20.4	$ 22.6
Residential mortgage securities [2]	15.4	6.7
Apollo senior secured financing	—	(1.7)
Other interest earning assets and interest bearing liabilities	(4.0)	(8.2)
Net Interest Income	$ 31.8	$ 19.4
Net reversal of provision for credit losses - RWL	22.8	19.0
Provision for credit losses - other financial instruments	—	(3.3)
Net reversal of provision for credit losses	$ 22.8	$ 15.7
Other Income, net:		
Net gains on RWL measured at fair value	49.8	49.8
Unrealized gain/(loss) on remaining CRT securities held at fair value	0.1	2.9
Expenses recognized on repayment of Senior Secured Credit Agreement	—	(25.3)
Other miscellaneous net investment income	3.5	3.7
Other Income, net:	$ 53.4	$ 31.1
Operating and Other Expenses	(22.5)	(20.4)
Preferred dividends	(8.2)	(8.2)
Net Income Available to Common Shareholders	$ 77.3	$ 37.6
Earnings Per Common Share	$ 0.17	$ 0.08

(1) Includes interest expense on financing associated with all residential whole loans. Interest income received on residential whole loans held at fair value is reported in Other Income in Net gains on residential whole loans measured at fair value.
(2) Includes MBS, CRT securities and MSR-related assets.

Key items impacting results:

- Net interest income reflects:
  - 27% reduction in interest expense quarter over quarter
  - $8.1 million income associated with a Non-Agency bond redemption.
- Net reversal of credit loss reserves of $22.8 million, reflecting continued improvement in macro-economic assumptions and lower loan balances.
- Net gains on fair value loans of $49.8 million, reflecting $32.1 million of market value increases and $17.7 million cash income, consistent with prior quarter.
- Operating and other expenses more in line with expected quarterly run rate, but slightly elevated primarily due to higher than usual costs related to replacing warehouse financing with securitization.

Strong economic fundamentals support mortgage credit



Non-QM investments[1]

- Origination of Non-QM loans slowed down materially in the second quarter, but has begun to pickup once again with the stabilization of the securitization market
- We purchased over $200mm of Non-QM loans in Q1 2021
- We closed on a fourth securitization of our Non-QM loans on 4/13/2021
- Over 80% of our borrowing is funded with Non-MTM leverage
- We expect to continue to execute programmatic securitizations should market conditions warrant, materially lowering our cost of funds

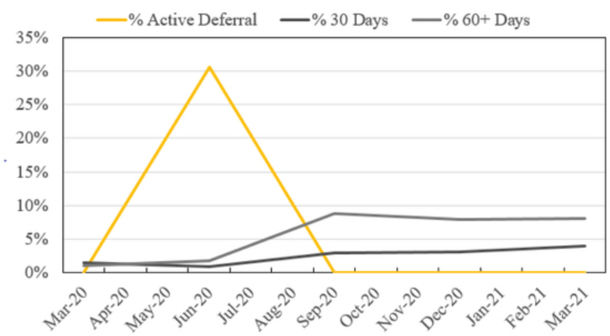
Non-QM Portfolio Statistics (3/31/21)	
WA LTV	**63.5%**
Total UPB (in millions)	**$2,289.76**
WA FICO	**713**
WA Coupon	**6.116%**
Avg Balance	**$420,758**
Hybrid ARM's	**67%**
Fixed Rate	**33%**
Current	**92.1%**
60+Days DQ	**7.9%**
3-Month CPR	**30%**
Top 2 States	
CA	**53%**
FL	**19%**

(1) Includes approximately $106 million Non-QM loans which are accounted for under the fair value option.

Non-QM COVID-19 pandemic impact

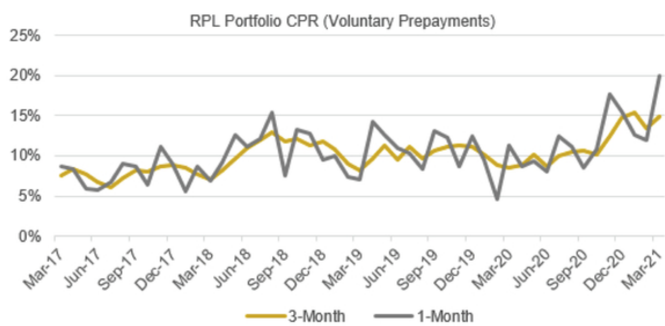
- A material percentage of our Non-QM loans have been impacted by the pandemic
- Many of our borrowers are self-employed and run small businesses
- We executed forbearance/deferral plans for 28.9% of the Non-QM portfolio as of 3/31/2021
- The majority of loans exiting forbearance plans have continued to perform by making the next contractual payment

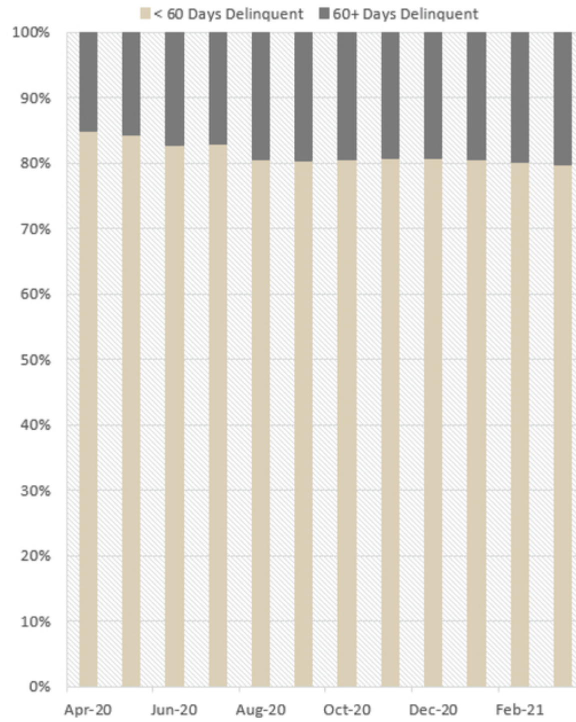
	Mar-20	June - 20	Sep-20	Dec-20	Mar-21
Loan Count	7,670	5,947	5,656	5,405	5,442
Total UPB ($ millions)	3,424.6	2,501.5	2,397.2	2,294.1	2,289.8
% Current	97.5 %	97.2 %	88.2 %	89.0 %	88.0 %
% 30 Days	1.4 %	1.0 %	3.0 %	3.1 %	4.1 %
% 60+ Days	1.1 %	1.8 %	8.8 %	7.9 %	7.9 %
LTV	65.8	63.6	63.6	63.8	63.5
% COVID-19 Impact	— %	31.5 %	32.0 %	31.5 %	28.9 %
% Active Deferral	— %	30.6 %	0.1 %	— %	— %
% Active Forbearance	— %	0.6 %	2.2 %	2.8 %	0.1 %



RPL portfolio delinquency characteristics as of 3/31/2021

- 80% of our RPL portfolio is less than 60 days delinquent as of March 31, 2021.
- On average, 25% of the 60+ days delinquent loans are making payments.
- Prepay speeds have historically maintained between 6% and 16%, with an uptick in the last few months.
- 31% of the RPL portfolio has been granted forbearance plans related to the COVID pandemic.
  - Although borrowers have received forbearance plans, many continue to make payments and are contractually current.





Performance of Non-Performing[1] loans purchased before 3/31/20

	Acquisition Year						
	2014	2015	2016	2017	2018	2019	Total
Loan Count	743	2,353	1,007	3,124	1,848	1,264	10,339
UPB Purchased (in millions)	161.3	619.6	280.2	704.7	497.3	227.3	2,490.4
Status 3/31/2021							
Performing[2]/PIF	37 %	28 %	29 %	40 %	50 %	38 %	37 %
Liquidation/REO	54 %	58 %	61 %	41 %	31 %	31 %	46 %
Non-Performing	9 %	14 %	10 %	19 %	19 %	31 %	17 %
Total	100 %	100 %	100 %	100 %	100 %	100 %	100 %

- Through diligent asset management, we continue to improve outcomes for our NPL portfolio by returning loans to performing or paid-in-full status, and through other forms of resolution.
- 46% of our NPL portfolio has liquidated or reverted to REO. In addition, we have accelerated our sales of REO, selling 52% more properties over the 12 months ended 3/31/2021 versus the 12 months ended 3/31/2020.

- Measured by UPB at purchase, 37% (or approximately 4,200) of loans that were non-performing at purchase are either performing or have paid in full as of March 2021.
- 75% of MFA modified loans are either performing today or have paid in full.

[1]Non-Performing at purchase defined as greater than or equal to 60 days delinquent
[2]Performing as of 3/31/2021 defined as less than 60 days delinquent or made a full P&I payment in March 2021

Business purpose loans – Rehabilitation loans

- The Fix and Flip portfolio continued to experience elevated paydowns in the first quarter, declining $117 million to $464 million at March 31, 2021.
  - $144 million of principal payments
  - $12 million in rehab draws
  - $5 million was converted to REO
  - $20 million of new investments
- We purchased $20 million ($33 million max loan amount) in the first quarter and have committed to purchase over $30 million (over $45 million max loan amount) so far in the second quarter. With the acquisition of Lima One, we expect purchase volume to pick up meaningfully going forward.
- Average yield of 4.93% in the first quarter.
- All of our Fix and Flip financing is non-mark-to-market.
- 60+ day delinquency decreased from $162 million in the fourth quarter to $149 million in the first quarter.
- Primarily due to a strong housing market and improving economic conditions, loan loss reserves on the Fix and Flip portfolio declined $4.7 million to $13.7 mm at the end of the first quarter.

Portfolio Statistics (3/31/21)	
UPB (in millions)	$464
Undrawn commitments	$54 mm
WA ARV-LTV*	64 %
WA As-Is/Purch. LTV**	69 %
WA FICO	719
WA Loan Age (months)	20
WA Passthrough Rate	7.23 %
3 mth Repayment Rate	69 %
Current and 30 Days DQ	68 %
60+ Days DQ	32 %

* WA ARV-LTV: Weighted average after repair loan to value at origination
**WA As-Is/Purch. LTV: Weighted average As-Is value or purchase value (when available) at origination

Business purpose loans – Rehabilitation loans (cont.)

- Portfolio delinquency
  - 60+ day DQ UPB decreased $13 million to $149 million at the end of the quarter.
    - $18 million paid off in full.
    - $5 million cured to Current/30 day DQ.
    - $5 million went to REO.
    - $15 million became new 60+ day delinquent.
  - 60+ day DQ as a % of UPB increased 4% to 32% at the end of the quarter.
  - Approximately 13% of 60+ day delinquent loans are listed for sale and half of 60+ day delinquent loans are completed projects or loans where no/limited work was expected to be done.
  - When loans pay off in full out of 60+ we often collect default interest, extension fees and other fees at pay-off.

60+ Day DQ Loan Statistics (3/31/21)	
UPB (in million)	$149
Undrawn commitments	$8
WA ARV-LTV*	65 %
WA As-Is/Purch. LTV**	71 %
WA FICO	713
WA Loan Age (months)	24
WA Passthrough Rate	7.62 %
60 day DQ	3 %
90 day DQ	1 %
120+ day DQ	28 %

- Loss mitigating factors
  - Highly experienced asset management team.
  - Term non-mark-to-market financing of portfolio gives us time to carefully manage delinquent assets.
  - Default interest, extension fees and other fees. Approximately $3.7 million collected since inception.
  - MFA has outstanding repurchase claims on $3 million of seriously delinquent loans.
  - Fiscal and monetary stimulus continue to support housing, reducing expected losses.
  - Low mortgage rates and resilient home sales support property values. Annual national HPA in excess of 10%.
  - Short term push to suburban housing due to COVID-19.

* WA ARV-LTV: Weighted average after repair loan to value at origination
**WA As-Is/Purch. LTV: Weighted average As-Is value or purchase value (when available) at origination

Business purpose loans – Single Family Rental Loans

- The SFR portfolio performed well through the COVID-19 pandemic and continued to exhibit strong performance in the first quarter.
  - First quarter yield: 5.61% (including prepay penalties collected first quarter yield is 6.33%).
  - 60+ day delinquency rate increased 0.2% to 5.8%.
  - Prepayment rates stabilized in the quarter. First quarter 3mth CPR was 12%.
- We purchased $20 million in the first quarter. Purchase activity has picked up in the second quarter with over $35mm committed to purchase so far in Q2. With the acquisition of Lima One, we expect purchase activity to increase substantially going forward.
- We closed on our first securitization of Business Purpose Rental Loans in the first quarter.
  - $217.5 million of loans were securitized.
  - Bonds sold represent 91% of loan UPB.
  - Weighted average coupon of bonds sold was 1.06%.
- 75% of SFR financing was non mark-to-market at the end of the first quarter.

SFR Portfolio Statistics (3/31/21)	
UPB (in millions)	$447
WA LTV	70 %
WA FICO	730
WA DSCR*	1.48x
WA Coupon	6.64 %
WA Loan Age (months)	21
5/1 Hybrid Loans	54 %
1st Quarter Yield	5.61 %
3 mth Prepayment Rate (CPR)	12 %
DQ 60+	5.8 %

*WA DSCR: Weighted average debt service coverage ratio

Summary

- First quarter 2021 results and book value growth primarily reflect continued strength in mortgage asset values and lower CECL credit reserves.
- Successful execution of securitization transactions has generated substantial liquidity and positively impacted our cost of funds. Securitized debt has the added benefit of being non-recourse term financing without mark-to-market collateral maintenance.
- Acquisition of Lima One is a transformative event that we believe will enhance our ability to purchase and service high quality business purpose loans and be accretive to earnings.
- Strong housing and economic fundamentals have positive implications for mortgage credit and the performance of our portfolio.
- Share repurchase program instituted in Q4 2020 has led to repurchase of nearly 25 million shares at levels accretive to book value and earnings.

Additional Information

Reconciliation of GAAP book value to Economic book value

"Economic book value" is a non-GAAP financial measure of our financial position. To calculate our Economic book value, our portfolios of Residential whole loans at carrying value are adjusted to their fair value, rather than the carrying value that is required to be reported under the GAAP accounting model applied to these loans. This adjustment is also reflected in our end of period stockholders' equity in the table below. Management considers that Economic book value provides investors with a useful supplemental measure to evaluate our financial position as it reflects the impact of fair value changes for all of our residential mortgage assets, irrespective of the accounting model applied for GAAP reporting purposes. Economic book value does not represent and should not be considered as a substitute for Stockholders' Equity, as determined in accordance with GAAP, and our calculation of this measure may not be comparable to similarly titled measures reported by other companies.

The following table provides a reconciliation of GAAP book value per common share to our non-GAAP Economic book value per common share as of the end of each quarter since Q1 2020.

(In Millions, Except Per Share Amounts)	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20
GAAP Total Stockholders' Equity	$ 2,542.3	$ 2,524.8	$ 2,565.7	$ 2,521.1	$ 2,440.7
Preferred Stock, liquidation preference	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)
GAAP Stockholders' Equity for book value per common share	**$ 2,067.3**	**$ 2,049.8**	**$ 2,090.7**	**$ 2,046.1**	**$ 1,965.7**
Adjustments:					
Fair value adjustment to Residential whole loans, at carrying value	203.0	173.9	141.1	(25.3)	(113.5)
Stockholders' Equity including fair value adjustment to Residential whole loans, at carrying value (Economic book value)	**$ 2,270.3**	**$ 2,223.7**	**$ 2,231.8**	**$ 2,020.8**	**$ 1,852.2**
GAAP book value per common share	$ 4.63	$ 4.54	$ 4.61	$ 4.51	$ 4.34
Economic book value per common share	**$ 5.09**	**$ 4.92**	**$ 4.92**	**$ 4.46**	**$ 4.09**
Number of shares of common stock outstanding	446.1	451.7	453.3	453.2	453.1

Book value increased reflecting strong mortgage asset performance during the quarter

	GAAP	Economic
Book value per common share as of 12/31/20	$4.54	$4.92
Net income available to common shareholders	0.17	0.17
Common stock dividends declared[(1)]	(0.08)	(0.08)
Fair value changes attributable to residential mortgage securities and MSR term notes	(0.01)	(0.01)
Impact of share repurchases	0.01	0.01
Change in fair value of residential whole loans reported at carrying value under GAAP	—	0.08
Book value per common share as of 3/31/21	**$4.63**	**$5.09**

(1) Common stock dividends declared during Q4 2020 and Q1 2021 were $0.075 per share, which rounds to $0.08 for purposes of this presentation.

Allowance for credit losses - Loans held at carrying value

(Amounts In Thousands)	Three Months Ended March 31, 2021 Non-QM Loans	Rehabilitation Loans [1]	Single-family Rental Loans	Seasoned Performing Loans	Purchased Credit Deteriorated Loans	Totals
Allowance for credit losses at beginning of period	$21,068	$18,371	$3,918	$107	$43,369	$86,833
Current period provision	(6,523)	(3,700)	(1,172)	(41)	(10,936)	(22,372)
Write-offs	—	(1,003)	—	—	(214)	(1,217)
Allowance for credit losses at end of period	**$14,545**	**$13,668**	**$2,746**	**$66**	**$32,219**	**$63,244**
Implied loss rate as a percentage of UPB	67 bps	294 bps	61 bps	5 bps	429 bps	159 bps

(1) In connection with purchased Rehabilitation loans, the Company had unfunded commitments of $54.4 million, with a separately recorded liability for expected losses of $0.8 million.

- Allowance for credit losses for residential whole loans held at carrying value decreased during the quarter by $23.6 million, primarily due to adjustments to macro-economic assumptions used in our cash flow forecasts and lower loan balances.
- Changes in credit loss allowances are recorded in periodic GAAP earnings.
- Ongoing CECL accounting does not impact calculation of Economic book value.

Exhibit 99.3

MFA
FINANCIAL, INC.
One Vanderbilt Avenue
48th Floor
New York, New York 10017

PRESS RELEASE **FOR IMMEDIATE RELEASE**

May 6, 2021 **NEW YORK METRO**

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MFA Financial, Inc. Announces Agreement to Acquire Lima One Capital,
Accelerating MFA's Business Purpose Lending Investment Strategy

NEW YORK - MFA Financial, Inc. (NYSE:MFA) announced today that it has entered into a definitive agreement to acquire substantially all of the remaining ownership interests it did not previously own in Lima One Holdings, LLC (together with its operating subsidiary Lima One Capital, LLC and other affiliates, "Lima One"), a leading nationwide originator and servicer of business purpose loans ("BPLs") for residential real estate investors, from affiliates of Magnetar Capital ("the Sellers").

The acquisition includes Lima One's operating platform and $1.1 billion servicing portfolio as well as approximately $200 million of related financial assets. The acquisition and consolidation of Lima One's platform onto MFA's balance sheet is the culmination of a multi-year partnership between MFA and Lima One that is expected to accelerate MFA's BPL investment strategy by bringing together its investment and capital markets expertise with Lima One's origination and servicing capabilities. MFA acquired a strategic minority ownership interest in Lima One in 2018 and has been an active buyer of its BPLs since 2017. MFA expects that Lima One's executive leadership team will continue to remain with the business following the completion of the transaction and Lima One's operating platform will remain in Greenville, SC.

Founded in 2011, Lima One is a leading nationwide originator and servicer of BPLs. Lima One serves the dynamic financing needs of real estate investors through a diverse product offering, including fix-and-flip and new construction loans, single and portfolio rental property loans, and stabilized and value-add multifamily property loans. Since inception, Lima One has funded over $3 billion in loans across its product suite.

Commenting on the transaction, Craig Knutson, Chief Executive Officer and President of MFA, stated, “We are pleased to acquire the Lima One platform and to welcome the entire Lima One team to MFA. Our partnership with Lima One has been a core element of launching and growing our BPL investment strategy and completion of this transaction will significantly enhance our combined presence and ability to deploy capital into the BPL sector.”

Commenting on behalf of Lima One, Chief Executive Officer Jeff Tennyson remarked, “When I joined Lima One in 2018, identifying additional capital providers was crucial to growing our business and we were fortunate to have MFA move from a whole loan buyer to a true strategic partner that same year. Our team has built a best-in-class platform with a strong culture and brand, and we are excited to take this partnership to the next level by fully combining our respective capabilities. Demand for all of our products has never been greater and joining MFA will expand our ability to compete and be the first call for real estate investors.”

Gudmundur Kristjansson, MFA’s Co-Chief Investment Officer, added, “Business purpose lending is one of the most attractive investment opportunities we see within residential credit, but these high quality, high yielding credit assets are difficult to originate on a primary basis and difficult to source on a secondary basis. Through this transaction, we believe we are creating a truly differentiated partnership in which MFA will have reliable access to over $1 billion of these assets annually and Lima One will have reliable access to the capital necessary to serve its customers and grow well beyond $1 billion in annual volume.”

Under the terms of the agreement, MFA will acquire all of the Sellers’ ownership interests in Lima One using cash on hand. The transaction is expected to close in the third quarter of 2021, subject to the satisfaction of customary closing conditions, including the receipt of applicable governmental approvals and third-party consents. Upon closing, Lima One will become a subsidiary of MFA and its operations will be reflected in MFA’s consolidated financial statements.

Piper Sandler & Co. served as exclusive financial advisor to Lima One in connection with the transaction.

About MFA

MFA Financial, Inc. (NYSE: MFA) is a real estate investment trust primarily engaged in the business of investing, on a leveraged basis, in residential mortgage assets, including residential whole loans and residential mortgage-backed securities. For more information, please visit www.mfafinancial.com.

About Lima One

Lima One Capital, LLC is a leading nationwide originator and servicer of business purpose loans for real estate investors and has funded over $3 billion in loans since its founding in 2011. For more information, please visit www.limaone.com.

Cautionary Language Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements related to MFA's agreement to acquire ownership of Lima One Holdings, LLC, the expected timing for the transaction to close, and MFA's anticipated benefits from the transaction, including its belief that the business-purpose lending sector of residential mortgage credit offers substantial opportunities for MFA. Forward-looking statements involve numerous risks and uncertainties. MFA's actual results may differ from its beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "believe," and similar expressions or their negative forms, or by references to strategy, plans, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in our Annual Report on Form 10-K for the year ended December 31, 2020 under the caption "Risk Factors." Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the Securities and Exchange Commission, including reports on Forms 10-Q and 8-K. MFA undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Category: Lima One

MFA

FINANCIAL, INC.

Strategic Acquisition of Lima One Capital to Accelerate BPL Investment Strategy

Investor Presentation

May 6, 2021

Cautionary language regarding forward-looking statements

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements related to MFA's agreement to acquire substantially all of the ownership interests of Lima One Holdings, LLC not already owned by MFA, including the ability to obtain all required approvals and consummate the transactions on a timely basis, Lima One's future performance, including its ability to grow, and statements regarding Lima One's impact on the MFA's business and future performance. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "believe," "intend," "plan" and similar expressions or their negative forms, or by references to strategy, plans or intentions. MFA's actual results may differ materially from its beliefs, expectations, estimates and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements involve numerous risks and uncertainties, including, but not limited to, risks relating to the transaction, including in respect of the satisfaction of closing conditions and the timing thereof; difficulties in obtaining governmental and other third party consents in connection with the transaction; unexpected challenges related to the integration of Lima One's businesses and operations; unanticipated expenditures relating to or liabilities arising from the transaction or the acquired business; the impact of the transaction on relationships with, and potential difficulties retaining, employees, customers and other third parties; the inability to obtain, or delays in obtaining, expected benefits from the transaction; and changes in general economic and/or industry specific conditions. Other risks, uncertainties and factors that could cause actual results to differ materially from those projected are described in MFA's Annual Report on Form 10-K for the year ended December 31, 2020, under the caption "Risk Factors" and in other reports that MFA files with the Securities and Exchange Commission. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect MFA. MFA undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Transaction Summary

- On May 5, 2021, MFA entered into a definitive agreement to acquire substantially all of the remaining ownership interests in Lima One Holdings, LLC (together with Lima One Capital, LLC and other affiliates, "Lima One") that it did not previously own
- Lima One is a leading nationwide originator and servicer of business purpose loans (BPLs) with a long relationship with MFA, which acquired a strategic minority interest in Lima One in 2018 and has been an active buyer of its loans since 2017
- Further enhances MFA's positioning as a committed, long-term capital partner to the BPL sector, which continues to benefit from improvement needs in the aging U.S. housing stock and secular growth trends behind single family rental
- Transaction includes the acquisition of Lima One's operating platform and $1.1 billion servicing portfolio as well as approximately $200 million of related financial assets
- MFA plans to fund the transaction with cash on hand and the transaction is expected to close in Q3 2021 and to be accretive to GAAP earnings per share and return on equity in 2021 and future years

Transaction Rationale

✓ Leading Business Purpose Lending Franchise
Lima One is a nationwide origination and servicing platform with >$3B of cumulative originations and outstanding product diversity and service, which drives borrower satisfaction and loyalty

✓ Strategic Combination
Pairs MFA's BPL aggregation and capital markets platform with Lima One's origination and servicing capabilities – MFA has an established track record of financing assets acquired from Lima One

✓ Attractive Value Proposition
Ability to consistently and captively generate >$1B of BPLs at cost annually – these high quality, high yielding assets are difficult to originate and hard to consistently source in the secondary market

✓ Compelling Market Backdrop
Strong demand driven by fragmented financing markets, an aging single family and multifamily housing stock, and other long-term secular tailwinds behind single family rental

✓ Risk Management Benefits
Lima One's in-house servicing capability provides a credit enhancement for MFA across both Lima One production and assets acquired from other lenders on a flow basis

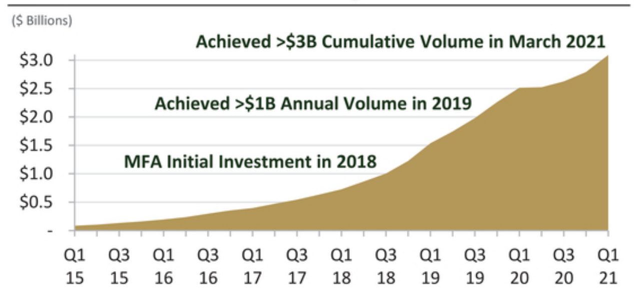
✓ Accretive Transaction
Funded with cash on hand and expected to be accretive to 2021 GAAP earnings per share and return on equity

Lima One is a Leading Business Purpose Lending Franchise

Lima One is a leading nationwide originator and servicer of business purpose loans with over $3 billion of cumulative volume since inception and a strong reputation with borrowers and institutional loan buyers

- Founded in 2011 and headquartered in Greenville, SC
  - Recognized as one of South Carolina's Top Places to Work and Inc. Magazine's 5000 fastest growing companies in America
- Led by an experienced senior management team with decades of residential mortgage and BPL experience
  - CEO Jeff Tennyson and Lima One Executive Leadership Team to join MFA
- 190 FTEs, primarily in Greenville but supporting an established lending presence across 44 states and D.C.
  - Strong core Southeast and Mid-Atlantic presence (approximately 50% of production) complemented by diverse national lending capability
- All loans underwritten and serviced in-house, including a construction management team
  - Fully-integrated and scalable loan origination and servicing suite, allowing single continuous workflow from loan application to loan payoff
  - Servicer on institutionally-rated securitizations

Cumulative Originations



Product Offering

FixNFlip	13-month loans [1] to purchase and renovate or construct single family residences for resale or to hold as rental investments (Fix2Rent)
Rental	5-, 10- and 30-year loan structures to purchase or refinance single family rentals, including single property and portfolio solutions
Multifamily	24- to 36-month [1] loans to purchase or refinance small multifamily properties, including stabilized bridge and value-add renovation

(1) Reflects standard initial loan terms offered to borrowers.

Strategic Acquisition Creates Differentiated Platform

Culmination of a multiyear partnership that combines a leading capital provider with a leading origination and servicing franchise in the highly attractive business purpose lending sector

MFA FINANCIAL, INC. | LIMA ONE CAPITAL

Leading BPL Capital Provider		+	Leading BPL Originator and Servicer	
$2.5 Billion Cumulative Business Purpose Loans Acquired Since 2017	**$0.9 Billion** Active Business Purpose Loan Investments (UPB)		**>$3 Billion** Cumulative Business Purpose Loans Originated	**$1.1 Billion** Active Business Purpose Loan Servicing Portfolio (UPB)

- ✓ Provides MFA reliable, proprietary access to high quality, high yielding credit assets that are not easily sourced in the marketplace as the BPL sector becomes increasingly institutionalized
- ✓ Provides Lima One permanent capital and scale to leverage its origination and servicing franchise to serve its borrowers and access more efficient financing channels

Note: Data as of March 31, 2021.

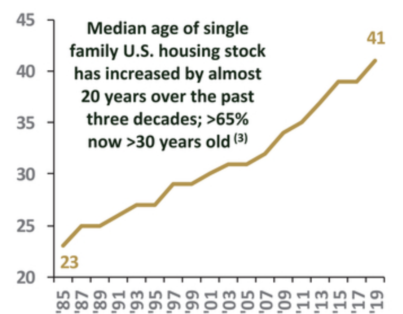
Compelling Market Backdrop With Large, Durable Opportunity

Business purpose lending includes a wide but interconnected array of borrower and collateral types across three primary segments: fix-and-flip / construction, transitional multifamily and single family rental

Fix-and-Flip / Construction

- Highly predictable market that consistently represents 5-7% of total home sales in the U.S. (1)
- Long-term tailwinds driven by an aging housing stock, attractive borrower returns, and demand for renovated or new properties

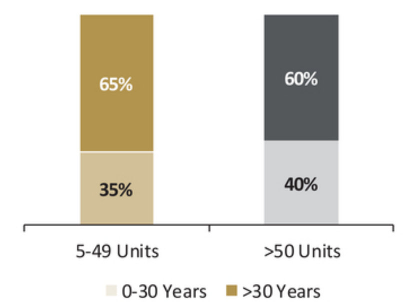
Age of Single Family Housing (2)



Transitional Multifamily

- Aging housing stock provides opportunity to transition smaller multifamily properties
- Over 10 million or 65% of small property units are in structures built more than 30 years ago, many of which are ripe for infill projects (3)

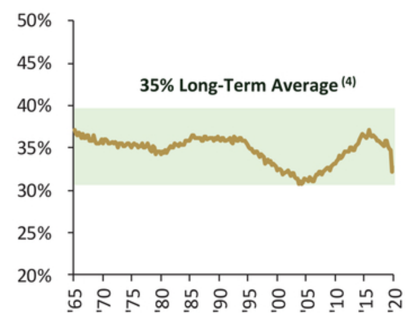
Age of Multifamily Housing (3)



Single Family Rental

- Since 1965, approximately 35% of the $25+ trillion U.S. housing stock has been consistently rented (4)
- Underlying demand trend buoyed by fragmented property ownership (<10% institutional) and financing (>50% cash purchases) (4)

U.S. Rentership Rate (4)



(1) Source: ATTOM Data Solutions.
(2) Median Age in Years. Source: U.S. Census Bureau.
(3) Age in Years. Source: U.S. Census Bureau.
(4) Source: John Burns Real Estate Consulting, Velocity Financial S-1, U.S. Census Bureau.

Strong Risk Management Via High Quality Origination and Servicing

Lima One is one of a limited number of $1+ billion annual BPL originators and has a strong track record of producing high quality assets and providing high quality servicing to institutional loan buyers

Granular Assets + **Superior Yields** + **Low LTVs**

$250,000
Average Loan Size

8.7%
Annualized Gross Yield (1)

67%
LTAIV / LTARV (2)

Diverse Assets + **Repeat Borrowers** + **Strong Borrowers**

<25%
Volume from Top 50 Borrowers

>50%
Units / Volume from Repeat Borrowers

723
Borrower FICO Score

Direct Origination + **Diverse Products** + **National Presence**

>75%
Units / Volume Originated Directly

6+
Discrete Loan Product Programs

44 States + D.C.
Active Lending Presence

=

>$3 Billion
Cumulative Originations

80bps
Cumulative Loss Rate (3)

$1.1 Billion
Servicing Portfolio With
<6.5%
Delinquency (3)

(1) Borrower rate (APR), plus annualized origination fees paid to Lima One.
(2) Loan-to-as is value (LTAIV) for Rental and Stabilized Multifamily. Loan-to-after repair value (LTARV) for FixNFlip and Value Add Multifamily.
(3) As of March 31, 2021. Cumulative loss rate based on all loans originated from January 1, 2017, through March 31, 2021. Delinquency rate reflects loans 90+ days past due.
Note: Production statistics reflect weighted-averages based on loan amount for all loans originated from January 1, 2018, through March 31, 2021.

Lima One's Comprehensive Product Offering

Lima One is unique in its ability to develop and offer a comprehensive product suite that serves the diverse and dynamic financing needs of real estate investors, resulting in a strong reputation with borrowers

FixNFlip Loan Programs

FixNFlip
- For the investor looking to purchase and renovate a single family residence for resale or rent

New Construction
- For the experienced investor looking to build a new single family residence for resale or rent

Rental Loan Programs

Rental (Single Property)
- For the investor looking to purchase or refinance a single SFR property or small portfolio of SFR properties

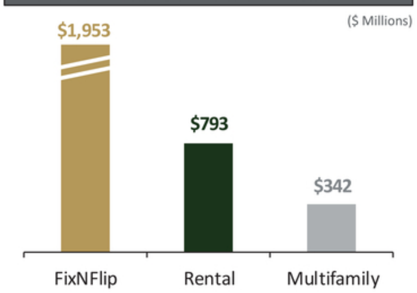
Rental Premier (Portfolio)
- For the institutional investor looking to consolidate their SFR portfolio (average: approx. 20 properties)

Multifamily Loan Programs

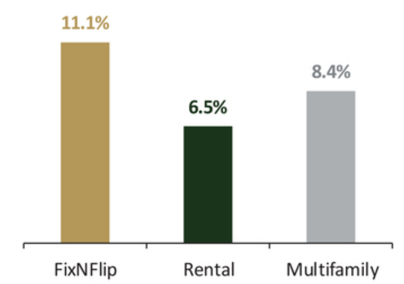
Value Add
- For the investor looking to purchase and renovate a transitional multifamily property

Stabilized Bridge
- For the investor looking to purchase or refinance a stabilized, cash flowing multifamily property

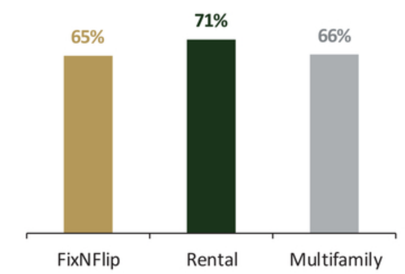
Cumulative Volume by Product (1)



Gross Yield by Product (2)



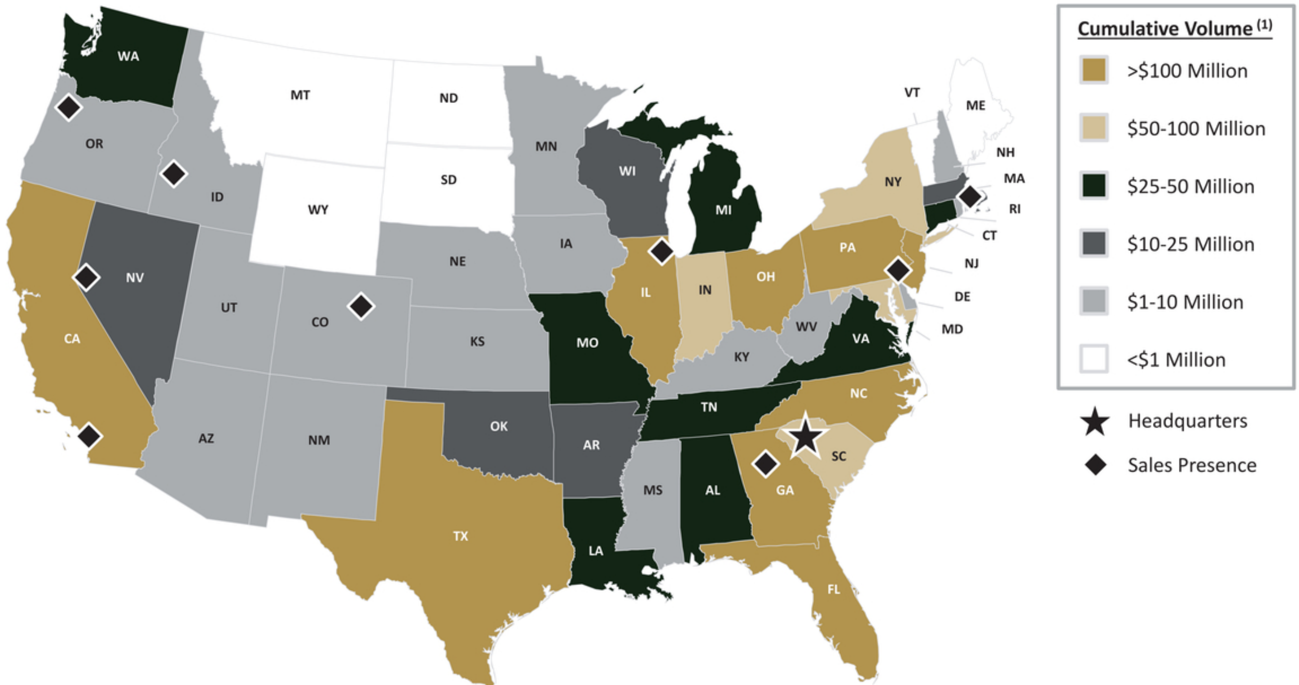
LTV by Product (3)



(1) As of March 31, 2021.
(2) Borrower rate (APR), plus annualized origination fees paid to Lima One.
(3) Loan-to-as is value (LTAIV) for Rental and Stabilized Multifamily. Loan-to-after repair value (LTARV) for FixNFlip and Value Add Multifamily.
Note: Yield and LTV statistics reflect weighted-averages based on loan amount for all loans originated from January 1, 2018, through March 31, 2021.

Lima One's Diverse Origination Footprint

Strong core Southeast and Mid-Atlantic presence complemented by national lending capability, with over 75% of production sourced directly and over 50% of production from repeat borrowers



(1) Based on all loans originated from January 1, 2018, through March 31, 2021.
Note: Map excludes AK (no volume) and HI ($2.3 million volume over this period).