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): February 23, 2022

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

¨ 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 February 23, 2022, announcing its financial results for the quarter ended December 31, 2021, which is attached hereto as Exhibit 99.1 and is incorporated herein by reference. In addition, in conjunction with the announcement of its financial results, MFA issued additional information relating to its 2021 fourth quarter financial results. Such additional information is attached to this report as Exhibit 99.2 and is incorporated herein by reference.

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

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

Exhibit

99.1	Press Release, dated February 23, 2022, announcing MFA’s financial results for the quarter ended December 31, 2021.
99.2	Additional information relating to the financial results of MFA for the quarter ended December 31, 2021.
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: February 23, 2022

EXHIBIT INDEX

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

Exhibit 99.1

MFA
FINANCIAL, INC.

One Vanderbilt Ave
New York, New York 10017

PRESS RELEASE **FOR IMMEDIATE RELEASE**

February 23, 2022 **NEW YORK METRO**

INVESTOR CONTACT:	**InvestorRelations@mfafinancial.com** **212-207-6488** **www.mfafinancial.com**	**NYSE: MFA**
MEDIA CONTACT:	**Abernathy MacGregor** **Tom Johnson** **212-371-5999**	

MFA Financial, Inc. Announces Fourth Quarter 2021 Financial Results

Continued success in acquiring assets drives higher net interest income

Relative book value stability - Earnings of $0.08 per common share

Second consecutive record quarter for originations at Lima One

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

Fourth Quarter 2021 financial results update:

- MFA generated fourth quarter net income of $35.9 million, or $0.08 per common share.

- GAAP book value at December 31, 2021 was $4.78 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 and securitized debt held at carrying value for GAAP reporting, was $5.15 per common share at quarter-end.

- Net interest income increased on a sequential quarterly basis to $70.1 million, primarily driven by continued successful asset acquisitions and another record quarter for origination volumes at Lima One, resulting in a 13% increase in net interest income. In addition, during the quarter, we completed a securitization of $284.2 million of Single-Family Rental Loans, with a weighted average coupon of bonds sold of 2.15%, providing $103.1 million additional liquidity and longer term, non-recourse, non-mark-to-market financing. We also completed two securitizations of Agency Eligible Single-Family Rental loans totaling $652.9 million during the quarter. For the fourth quarter, the overall net interest spread generated by all of our interest-bearing assets was 2.98%, unchanged from the prior quarter.

- Loan acquisition activity of $1.4 billion reflects continued successful execution of our asset aggregation strategy, resulting in net portfolio growth for the quarter approaching $800 million. During the quarter we acquired, or committed to acquire, approximately $950 million of Non-QM loans. At Lima One, funded originations were more than $450 million (over $600 million maximum loan amount inclusive of undrawn amounts), reflecting record volumes for the second consecutive quarter. In addition, draws funded during the quarter on Rehabilitation loans were $45.7 million. For the full year, MFA acquired approximately $4.6 billion in residential whole loans (including draws on Rehabilitation loans), resulting in net portfolio growth of $2.6 billion.

- Interest rate volatility resulted in market value decreases in our residential whole loans that are measured at fair value through earnings of $42.6 million. These unrealized losses reflect a partial reversal of unrealized gains recorded in earlier quarters of 2021. On a full year basis we recorded unrealized gains on these loans of $16.2 million.

- Unrealized losses on residential whole loans were partially offset by a gain of approximately $24.0 million on a minority investment held in a residential whole loan origination company. This gain reflects an adjustment of the carrying value of our minority stake and includes the partial reversal of an impairment that was initially recorded in March of 2020. The adjustment was required after the investee company entered into a capital transaction with an unrelated third party. In addition, offsetting gains totaling $7.2 million were also recorded on economic hedge positions in short TBAs, interest rate swaps and securitized debt held at fair value through earnings.

- MFA paid a regular cash dividend for the fourth quarter of $0.11 per share of common stock on January 31, 2022. During the quarter, under our existing stock repurchase authorization we repurchased 8.5 million shares of common stock at an average price of $4.42 per share. Subsequent to the end of the quarter through February 18, 2022, we repurchased an additional 7.9 million shares of common stock at an average price of $4.43, leaving approximately $45.5 million of remaining capacity under the authorization as of such date.

Commenting on the fourth quarter 2021 and full year 2021 results, Craig Knutson, MFA's CEO and President said, "We continued to execute on our plan to grow our loan portfolio and term out financing through securitization in the fourth quarter of 2021. We acquired $1.4 billion of loans in the fourth quarter and grew our loan portfolio by nearly $800 million. In addition, we completed three securitizations totaling $937 million. For the full year 2021, we grew our loan portfolio by over $2.6 billion, or 48.6%, and completed eight securitizations totaling $2.6 billion. The acquisition of Lima One on July 1, 2021 generated almost immediate results as we added $1.0 billion of business purpose loans in the second half of the year. Our net interest income for the fourth quarter was $70.1 million, a 13% increase from the third quarter, and an 83% increase from the fourth quarter of 2020. We earned $0.08 per common share in the fourth quarter. Earnings were negatively impacted by market value decreases in our loan portfolio held at fair value, as the Fed signaled a sharp shift in monetary policy early in the fourth quarter resulting in negative investor sentiment and increased interest rate volatility. Short rates, in particular, moved sharply higher and the yield curve flattened. Our GAAP book value declined slightly (less than 1%) to $4.78 from $4.82, and our Economic book value declined 2% to $5.15 from $5.25, due primarily to declines in prices of loans held at carrying value."

Mr. Knutson added, "Despite a challenging interest rate environment in the fourth quarter, MFA generated a GAAP economic return for the quarter of 1.5%, while our Economic book value economic return was 0.2%. For the full year 2021, MFA's GAAP economic return was 13.8% and Economic book value economic return was 12.7%. Finally, our total shareholder return for 2021 was 27.6%. We repurchased 8.5 million shares of our common stock at an average price of $4.42 during the fourth quarter. For the year 2021, we repurchased 20.1 million shares of our common stock at an average price of $4.26."

Mr. Knutson continued, "We also continued to take advantage of a strong housing market to reduce our REO portfolio, selling 177 properties in the fourth quarter for aggregate proceeds of $53.9 million and generating $10.1 million of gains. For the full year 2021, we sold 647 REO properties for aggregate proceeds of $187.9 million, generating gains of $23.5 million. Our REO portfolio was $156.2 million at December 31, 2021, a 37.4% decrease since December 31, 2020."

Q4 2021 Portfolio Activity

MFA's residential mortgage investment portfolio increased by $782.6 million during the fourth quarter, as we continued to successfully execute on our asset acquisition strategy. Loan acquisitions included $946.1 million of Non-QM loans and $500.0 million of funded originations (including draws on Rehabilitation loans) of Business Purpose loans.

At December 31, 2021, our investments in residential whole loans totaled $7.9 billion. Of this amount, $6.3 billion are Purchased Performing Loans, $525.0 million are Purchased Credit Deteriorated Loans and $1.1 billion are Purchased Non-performing Loans. During the quarter, we recognized approximately $90.3 million of Interest Income on residential whole loans in our consolidated statements of operations, representing a yield of 5.08%. Purchased Performing Loans generated a yield of 4.12%, Purchased Credit Deteriorated Loans generated a yield of 7.15% and Purchased Non-performing Loans generated a yield of 9.83%. Continued success in acquiring purchased performing loans drove a sequential quarterly increase in interest income from our residential whole loan portfolio of approximately $10.7 million. Overall delinquency rates across our residential whole loan portfolio declined compared to the prior quarter. The dollar amount of Purchased Performing Loans that were 60 or more days delinquent, decreased by approximately 10% during the quarter, primarily due to lower Non-QM loan delinquencies. 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, remained unchanged during the quarter and was 18.3% at December 31, 2021. The percentage amount of Purchased Non-performing Loans that were 90 or more days delinquent decreased to 42.4% at December 31, 2021 from 42.5% at September 30, 2021.

For the fourth quarter, a reversal of the provision for credit losses of $3.5 million was recorded on residential whole loans held at carrying value, primarily reflecting continued run-off of the carrying value portfolio and adjustments to certain macro-economic and loan prepayment speed assumptions used in our credit loss forecasts. The total allowance for credit losses recorded on residential whole loans held at carrying value at December 31, 2021 was $39.4 million. In addition, as of December 31, 2021, reserves for credit losses totaling approximately $205,000 were recorded related to undrawn commitments on loans held at carrying value.

Our Purchased Non-performing Loans and certain of our Purchased Performing Loans are measured at fair value as a result of the election of the fair value option at acquisition, with changes in the fair value and other non-interest related income from these loans recorded in Other income, net each period. For the fourth quarter, net losses of $42.6 million were recorded, primarily reflecting unrealized fair value changes in the underlying loans. These losses were partially offset by $7.2 million of gains on derivative hedge positions in swaps and short TBAs, as well as on securitized debt held at fair value through earnings.

In addition, as of the end of the quarter, we held approximately $156 million of REO properties, which decreased from $179 million as of the end of the third quarter. MFA's proactive asset management team continues to take advantage of current market conditions and has been able to shorten liquidation timelines and increase property sale proceeds, leading to improved outcomes and better returns. For the quarter, REO related net gains were $9.1 million.

Lima One had a second consecutive quarter of record origination volumes, funding more than $450 million of business purpose loans with a maximum loan amount of $600 million, and generating approximately $13.0 million of net origination, servicing, and other fee income.

At the end of the fourth quarter, MFA held approximately $257 million of Securities, at fair value, including $154 million of MSR-related assets and $103 million of CRT securities.

During the fourth quarter we entered into interest rate swaps with a notional amount of $900.0 million. At December 31, 2021, these swaps had a weighted average fixed pay interest rate of 1.01% and a weighted average variable receive interest rate of 0.05%. After including the impact of these swaps and other derivatives that have been entered into for economic hedging purposes, as well as the effect of securitized and other fixed rate debt, we estimate that the net effective duration of our investment portfolio at December 31, 2021 was 1.32.

General and Administrative and other expenses

For the three months ended December 31, 2021, MFA's costs for compensation and benefits and other general and administrative expenses were $28.7 million. Expenses this quarter include $13.7 million compensation and other general and administrative expenses recorded at Lima One.

Stock Repurchase Program

On November 2, 2020, MFA's Board of Directors authorized a stock repurchase program under which MFA may repurchase up to $250 million of its common stock through the end of 2022. As indicated above, during the fourth quarter of 2021, the Company repurchased 8,495,265 shares of common stock at an average price of $4.42 per share.

The following table presents MFA's asset allocation as of December 31, 2021, and the fourth 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 December 31, 2021	Purchased Performing Loans *(1)*	Purchased Credit Deteriorated Loans *(2)*	Purchased Non-Performing Loans	Securities, at fair value	Real Estate Owned	Other, net *(3)*	Total
(Dollars in Millions)							
Fair Value/Carrying Value	$ 6,316	$ 525	$ 1,072	$ 257	$ 156	$ 595	$ 8,921
Financing Agreements with Non-mark-to-market Collateral Provisions	(589)	(126)	(214)	—	(11)	—	(940)
Financing Agreements with Mark-to-market Collateral Provisions	(2,152)	(100)	(139)	(159)	(12)	—	(2,562)
Less Securitized Debt	(2,103)	(195)	(331)	—	(21)	—	(2,650)
Less Convertible Senior Notes	—	—	—	—	—	(226)	(226)
Net Equity Allocated	$ 1,472	$ 104	$ 388	$ 98	$ 112	$ 369	$ 2,543
Debt/Net Equity Ratio *(4)*	3.3 x	4.0 x	1.8 x	1.6 x	0.4 x		2.5 x
For the Quarter Ended December 31, 2021							
Yield on Average Interest Earning Assets *(5)*	4.12%	7.15%	9.83%	26.28%	N/A		5.37%
Less Average Cost of Funds *(6)*	(2.19)	(2.23)	(2.51)	(1.50)	(2.58)		(2.39)
Net Interest Rate Spread	1.93%	4.92%	7.32%	24.78%	(2.58)%		2.98%

(1) Includes $3.5 billion of Non-QM loans, $728.0 million of Rehabilitation loans, $949.8 million of Single-family rental loans, $102.0 million of Seasoned performing loans, and $1.1 billion of Agency eligible investor loans. At December 31, 2021, the total fair value of these loans is estimated to be approximately $6.4 billion.

(2) At December 31, 2021, the total fair value of these loans is estimated to be approximately $624.0 million.

(3) Includes $304.7 million of cash and cash equivalents, $99.8 million of restricted cash, and $71.7 million of capital contributions made to loan origination partners, as well as other assets and other liabilities.

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

(5) 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 December 31, 2021, the amortized cost of our securities, at fair value, was $208.0 million. In addition, the yield for residential whole loans at carrying value was 5.05%, net of three 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 income recognized on the redemption at par of a MSR-related asset that had been held at amortized cost basis below par due to an impairment charge recorded in the first quarter of 2020. Excluding this accretion, the yield reported would have been 11.37%.

(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 December 31, 2021:

Table 2 - Investment Portfolio Activity *Q4 2021*

(In Millions)	September 30, 2021	Runoff *(1)*	Acquisitions *(2)*	Other *(3)*	December 31, 2021	Change
Residential whole loans and REO	$ 7,260	$ (601)	$ 1,444	$ (34)	$ 8,069	$ 809
Securities, at fair value	283	(26)	—	—	257	(26)
Totals	$ 7,543	$ (627)	$ 1,444	$ (34)	$ 8,326	$ 783

(1) Primarily includes principal repayments and sales of REO.
(2) Includes draws on previously originated Rehabilitation loans.
(3) Primarily includes changes in fair value and changes in the allowance for credit losses.

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

Residential Whole Loans at December 31, 2021 and December 31, 2020:

Table 3 - Portfolio composition

	Held at Carrying Value		Held at Fair Value		Total	
(Dollars in Thousands)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Purchased Performing Loans:						
Non-QM loans	$ 1,448,162	$ 2,357,185	$ 2,013,369	$ —	$ 3,461,531	$ 2,357,185
Rehabilitation loans	217,315	581,801	517,530	—	734,845	581,801
Single-family rental loans	331,808	446,374	619,415	—	951,223	446,374
Seasoned performing loans	102,041	136,264	—	—	102,041	136,264
Agency eligible investor loans	—	—	1,082,765	—	1,082,765	—
Total Purchased Performing Loans	$ 2,099,326	$ 3,521,624	$ 4,233,079	$ —	$ 6,332,405	$ 3,521,624
Purchased Credit Deteriorated Loans	$ 547,772	$ 673,708	$ —	$ —	$ 547,772	$ 673,708
Allowance for Credit Losses	$ (39,447)	$ (86,833)	$ —	$ —	$ (39,447)	$ (86,833)
Purchased Non-Performing Loans	$ —	$ —	$ 1,072,270	$ 1,216,902	$ 1,072,270	$ 1,216,902
Total Residential Whole Loans	$ 2,607,651	$ 4,108,499	$ 5,305,349	$ 1,216,902	$ 7,913,000	$ 5,325,401
Number of loans	9,361	13,112	14,734	5,622	24,095	18,734

Table 4 - Yields and average balances

(Dollars in Thousands)	For the Three-Month Period Ended								
	December 31, 2021			September 30, 2021			December 31, 2020		
	Interest	Average Balance	Average Yield	Interest	Average Balance	Average Yield	Interest	Average Balance	Average Yield
Purchased Performing Loans:									
Non-QM loans	$ 28,902	$ 3,002,644	3.85%	$ 23,891	$ 2,482,917	3.85%	$ 24,316	$ 2,435,751	3.99%
Rehabilitation loans	9,214	652,663	5.65%	9,918	557,635	7.11%	9,983	669,320	5.97%
Single-family rental loans	10,684	828,183	5.16%	9,497	659,046	5.76%	6,193	470,197	5.27%
Seasoned performing loans	1,423	106,065	5.37%	1,728	114,102	6.06%	1,993	143,926	5.54%
Agency eligible investor loans	8,046	1,065,062	3.02%	3,360	426,986	3.15%	—	—	—%
Total Purchased Performing Loans	58,269	5,654,617	4.12%	48,394	4,240,686	4.56%	42,485	3,719,194	4.57%
Purchased Credit Deteriorated Loans	10,033	561,262	7.15%	10,504	593,127	7.08%	8,973	694,988	5.16%
Purchased Non-Performing Loans	22,010	895,472	9.83%	20,704	939,578	8.81%	18,934	1,072,517	7.06%
Total Residential whole loans	$ 90,312	$ 7,111,351	5.08%	$ 79,602	$ 5,773,391	5.52%	$ 70,392	$ 5,486,699	5.13%

Table 5 - Net Interest Spread

	Quarter Ended		
	December 31, 2021	September 30, 2021	December 31, 2020
Purchased Performing Loans			
Net Yield *(1)*	4.12%	4.56%	4.57%
Cost of Funding *(2)*	2.19%	2.14%	2.77%
Net Interest Spread *(3)*	1.93%	2.42%	1.80%
Purchased Credit Deteriorated Loans			
Net Yield *(1)*	7.15%	7.08%	5.16%
Cost of Funding *(2)*	2.23%	2.18%	3.02%
Net Interest Spread *(3)*	4.92%	4.90%	2.14%
Purchased Non-Performing Loans			
Net Yield *(1)*	9.83%	8.81%	7.06%
Cost of Funding *(2)*	2.51%	2.43%	3.57%
Net Interest Spread *(3)*	7.32%	6.38%	3.49%
Total Residential Whole Loans			
Net Yield *(1)*	5.08%	5.52%	5.13%
Cost of Funding *(2)*	2.23%	2.20%	2.97%
Net Interest Spread *(3)*	2.85%	3.32%	2.16%

(1) Reflects annualized interest income on Residential whole loans divided by average amortized cost of Residential whole loans. Excludes servicing costs.
(2) Reflects annualized interest expense divided by average balance of repurchase agreements, agreements with non-mark-to-market collateral provisions, and securitized debt.
(3) Reflects the difference between the net yield on average Residential whole loans and average cost of funds on Residential whole loans.

Table 6 - 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:

	For the Year Ended December 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
Current provision/(reversal)	(2,416)	(1,809)	(386)	(9)	(3,963)	(8,583)
Write-offs	(37)	(255)	—	—	(108)	(400)
Allowance for credit losses at June 30, 2021	$ 12,092	$ 11,604	$ 2,360	$ 57	$ 28,148	$ 54,261
Current provision/(reversal)	(2,403)	(2,526)	(670)	(7)	(4,020)	(9,626)
Write-offs	—	(393)	(56)	—	(84)	(533)
Allowance for credit losses at September 30, 2021	$ 9,689	$ 8,685	$ 1,634	$ 50	$ 24,044	$ 44,102
Current provision/(reversal)	(1,400)	(706)	(178)	(4)	(1,142)	(3,430)
Write-offs	—	(1,098)	(5)	—	(122)	(1,225)
Allowance for credit losses at December 31, 2021	$ 8,289	$ 6,881	$ 1,451	$ 46	$ 22,780	$ 39,447

	For the Year Ended December 31, 2020					
(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, 2019	$ 388	$ 2,331	$ 62	$ —	$ 244	$ 3,025
Transition adjustment on adoption of ASU 2016-13 *(4)*	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
Current provision/(reversal)	(2,297)	(5,213)	(500)	(25)	(2,579)	(10,614)
Write-offs	—	(420)	—	—	(207)	(627)
Valuation adjustment on loans held for sale	(70,181)	—	—	—	—	(70,181)
Allowance for credit losses at June 30, 2020	$ 31,353	$ 30,000	$ 6,931	$ 224	$ 68,081	$ 136,589
Current provision/(reversal)	(4,568)	(7,140)	(1,906)	(74)	(16,374)	(30,062)
Write-offs	(32)	(227)	—	—	(22)	(281)
Allowance for credit losses at September 30, 2020	$ 26,753	$ 22,633	$ 5,025	$ 150	$ 51,685	$ 106,246
Current provision/(reversal)	(5,599)	(3,837)	(1,107)	(43)	(7,997)	(18,583)
Write-offs	(86)	(425)	—	—	(319)	(830)
Allowance for credit losses at December 31, 2020	$ 21,068	$ 18,371	$ 3,918	$ 107	$ 43,369	$ 86,833

(1) In connection with purchased Rehabilitation loans at carrying value, the Company had unfunded commitments of $18.5 million and $73.2 million as of December 31, 2021 and 2020, respectively, with an allowance for credit losses of $205,000 and $1.2 million at December 31, 2021 and 2020, respectively. Such allowance is included in "Other liabilities" in the Company's consolidated balance sheets.

(2) Includes $87.0 million and $143.4 million of loans that were assessed for credit losses based on a collateral dependent methodology as of December 31, 2021 and 2020, respectively.

(3) Includes $57.4 million and $72.7 million of loans that were assessed for credit losses based on a collateral dependent methodology as of December 31, 2021 and 2020, respectively.

(4) 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.

Table 7 - Credit related metrics/Residential Whole Loans

	December 31, 2021									
							Aging by UPB			
								Past Due Days		
(Dollars In Thousands)	Fair Value / Carrying Value	Unpaid Principal Balance ("UPB")	Weighted Average Coupon *(1)*	Weighted Average Term to Maturity (Months)	Weighted Average LTV Ratio *(2)*	Weighted Average Original FICO *(3)*	Current	30-59	60-89	90+
Purchased Performing Loans:										
Non-QM loans	$ 3,453,242	$ 3,361,164	5.07%	355	66%	731	$ 3,165,964	$ 77,581	$ 22,864	$ 94,755
Rehabilitation loans	727,964	731,154	7.18	11	67	735	616,733	5,834	5,553	103,034
Single-family rental loans	949,772	924,498	5.46	329	70	732	898,166	2,150	695	23,487
Seasoned performing loans	101,995	111,710	2.76	162	37	722	102,047	938	481	8,244
Agency eligible investor loans	1,082,765	1,060,486	3.40	354	62	767	1,039,257	21,229	—	—
Total Purchased Performing Loans	$ 6,315,738	$ 6,189,012	5.05%	307						
Purchased Credit Deteriorated Loans	$ 524,992	$ 643,187	4.55%	283	69%	N/A	$ 456,924	$ 50,048	$ 18,736	$ 117,479
Purchased Non-Performing Loans	$ 1,072,270	$ 1,073,544	4.87%	283	73%	N/A	$ 492,481	$ 87,041	$ 40,876	$ 453,146
Residential whole loans, total or weighted average	$ 7,913,000	$ 7,905,743	4.99%	301						

	December 31, 2020									
							Aging by UPB			
								Past Due Days		
(Dollars In Thousands)	Fair Value / Carrying Value	Unpaid Principal Balance ("UPB")	Weighted Average Coupon *(1)*	Weighted Average Term to Maturity (Months)	Weighted Average LTV Ratio *(2)*	Weighted Average Original FICO *(3)*	Current	30-59	60-89	90+
Purchased Performing Loans:										
Non-QM loans	$ 2,336,117	$ 2,294,086	5.84%	351	64%	712	$ 2,042,405	$ 71,303	$ 35,697	$ 144,681
Rehabilitation loans	563,430	581,801	7.29	3	63	719	390,706	29,315	25,433	136,347
Single-family rental loans	442,456	442,208	6.32	324	70	730	411,377	6,691	3,907	20,233
Seasoned performing loans	136,157	149,004	3.30	171	40	723	136,778	2,248	1,155	8,823
Total Purchased Performing Loans	$ 3,478,160	$ 3,467,099	6.04%	281						
Purchased Credit Deteriorated Loans	$ 630,339	$ 782,319	4.46%	287	76	N/A	$ 544,803	$ 65,791	$ 26,697	$ 145,028
Purchased Non-Performing Loans	$ 1,216,902	$ 1,282,093	4.87%	290	80	N/A	$ 497,299	$ 104,993	$ 54,180	$ 625,621
Residential whole loans, total or weighted average	$ 5,325,401	$ 5,531,511	5.54%	284						

(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 $137.3 million and $189.9 million at December 31, 2021 and 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 71% and 69% at December 31, 2021 and 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.

Table 8 - LTV 90+ Days Delinquencies

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

	December 31, 2021		
(Dollars In Thousands)	**Carrying Value / Fair Value**	**UPB**	**LTV (1)**
Purchased Performing Loans			
Non-QM loans	$ 96,473	$ 94,755	64.6%
Rehabilitation loans	103,166	103,034	67.6%
Single-family rental loans	23,524	23,487	73.4%
Seasoned performing loans	7,740	8,244	45.6%
Agency eligible investor loans	—	—	—%
Total Purchased Performing Loans	$ 230,903	$ 229,520	
Purchased Credit Deteriorated Loans	$ 95,899	$ 117,479	79.1%
Purchased Non-Performing Loans	$ 454,443	$ 453,146	80.2%
Total Residential whole loans	$ 781,245	$ 800,145	

	December 31, 2020		
(Dollars In Thousands)	**Carrying Value / Fair Value**	**UPB**	**LTV (1)**
Purchased Performing Loans			
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%
Agency eligible investor loans	—	—	—%
Total Purchased Performing Loans	$ 313,153	$ 310,084	
Purchased Credit Deteriorated Loans	$ 119,621	$ 145,028	86.7%
Purchased Non-Performing Loans	$ 571,729	$ 625,621	86.8%
Total Residential whole loans	$ 1,004,503	$ 1,080,733	

(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.

Webcast

MFA Financial, Inc. plans to host a live audio webcast of its investor conference call on Wednesday, February 23, 2022, at 10:00 a.m. (Eastern Time) to discuss its fourth 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 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 MFA's 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 the integration and ongoing operation of Lima One Holdings, LLC (including, without limitation, unanticipated expenditures relating to or liabilities arising from the transaction and/or the inability to obtain, or delays in obtaining, expected benefits (including expected growth in loan origination volumes) from the transaction). 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)	December 31, 2021 (unaudited)		December 31, 2020	
Assets:				
Residential whole loans, net ($5,305,349 and $1,216,902 held at fair value, respectively) *(1)*	$	7,913,000	$	5,325,401
Securities, at fair value		256,685		399,999
Cash and cash equivalents		304,696		814,354
Restricted cash		99,751		7,165
Other assets		565,556		385,381
Total Assets	$	9,139,688	$	6,932,300
Liabilities:				
Financing agreements ($3,266,773 and $3,366,772 held at fair value, respectively)	$	6,378,782	$	4,336,976
Other liabilities		218,058		70,522
Total Liabilities	$	6,596,840	$	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; 432,551 and 451,714 shares issued and outstanding, respectively		4,326		4,517
Additional paid-in capital, in excess of par		3,772,238		3,848,129
Accumulated deficit		(1,279,484)		(1,405,327)
Accumulated other comprehensive income		45,578		77,293
Total Stockholders' Equity	$	2,542,848	$	2,524,802
Total Liabilities and Stockholders' Equity	$	9,139,688	$	6,932,300

(1) Includes approximately $3.0 billion and $1.8 billion of Residential whole loans transferred to consolidated variable interest entities ("VIEs") at December 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 December 31, 2021 (Unaudited)	Three Months Ended December 31, 2020 (Unaudited)	Year Ended December 31, 2021 (Unaudited)	Year Ended December 31, 2020
Interest Income:				
Residential whole loans	$ 90,312	$ 70,392	$ 303,468	$ 332,212
Securities, at fair value	14,257	8,227	56,690	90,094
Other interest-earning assets	1,168	761	1,800	9,850
Cash and cash equivalent investments	105	30	344	676
Interest Income	$ 105,842	$ 79,410	$ 362,302	$ 432,832
Interest Expense:				
Asset-backed and other collateralized financing arrangements	$ 31,770	$ 32,041	$ 104,597	$ 242,039
Other interest expense	3,925	9,003	15,788	26,719
Interest Expense	$ 35,695	$ 41,044	$ 120,385	$ 268,758
Net Interest Income	$ 70,147	$ 38,366	$ 241,917	$ 164,074
Reversal/(Provision) for credit and valuation losses on residential whole loans and other financial instruments	$ 3,537	$ 15,709	$ 44,863	$ (22,381)
Net Interest Income after Provision for Credit and Valuation Losses	$ 73,684	$ 54,075	$ 286,780	$ 141,693
Other Income, net:				
Net (loss)/gain on residential whole loans measured at fair value through earnings	$ (42,589)	$ 30,848	$ 16,736	$ 20,765
Gain on investment in Lima One common equity	—	—	38,933	—
Impairment and other gains and losses on securities available-for-sale and other assets	23,956	(116)	33,956	(425,082)
Lima One - origination, servicing and other fee income	12,962	—	22,600	—
Net gain on real estate owned	9,113	5,098	22,838	5,391
Net realized loss on sales of securities and residential whole loans	—	—	—	(188,847)
Loss on terminated swaps previously designated as hedges for accounting purposes	—	—	—	(57,034)
Other, net	11,249	(23,690)	30,040	(34,762)
Other Income/(Loss), net	$ 14,691	$ 12,140	$ 165,103	$ (679,569)
Operating and Other Expense:				
Compensation and benefits	$ 20,284	$ 1,908	$ 53,817	$ 31,042
Other general and administrative expense	8,391	6,727	31,729	25,666
Loan servicing, financing and other related costs	12,277	11,763	30,867	40,372
Amortization of intangible assets	3,300	—	6,600	—
Costs associated with restructuring/forbearance agreement	—	—	—	44,434
Operating and Other Expense	$ 44,252	$ 20,398	$ 123,013	$ 141,514
Net Income/(Loss)	$ 44,123	$ 45,817	$ 328,870	$ (679,390)
Less Preferred Stock Dividend Requirement	$ 8,219	$ 8,218	$ 32,875	$ 29,796
Net Income/(Loss) Available to Common Stock and Participating Securities	$ 35,904	$ 37,599	$ 295,995	$ (709,186)
Basic Earnings/(Loss) per Common Share	$ 0.08	$ 0.08	$ 0.67	$ (1.57)
Diluted Earnings/(Loss) per Common Share	$ 0.08	$ 0.08	$ 0.66	$ (1.57)

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 and securitized debt held 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 financial instruments. These adjustments are also reflected in the table below in our end of period stockholders' equity. 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 investments and certain associated financing arrangements, 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 as of the quarterly periods below:

(In Millions, Except Per Share Amounts)	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
GAAP Total Stockholders' Equity	$ 2,542.8	$ 2,601.1	$ 2,526.5	$ 2,542.3	$ 2,524.8
Preferred Stock, liquidation preference	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)
GAAP Stockholders' Equity for book value per common share	2,067.8	2,126.1	2,051.5	2,067.3	2,049.8
Adjustments:					
Fair value adjustment to Residential whole loans, at carrying value	153.5	198.8	206.2	203.0	173.9
Fair value adjustment to Securitized debt, at carrying value *(1)*	4.3	(8.0)	(8.9)	(3.6)	(5.1)
Stockholders' Equity including fair value adjustments to Residential whole loans and Securitized debt held at carrying value (Economic book value) *(1)*	$ 2,225.6	$ 2,316.9	$ 2,248.8	$ 2,266.7	$ 2,218.6
GAAP book value per common share	$ 4.78	$ 4.82	$ 4.65	$ 4.63	$ 4.54
Economic book value per common share *(1)*	$ 5.15	$ 5.25	$ 5.10	$ 5.08	$ 4.91
Number of shares of common stock outstanding	432.6	440.9	440.8	446.1	451.7

(1) Economic book value per common share for periods prior to December 31, 2021 have been restated to include the impact of fair value changes in securitized debt held at carrying value.

Exhibit 99.2

MFA FINANCIAL, INC.

Fourth 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 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 MFA's 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 the integration and ongoing operation of Lima One Holdings, LLC (including, without limitation, unanticipated expenditures relating to or liabilities arising from the transaction and/or the inability to obtain, or delays in obtaining, expected benefits (including expected growth in loan origination volumes) from the transaction). 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Executive summary

- Q4 2021 financial results
- Full year 2021 portfolio and financial highlights
- Investment portfolio and asset-based financing composition
- MFA recognition

2021 fourth quarter financial results

- GAAP earnings of $35.9 million or $0.08 per basic common share
  - Net interest income increased by 13% from $62 million to $70 million
  - $42.6 million of net losses on residential whole loans at fair value, partially offset by $7.2 million of gains on derivative hedge positions and securitized debt held at fair value
  - $24.0 million revaluation gain on a minority originator investment
  - $13.0 million of origination, servicing and other fee income at Lima One
- Paid $0.11 dividend to common shareholders on January 31, 2022
- Relative book value stability in a volatile quarter for rates
  - GAAP book value down $0.04, or 0.8%, to $4.78 per common share
  - Economic book value (EBV)(1) down $0.10, or 1.9%, to $5.15 per common share
- Economic return of 1.5% (GAAP) and 0.2% (EBV) for fourth quarter
- Leverage ratio of 2.5:1 as of December 31, 2021

(1) Economic book value is a Non-GAAP measure. Refer to slide 21 for further information regarding the calculation of Economic book value.

2021 fourth quarter financial results (cont'd)

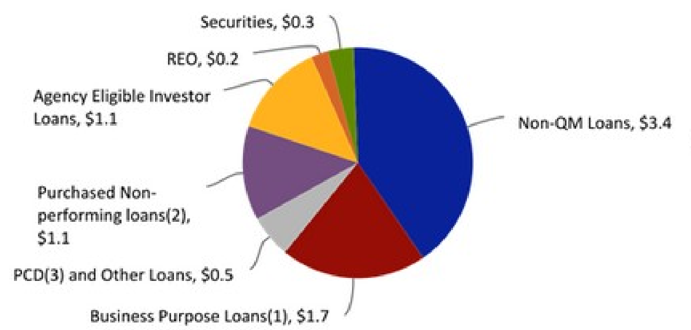
- Acquired $1.4 billion of loans in fourth quarter
  - Continued successful execution of asset acquisition strategy
  - Loan portfolio increased by over $830 million to $7.9 billion after portfolio runoff
  - Q4 loan acquisitions include approximately $950 million of Non-QM loans and $500 million of funded business purpose loan originations and draws at Lima One
- Completed three securitizations (Agency Investor and SFR Loans) totaling $937 million
- Net interest income increased 13% to $70.1 million
- Took advantage of strong housing market to liquidate REO properties
  - Sold $53.9 million of REO properties for a net gain of $10.1 million
  - REO portfolio is $156 million as of 12/31/21
- Repurchased 8.5 million shares in fourth quarter at an average price of $4.42 per share

2021 full year portfolio and financial highlights

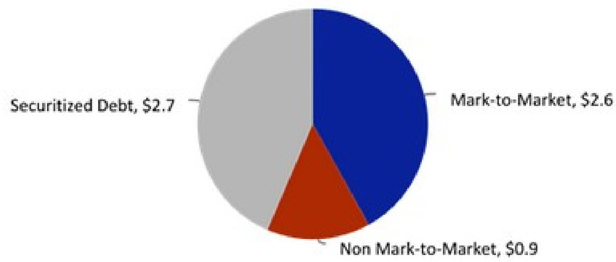
- Asset acquisitions of $4.6 billion and net portfolio growth of $2.4 billion:
  - Includes $2.2 billion of Non-QM, $1.1 billion of Agency Investor and $1.3 billion (including draws on Rehabilitation loans) of Business Purpose Loans.
  - 49% loan portfolio growth from $5.3 billion at 12/31/20
- Completed eight securitizations across multiple asset classes totaling $2.6 billion
- Net interest income increased 47% from $164.1 million to $241.9 million
- Favorable market conditions for real estate benefited our overall results:
  - Sold $187.9 million of REO properties for a net gain of $23.5 million
  - $44.9 million of CECL reserve releases
- Strong overall returns:
  - GAAP book value increased 5.3%, EBV increased 4.9%.
  - Economic return of 14% (GAAP) and 13% (EBV)
  - Total shareholder return for 2021 of 27.6%
- Repurchased 20.1 million shares in 2021 at an average price of $4.26 per share

Investment portfolio and asset based financing composition

$8.3 billion Investment Portfolio at 12/31/21



Asset Based Financing at 12/31/21



Amounts in the pie charts are in billions as of 12/31/21

- Another successful quarter for asset acquisitions, with net loan portfolio growth of $832 million:
  - $1.4 billion loan purchases and originations
  - Approximately $950 million Non-QM loan purchases, and $500 million funded BPL originations and draws
- At 12/31/21, 58% of our asset backed financing arrangements are on non mark-to-market terms
- Total weighted average financing cost at 12/31/21 of 2.3% versus 2.2% at 9/30/21. Securitizations continue to benefit borrowing costs with termed-out non-recourse and non-mark-to market debt.

(1) Business Purpose Loans comprise $0.7 billion of Rehabilitation Loans and $1.0 billion of Single Family Rental Loans at 12/31/21.
(2) The Fair Value option was elected on these loans at acquisition as they were more than 60 days delinquent. At 12/31/21, approximately 54% of this portfolio was less than 60 days delinquent.
(3) PCD or Purchased Credit Deteriorated loans were generally purchased at a discount (typically as re-performing loans) that reflected, at least in part, the prior credit performance of underlying borrower.

MFA recognition

- MFA included in 2022 Bloomberg Gender Equality Index
  - Third consecutive year of inclusion for MFA
  - One of 418 global public companies in 11 sectors across 45 countries and regions
  - Attestation of MFA's commitment to and support of gender equality
- MFA certified as a "Great Place to Work" (January 2022)
  - Certified by Great Place to Work Institute, Inc.
  - Based on employee validation through engagement survey
  - Important affirmation of MFA's culture particularly in world of virtual recruitment
- 50/50 Women on Boards
  - Recognized since 2018 and MFA is rated at highest level of gender-balance

Loan portfolio growth continues to drive higher net interest income

Summary Income Statement	Q4 2021 $ in mm	Q3 2021 $ in mm
Net Interest Income:		
Loans [1]	59.2	55.2
Securities [2]	13.6	9.9
Other interest earning assets and interest bearing liabilities	(2.7)	(3.3)
Net Interest Income	$ 70.1	$ 61.8
Net reversal of provision for credit losses	3.5	9.7
Net reversal of provision for credit losses	$ 3.5	$ 9.7
Other Income, net:		
Net MTM and other net gains on loans measured at fair value [1]	(42.6)	21.8
Purchase accounting related gain on investment in Lima One common equity	—	38.9
Impairment and other gains and losses on securities available-for-sale and other assets	24.0	10.0
Lima One - origination, servicing and other fee income	13.0	9.6
REO related net gains	9.1	6.8
Other miscellaneous net investment income	11.3	7.3
Other Income, net:	$ 14.8	$ 94.4
Operating and Other Expenses	(41.0)	(30.1)
Amortization of intangible assets	(3.3)	(3.3)
Preferred dividends	(8.2)	(8.2)
Net Income Available to Common Shareholders	$ 35.9	$ 124.3
Earnings Per Basic Common Share	$ 0.08	$ 0.28

(1) Starting in Q2 2021 interest income on loans held at fair value is presented within net interest income. Amounts shown in Net MTM and other net gains on loans measured at fair value primarily reflect loan market value changes.
(2) Includes CRT securities and MSR-related assets.

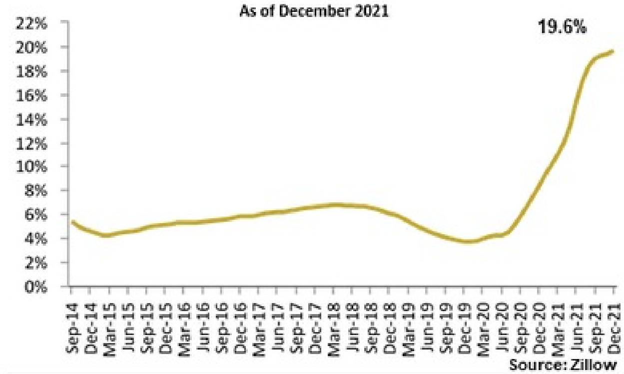
Key items impacting results:

- Net interest income increased to $70.1 million:
  - Overall 13% increase compared to Q3
  - Loan net interest income increased 7% reflecting portfolio growth and continued low financing costs
- CECL reserve release of $3.5 million, due to the impact of lower balances and assumption changes
- Other income includes:
  - $42.6 million of losses on residential whole loans at fair value, partially offset by $7.2 million gains on hedges and securitized debt
  - $24.0 million gain recorded in connection with a minority investment
  - Lima One origination, servicing and related investment activities reflect another record quarter for originations
  - Continued successful REO liquidations
- Higher Operating and other expenses reflecting higher compensation related costs, including due to higher origination volumes at Lima One

Strong economic fundamentals support mortgage credit

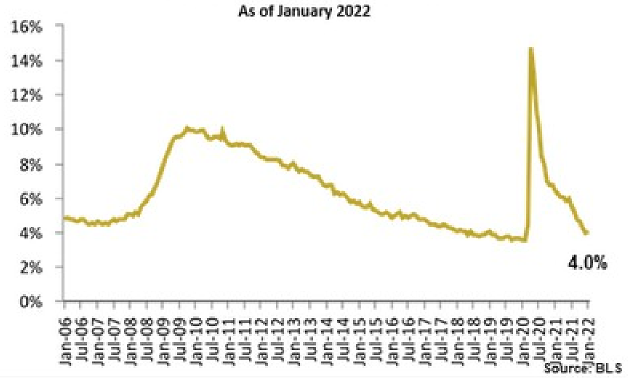
National HPA-YoY

As of December 2021



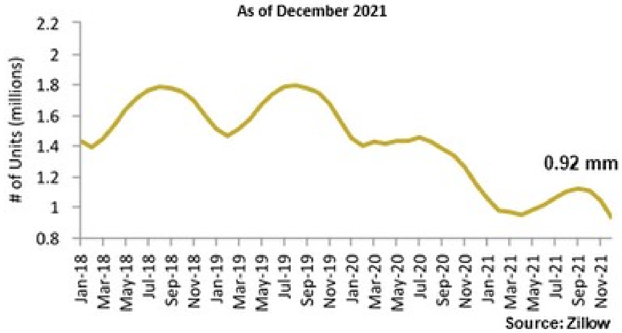
U-3 Unemployment Rate

As of January 2022



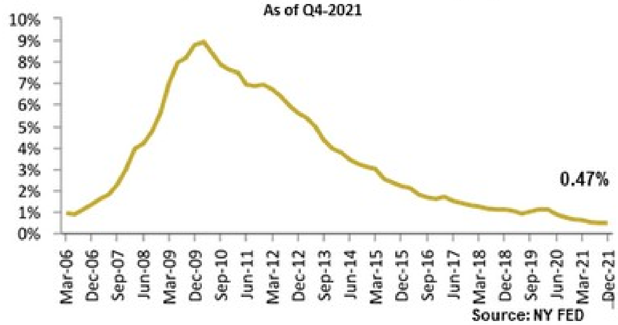
National for Sale Inventory

As of December 2021



90+ Day Delinquencies on Mortgages

As of Q4-2021



MFA FINANCIAL, INC.

Non-QM investments

- We purchased or committed to purchase approximately $950 million of Non-QM loans in the fourth quarter of 2021
- Additional securitizations expected to close in Q1 2022
- Portfolio credit performance continues to improve with 60+ days delinquencies down to 3.5%
- The level of borrowers currently receiving COVID assistance has effectively dropped to zero

	June-20	Sep-20	Dec-20	Mar-21	June-21	Sep-21	Dec-21
Loan Count	5,947	5,656	5,405	5,442	5,390	5,846	6,706
Total UPB ($ millions)	2,501.5	2,397.2	2,294.1	2,289.8	2,363.3	2,738.0	3,361.2
% Current	97.2 %	88.2 %	89.0 %	88.0 %	89.5 %	92.3 %	94.2 %
% 30 Days	1.0 %	3.0 %	3.1 %	4.1 %	2.7 %	2.4 %	2.3 %
% 60+ Days	1.8 %	8.8 %	7.9 %	7.9 %	7.8 %	5.3 %	3.5 %
LTV	63.6 %	63.6 %	63.8 %	63.5 %	63.6 %	64.4 %	65.5 %
% COVID-19 Impact	31.5 %	32.0 %	31.5 %	28.9 %	26.0 %	18.1 %	12.5 %
% Active Deferral	30.6 %	0.1 %	— %	— %	— %	— %	— %
% Active Forbearance	0.6 %	2.2 %	2.8 %	0.1 %	0.1 %	— %	— %

Portfolio Statistics (12/31/21)	
WA LTV	66%
Total UPB (in millions)	$3,361.20
WA FICO	731
WA Coupon	5.25%
Avg Balance	$501,217
Hybrid ARM's	37%
Fixed Rate	63%
60+ Days Delinquent	3.5%
3-Month CPR	33%
Top 2 States	
CA	59%
FL	15%

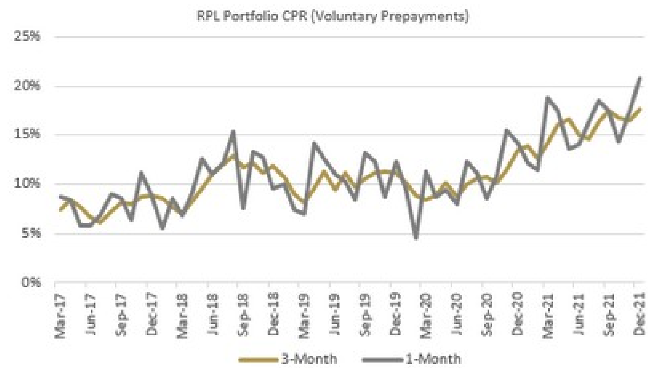
Agency eligible investor loans

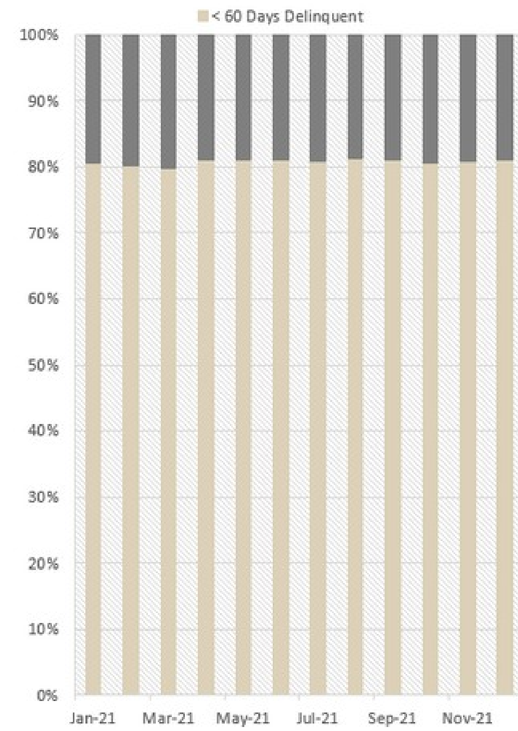
- A recent letter from FHFA and Treasury suspended the 7% cap on Fannie Mae and Freddie Mac investor loan purchases
- The suspension will limit the size of this opportunity going forward
- The dislocation in the market allowed us to purchase over $1 billion of loans at attractive levels
- We completed two securitizations of agency eligible investor loans in the 4th quarter.

Portfolio Statistics (12/31/21)	
WA LTV	62%
Total UPB (in millions)	$1,060.5
WA FICO	767
WA Coupon	3.40%
Avg Balance	$382,847
Hybrid ARM's	0%
Fixed Rate	100%
60+Days DQ	0%
Top 2 States	
CA	41%
NY	10%

PCD/RPL portfolio[1] delinquency characteristics as of 12/31/2021

- 81% of our RPL portfolio is less than 60 days delinquent as of 12/31/2021
- On average, 29% of the 60+ days delinquent loans are making payments
- Prepay speeds have steadily increased as borrowers have more opportunities to refinance
- 27% 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





(1) Includes Purchased Credit Deteriorated (PCD) and certain other loans that were purchased as re-performing Loans, but were not classified as PCD loans for accounting purposes.

Performance of Non-Performing[1] loans purchased before 12/31/20

	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 12/31/2021							
Performing[2]/PIF	37 %	28 %	29 %	42 %	51 %	37 %	38 %
Liquidation/REO	55 %	60 %	63 %	44 %	35 %	37 %	49 %
Non-Performing	8 %	12 %	8 %	14 %	14 %	26 %	13 %
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.
- 49% of our NPL portfolio has liquidated or reverted to REO. We continue to aggressively liquidate REO properties as the market conditions are favorable. Over the quarter, we sold almost 3 times more properties than the number of loans converted to REO.
- Measured by UPB at purchase, 38% (or approximately 4,200) of loans that were non-performing at purchase are either performing or have paid in full as of December 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 12/31/2021 defined as less than 60 days delinquent or made a full P&I payment in December 2021

Business purpose loans – Lima One

- Lima One originated over $600 million[1] in the fourth quarter, a 50% increase from the third quarter and a record quarter for the company. Approximately $200 million of originations in January 2022.
- Full year 2021 originations of over $1.6 billion[1]. Significantly exceeded acquisition assumptions of $1.2 billion.
    - Team executing efficiently on strategic plan.
    - Improved financing costs (warehouse and securitization) and clear strategic objectives led to competitive pricing and increased demand across all Lima loan products.
    - Increased brand recognition. Lima is nationally known as a leading BPL originator.
    - Operational efficiency and flexibility in ramping up origination quickly.
- $10.2 million net contribution[2] from Lima One's origination and servicing activities in the quarter, representing an annualized return on allocated equity of approximately 30%.
- We see good opportunities for Lima to continue to grow and expect higher origination volumes in 2022.
- Closed our second business purpose rental loan securitization in the fourth quarter.

(1) Origination amounts are based on the maximum loan amount, which includes amounts initially funded plus any committed, but undrawn amounts.
(2) Includes loan origination fair value gains, origination and other fee income, less G&A expenses.

Business purpose loans – Rehabilitation loans

- The Fix and Flip portfolio grew by $137 million to $731 million UPB at December 31, 2021. A 23% increase over third quarter 2021.
- Loan acquisition activity remained elevated due to the acquisition of Lima One:
  - We acquired $216 million UPB ($371 million max loan amount) in the fourth quarter.
  - In addition, we have added over $78 million UPB (over $112 million max loan amount) so far in the first quarter of 2022.
- With the sustained pick-up in acquisition activity we are exploring securitization options for the Fix and Flip portfolio.

Portfolio Statistics (12/31/21)	
UPB (in millions)	$731
Undrawn commitments (millions)	$286
Maximum Loan Amount (millions)	$1,017
WA ARV-LTV*	67%
WA As-Is/Purch. LTV**	71%
WA FICO	735
WA Loan Age (months)	6
WA Passthrough Rate	7.18%
3 mth Repayment Rate (CPR)	58%
60+ Days DQ	15%
60+ Days DQ UPB (millions)	$109

- 60+ day delinquency was almost unchanged at $109 million in the fourth quarter. 60+ day delinquency as a percentage of UPB decreased 3% to 15% at the end of the quarter.
  - Active asset management, low initial LTVs and annual national HPA of over 15% have led to acceptable outcomes.
  - Seriously delinquent loans continue to decline as a meaningful amount pays off in full or cures.
  - We have collected approximately $6.5 million in default interest and extension fees since inception across our Fix and Flip loans.

* 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 continues to exhibit strong performance, delivering attractive yields and good credit performance:
  - Fourth quarter yield: 5.16%
  - 60+ day delinquency rate decreased 0.9% to 2.6%
  - Three month prepayment rate of 21%
- SFR portfolio grew by 29% in the fourth quarter:
  - We acquired $249 million in the fourth quarter.
  - The acquisition of Lima One has meaningfully increased the pace of SFR loan portfolio growth
  - Further, we have added over $81 million so far in the first quarter of 2022
- We closed our second rental loan securitization in the fourth quarter.
  - $284.2 million of loans were securitized
  - Bonds sold represent 91.5% of loan UPB
  - Weighted average coupon of bonds sold was 2.15%
- Large portion of our SFR financing is non-mark-to-market and/or through securitization:
  - 75% of SFR financing was non-mark-to-market at the end of the fourth quarter
  - 57% of SFR financing was through securitizations at the end of the fourth quarter
  - We expect to continue to programmatically execute securitizations to efficiently finance our SFR loans

SFR Portfolio Statistics (12/31/21)	
UPB (millions)	$924
WA LTV	70%
WA FICO	732
WA DSCR*	1.53x
WA Coupon	5.60%
WA Loan Age (months)	11
Hybrid ARM's	31%
4th Quarter Yield	5.16%
3mth Prepayment Rate (CPR)	21%
60+ Days DQ	2.6%

*WA DSCR: Weighted average debt service coverage ratio

Summary

- Solid fourth quarter 2021 results in a volatile rate environment:
  - $0.08 EPS and relatively stable book value
- Continued success in acquiring assets. Net loan portfolio growth of 49% in 2021
- Further sequential quarter growth in loan portfolio and in net interest income
- Continue to tap securitization markets to access term, non-recourse funding
- Second consecutive record quarter for loan originations at Lima One led to another significant contribution to our quarterly results
- Strong housing fundamentals have positive implications for mortgage credit and the performance of our portfolio

Additional Information

MFA FINANCIAL, INC.

MFA share repurchase program

- MFA Board of Directors authorized $250 million share repurchase program in November 2020 for repurchases through the end of 2022
- Adopted 10b5-1 plan in December 2021
  - 10b5-1 plan permits share repurchases during closed window periods
  - Share repurchases in Q4 2021 of 8.5 million shares at an average price of $4.42 (including commissions)
  - Subsequent to the end of the quarter through February 18, 2022, we repurchased an additional 7.9 million shares of common stock at an average price of $4.43 per share, leaving approximately $45.5 million of remaining capacity under the existing authorization

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 and securitized debt[1] held 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 financial instruments. These adjustments are also reflected in the table below in our end of period stockholders' equity. 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 investments and certain associated financing arrangements, 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 Q2 2020.

(In Millions, Except Per Share Amounts)	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20
GAAP Total Stockholders' Equity	$ 2,542.8	$ 2,601.1	$2,526.5	$ 2,542.3	$ 2,524.8	$ 2,565.7	$ 2,521.1
Preferred Stock, liquidation preference	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)
GAAP Stockholders' Equity for book value per common share	**$ 2,067.8**	**$ 2,126.1**	**$2,051.5**	**$ 2,067.3**	**$ 2,049.8**	**$ 2,090.7**	**$ 2,046.1**
Adjustments:							
Fair value adjustment to Residential whole loans, at carrying value	153.5	198.8	206.2	203.0	173.9	141.1	(25.3)
Fair value adjustment to Securitized debt, at carrying value *(1)*	4.3	(8.0)	(8.9)	(3.6)	(5.1)	(3.5)	18.0
Stockholders' Equity including fair value adjustments to Residential whole loans and Securitized debt held at carrying value (Economic book value) *(1)*	**$ 2,225.6**	**$ 2,316.9**	**$2,248.8**	**$ 2,266.7**	**$ 2,218.6**	**$ 2,228.3**	**$ 2,038.8**
GAAP book value per common share	$ 4.78	$ 4.82	$ 4.65	$ 4.63	$ 4.54	$ 4.61	$ 4.51
Economic book value per common share *(1)*	**$ 5.15**	**$ 5.25**	**$ 5.10**	**$ 5.08**	**$ 4.91**	**$ 4.92**	**$ 4.50**
Number of shares of common stock outstanding	432.6	440.9	440.8	446.1	451.7	453.3	453.2

(1) Economic book value per common share for periods prior to December 31, 2021 have been restated to include the impact of fair value changes of securitized debt held at carrying value.

Relative book stability in a volatile quarter for rates

	GAAP	Economic
Book value per common share as of 9/30/21	$4.82	$5.25
Net income available to common shareholders	0.08	0.08
Common stock dividends declared	(0.11)	(0.11)
Impact of share repurchases	0.01	0.01
Fair value changes attributable to residential mortgage securities and MSR term notes, and other	(0.02)	(0.02)
Change in fair value of residential whole loans reported at carrying value under GAAP	—	(0.09)
Change in fair value of securitized debt at carrying value under GAAP	—	0.03
Book value per common share as of 12/31/21	**$4.78**	**$5.15**

Allowance for credit losses - Loans held at carrying value

(Amounts In Thousands)	Three Months Ended December 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	$9,689	$8,685	$1,634	$50	$24,044	$44,102
Current period provision	(1,400)	(706)	(178)	(4)	(1,142)	(3,430)
Write-offs	—	(1,098)	(5)	—	(122)	(1,225)
Allowance for credit losses at end of period	**$8,289**	**$6,881**	**$1,451**	**$46**	**$22,780**	**$39,447**
Implied loss rate as a percentage of UPB	59 bps	317 bps	44 bps	4 bps	354 bps	146 bps

1. In connection with purchased Rehabilitation loans at carrying value, the Company had unfunded commitments of $18.5 million, with a separately recorded liability for expected losses of $205,000.

- Allowance for credit losses for residential whole loans held at carrying value decreased during the quarter by $4.7 million, primarily due to lower loan balances and adjustments to certain macro-economic and loan prepayment speed assumptions used in our credit loss forecasts
- Changes in credit loss allowances are recorded in periodic GAAP earnings
- Ongoing CECL accounting does not impact calculation of Economic book value