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): August 3, 2023

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 August 3, 2023, announcing its financial results for the quarter ended June 30, 2023, 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 2023 second 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 August 3, 2023, announcing MFA’s financial results for the quarter ended June 30, 2023.
99.2	Additional information relating to the financial results of MFA for the quarter ended June 30, 2023.
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: August 3, 2023

EXHIBIT INDEX

Exhibit No.	Description
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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**

August 3, 2023 **NEW YORK METRO**

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MFA Financial, Inc. Announces Second Quarter 2023 Financial Results

NEW YORK - MFA Financial, Inc. (NYSE:MFA**)** today provided its financial results for the second quarter ended June 30, 2023.

Second Quarter 2023 financial results update:

- MFA generated a GAAP net loss for the second quarter of $34.1 million, or $0.34 per basic and diluted common share. Distributable earnings, a non-GAAP financial measure, were $40.4 million, or $0.40 per common share. MFA paid a regular cash dividend for the quarter of $0.35 per share on July 31, 2023.

- GAAP book value at June 30, 2023 was $14.42 per common share. Economic book value, a non-GAAP financial measure, was $15.12 per common share.

- Net interest spread rose to 2.14%, a 40 bps increase from the first quarter.

- MFA generated a total economic return of (3.4)% for the second quarter.

- MFA closed the quarter with unrestricted cash of $329.4 million.

Commenting on the quarter, Craig Knutson, MFA's CEO and President said: "We are pleased to deliver distributable earnings in excess of our dividend during what was another challenging and volatile quarter for fixed-income investors. Although higher interest rates negatively impacted our book value, we took advantage of market conditions to acquire approximately $1 billion of loans and securities at attractive levels. Our net interest spread rose 40 bps during the quarter to 2.14%, further evidence that we are delivering on our mission to add higher-yielding assets while keeping our cost of funds relatively stable."

Mr. Knutson continued: “Our Lima One subsidiary originated $584 million of new business purpose loans during the quarter, a 50% increase over the first quarter. We also acquired $345 million of Non-QM loans and again added to our Agency RMBS position. Our emphasis on disciplined underwriting and strong risk management continues to bear fruit. Delinquencies declined in each of our credit-sensitive asset classes, and loan-to-value (LTV) ratios remain quite low. Finally, we again benefited from our $3 billion interest rate swap position, which generated a net positive carry of $26 million during the quarter.”

Q2 2023 Portfolio Activity

- Loan acquisitions were $867.7 million, including $523.2 million of funded originations of business purpose loans (including draws on Transitional loans) and $344.5 million of Non-QM loan acquisitions, bringing MFA’s residential whole loan balance to $8.1 billion.

- Lima One funded $390.3 million of new business purpose loans with a maximum loan amount of $583.9 million. Further, $132.9 million of draws were funded on previously originated Transitional loans. Lima One generated $11.5 million of origination, servicing, and other fee income.

- MFA added $108.8 million of Agency MBS during the quarter, bringing its total Securities portfolio to $594.3 million.

- MFA continued to reduce its REO portfolio, selling 95 properties in the second quarter for aggregate proceeds of $31.7 million and generating $4.0 million of gains.

- 60+ day delinquencies (measured as a percentage of UPB) for Purchased Performing Loans declined to 2.8% from 3.1% in the first quarter. Combined Purchased Credit Deteriorated and Purchased Non-Performing 60+ day delinquencies declined to 27.4% from 30.6% in the first quarter.

- MFA completed one loan securitization during the quarter, collateralized by $371.6 million of unpaid principal balance (UPB) of Non-QM loans, bringing its securitized debt to approximately $4 billion.

- MFA maintained its position in interest rate swaps at a notional amount of approximately $3.0 billion. At June 30, 2023, these swaps had a weighted average fixed pay interest rate of 1.58% and a weighted average variable receive interest rate of 5.09%.

- MFA estimates the net effective duration of its investment portfolio at June 30, 2023 was 1.19.

- MFA’s Debt/Net Equity Ratio was 3.9x and recourse leverage was 1.9x at June 30, 2023.

Webcast

MFA Financial, Inc. plans to host a live audio webcast of its investor conference call on Thursday, August 3, 2023, at 11:00 a.m. (Eastern Time) to discuss its second quarter 2023 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. 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.

About MFA Financial, Inc.

MFA Financial, Inc. (NYSE: MFA) is a leading specialty finance company that invests in residential mortgage loans, residential mortgage-backed securities and other real estate assets. Through its wholly-owned subsidiary, Lima One Capital, MFA also originates and services business purpose loans for real estate investors. MFA has distributed over $4.6 billion in dividends to stockholders since its initial public offering in 1998. MFA is an internally-managed, publicly-traded real estate investment trust.

The following table presents MFA's asset allocation as of June 30, 2023, and the second quarter 2023 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 June 30, 2023	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	$ 6,972	$ 428	$ 740	$ 594	$ 120	$ 690	$ 9,544
Receivable/(Payable) for Unsettled Transactions	—	—	—	(31)	—	—	(31)
Financing Agreements with Non-mark-to-market Collateral Provisions	(968)	—	—	—	—	—	(968)
Financing Agreements with Mark-to-market Collateral Provisions	(1,548)	(131)	(230)	(464)	(29)	—	(2,402)
Securitized Debt	(3,416)	(237)	(304)	—	(12)	—	(3,969)
Convertible Senior Notes	—	—	—	—	—	(229)	(229)
Net Equity Allocated	$ 1,040	$ 60	$ 206	$ 99	$ 79	$ 461	$ 1,945
Debt/Net Equity Ratio *(4)*	5.7x	6.1x	2.6x	5.0x	0.5x		3.9x
For the Quarter Ended June 30, 2023							
Yield on Average Interest Earning Assets *(5)*	5.66%	7.09%	10.11%	7.67%	N/A		6.10%
Less Average Cost of Funds *(6)*	(3.97)	(1.98)	(3.53)	(4.29)	(5.09)		(3.96)
Net Interest Rate Spread	1.69%	5.11%	6.58%	3.38%	(5.09)%		2.14%

(1) *Includes $3.6 billion of Non-QM loans, $1.7 billion of Transitional loans, $1.5 billion of Single-family rental loans, $75.3 million of Seasoned performing loans, and $58.1 million of Agency eligible investor loans. At June 30, 2023, the total fair value of these loans is estimated to be $6.9 billion.*

(2) *At June 30, 2023, the total fair value of these loans is estimated to be $447.5 million.*

(3) *Includes $329.4 million of cash and cash equivalents, $174.0 million of restricted cash, and $27.4 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 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 June 30, 2023, the amortized cost of our Securities, at fair value, was $583.0 million. In addition, the yield for residential whole loans was 6.08%, net of two 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.*

(6) *Average cost of funds includes interest on financing agreements, Convertible Senior Notes and securitized debt. Cost of funding also includes the impact of the net carry (the difference between swap interest income received and swap interest expense paid) on our interest rate swap agreements (or Swaps). While we have not elected hedge accounting treatment for Swaps and accordingly net carry is not presented in interest expense in our consolidated statement of operations, we believe it is appropriate to allocate net carry to the cost of funding to reflect the economic impact of our Swaps on the funding costs shown in the table above. For the quarter ended June 30, 2023, this decreased the overall funding cost by 138 basis points for our overall portfolio, 144 basis points for our Residential whole loans, 145 basis points for our Purchased Performing Loans, 206 basis points for our Purchased Credit Deteriorated Loans, 87 basis points for our Purchased Non-Performing Loans and 138 basis points for our Securities, at fair value.*

The following table presents the activity for our residential mortgage asset portfolio for the three months ended June 30, 2023:

Table 2 - Investment Portfolio Activity *Q2 2023*

(In Millions)	**March 31, 2023**	**Runoff *(1)***	**Acquisitions *(2)***	**Other *(3)***	**June 30, 2023**	**Change**
Residential whole loans and REO	$ 7,915	$ (394)	$ 868	$ (129)	$ 8,260	$ 345
Securities, at fair value	505	(10)	109	(10)	594	89
Totals	$ 8,420	$ (404)	$ 977	$ (139)	$ 8,854	$ 434

(1) Primarily includes principal repayments and sales of REO.
(2) Includes draws on previously originated Transitional 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.

Table 3 - Portfolio composition

	Held at Carrying Value		**Held at Fair Value**		**Total**	
(Dollars in Thousands)	**June 30, 2023**	**December 31, 2022**	**June 30, 2023**	**December 31, 2022**	**June 30, 2023**	**December 31, 2022**
Purchased Performing Loans:						
Non-QM loans	$ 912,826	$ 987,282	$ 2,696,293	$ 2,372,548	$ 3,609,119	$ 3,359,830
Transitional loans *(1)*	42,427	75,188	1,705,830	1,342,032	1,748,257	1,417,220
Single-family rental loans	191,780	210,833	1,300,130	1,165,741	1,491,910	1,376,574
Seasoned performing loans	75,389	82,932	—	—	75,389	82,932
Agency eligible investor loans	—	—	58,068	51,094	58,068	51,094
Total Purchased Performing Loans	$ 1,222,422	$ 1,356,235	$ 5,760,321	$ 4,931,415	$ 6,982,743	$ 6,287,650
Purchased Credit Deteriorated Loans	$ 448,366	$ 470,294	$ —	$ —	$ 448,366	$ 470,294
Allowance for Credit Losses	$ (31,035)	$ (35,314)	$ —	$ —	$ (31,035)	$ (35,314)
Purchased Non-Performing Loans	$ —	$ —	$ 739,712	$ 796,109	$ 739,712	$ 796,109
Total Residential Whole Loans	$ 1,639,753	$ 1,791,215	$ 6,500,033	$ 5,727,524	$ 8,139,786	$ 7,518,739
Number of loans	6,682	7,126	18,074	16,717	24,756	23,843

(1) As of June 30, 2023 includes $926.7 million of loans collateralized by one-to-four family residential properties and $821.5 million of loans collateralized by multi-family properties. As of December 31, 2022 includes $784.9 million of loans collateralized by one-to-four family residential properties and $632.3 million of loans collateralized by multi-family properties.

Table 4 - Yields and average balances

	For the Three-Month Period Ended								
	June 30, 2023			March 31, 2023			June 30, 2022		
(Dollars in Thousands)	Interest	Average Balance	Average Yield	Interest	Average Balance	Average Yield	Interest	Average Balance	Average Yield
Purchased Performing Loans:									
Non-QM loans	$ 45,518	$ 3,879,175	4.69%	$ 44,089	$ 3,803,154	4.64%	$ 34,512	$ 3,766,691	3.66%
Transitional loans	32,621	1,654,585	7.89%	28,227	1,473,420	7.66%	15,188	953,320	6.37%
Single-family rental loans	23,141	1,587,636	5.83%	21,313	1,518,741	5.61%	16,413	1,263,966	5.19%
Seasoned performing loans	1,127	77,843	5.79%	1,090	81,388	5.36%	1,155	95,650	4.83%
Agency eligible investor loans	518	72,875	2.84%	2,857	380,763	3.00%	7,604	1,051,737	2.89%
Total Purchased Performing Loans	102,925	7,272,114	5.66%	97,576	7,257,466	5.38%	74,872	7,131,364	4.20%
Purchased Credit Deteriorated Loans	8,087	455,993	7.09%	7,138	466,123	6.13%	8,672	506,653	6.85%
Purchased Non-Performing Loans	17,036	674,200	10.11%	14,796	699,730	8.46%	18,810	800,102	9.40%
Total Residential Whole Loans	$ 128,048	$ 8,402,307	6.10%	$ 119,510	$ 8,423,319	5.68%	$ 102,354	$ 8,438,119	4.85%

Table 5 - Net Interest Spread

	For the Three-Month Period Ended		
	June 30, 2023	March 31, 2023	June 30, 2022
Purchased Performing Loans			
Net Yield *(1)*	5.66%	5.38%	4.20%
Cost of Funding *(2)*	3.97%	3.95%	3.28%
Net Interest Spread	1.69%	1.43%	0.92%
Purchased Credit Deteriorated Loans			
Net Yield *(1)*	7.09%	6.13%	6.85%
Cost of Funding *(2)*	1.98%	2.23%	3.17%
Net Interest Spread	5.11%	3.90%	3.68%
Purchased Non-Performing Loans			
Net Yield *(1)*	10.11%	8.46%	9.40%
Cost of Funding *(2)*	3.53%	3.53%	3.34%
Net Interest Spread	6.58%	4.93%	6.06%
Total Residential Whole Loans			
Net Yield *(1)*	6.10%	5.68%	4.85%
Cost of Funding *(2)*	3.83%	3.82%	3.28%
Net Interest Spread	2.27%	1.86%	1.57%

(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 agreements with mark-to-market collateral provisions (repurchase agreements), agreements with non-mark-to-market collateral provisions, and securitized debt. Cost of funding shown in the table above includes the impact of the net carry (the difference between swap interest income received and swap interest expense paid) on our Swaps. While we have not elected hedge accounting treatment for Swaps, and, accordingly, net carry is not presented in interest expense in our consolidated statement of operations, we believe it is appropriate to allocate net carry to the cost of funding to reflect the economic impact of our Swaps on the funding costs shown in the table above. For the quarter ended June 30, 2023, this decreased the overall funding cost by 144 basis points for our Residential whole loans, 145 basis points for our Purchased Performing Loans, 206 basis points for our Purchased Credit Deteriorated Loans, and 87 basis points for our Purchased Non-Performing Loans. For the quarter ended March 31, 2023, this decreased the overall funding cost by 127 basis points for our Residential whole loans, 129 basis points for our Purchased Performing Loans, 171 basis points for our Purchased Credit Deteriorated Loans, and 77 basis points for our Purchased Non-Performing Loans. For the quarter ended June 30, 2022, this increased the overall funding cost by 25 basis points for our Residential whole loans, 23 basis points for our Purchased Performing Loans, 43 basis points for our Purchased Credit Deteriorated Loans, and 29 basis points for our Purchased Non-Performing Loans.

Table 6 - Credit related metrics/Residential Whole Loans

June 30, 2023

(Dollars In Thousands)	Fair Value / Carrying Value	Unpaid Principal Balance ("UPB")	Weighted Average Coupon *(2)*	Weighted Average Term to Maturity (Months)	Weighted Average LTV Ratio *(3)*	Weighted Average Original FICO *(4)*	Aging by UPB: Current	Aging by UPB: Past Due Days 30-59	Aging by UPB: Past Due Days 60-89	Aging by UPB: Past Due Days 90+	60+ DQ %	60+ LTV *(3)*
Purchased Performing Loans:												
Non-QM loans	$ 3,602,412	$ 3,917,542	5.48%	348	64%	735	$ 3,749,468	$ 72,290	$ 24,934	$ 70,850	2.4%	66.3%
Transitional loans *(1)*	1,745,417	1,759,641	8.45	11	65	744	1,675,104	12,749	8,188	63,600	4.1	67.2
Single-family rental loans	1,490,673	1,604,083	6.01	321	68	737	1,555,427	10,893	3,766	33,997	2.4	71.9
Seasoned performing loans	75,347	82,695	4.01	147	29	726	78,138	1,378	43	3,136	3.8	37.5
Agency eligible investor loans	58,068	70,075	3.44	338	67	757	69,082	—	765	228	1.4	73.0
Total Purchased Performing Loans	$ 6,971,917	$ 7,434,036	6.26%	260							2.8%	
Purchased Credit Deteriorated Loans	$ 428,157	$ 528,843	4.75%	272	62%	N/A	$ 394,413	$ 45,891	$ 13,721	$ 74,818	16.7%	72.6%
Purchased Non-Performing Loans	$ 739,712	$ 825,289	5.12%	274	67%	N/A	$ 448,977	$ 93,267	$ 32,569	$ 250,476	34.3%	76.3%
Residential whole loans, total or weighted average	$ 8,139,786	$ 8,788,168	5.81%	256							6.6%	

(1) As of June 30, 2023 Transitional loans includes $821.5 million of loans collateralized by multi-family properties with a weighted average term to maturity of 15 months and a weighted average LTV ratio of 73%.

(2) 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.

(3) 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 Transitional 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 Transitional loans, totaling $296.1 million at June 30, 2023, 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 69% at June 30, 2023. 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. 60+ LTV has been calculated on a consistent basis.

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

Table 7 - Shock Table

The information presented in the following “Shock Table” projects the potential impact of sudden parallel changes in interest rates on the value of our portfolio, including the impact of Swaps and securitized debt, based on the assets in our investment portfolio at June 30, 2023. Changes in portfolio value are measured as the percentage change when comparing the projected portfolio value to the base interest rate scenario at June 30, 2023.

Change in Interest Rates	Percentage Change in Portfolio Value	Percentage Change in Equity
+100 Basis Point Increase	(1.45)%	(7.09)%
+ 50 Basis Point Increase	(0.67)%	(3.25)%
Actual at June 30, 2023	—%	—%
- 50 Basis Point Decrease	0.55%	2.66%
-100 Basis Point Decrease	0.97%	4.73%

MFA FINANCIAL, INC.
CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Per Share Amounts)	June 30, 2023 (unaudited)	December 31, 2022
Assets:		
Residential whole loans, net ($6,500,033 and $5,727,524 held at fair value, respectively) *(1)*	$ 8,139,786	$ 7,518,739
Securities, at fair value	594,294	333,364
Cash and cash equivalents	329,391	334,183
Restricted cash	174,005	159,898
Other assets	498,755	766,221
Total Assets	$ 9,736,231	$ 9,112,405
Liabilities:		
Financing agreements ($4,116,746 and $3,898,744 held at fair value, respectively)	$ 7,568,177	$ 6,812,086
Other liabilities	223,285	311,470
Total Liabilities	$ 7,791,462	$ 7,123,556
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; 101,916 and 101,802 shares issued and outstanding, respectively	1,019	1,018
Additional paid-in capital, in excess of par	3,691,233	3,684,291
Accumulated deficit	(1,761,093)	(1,717,991)
Accumulated other comprehensive income	13,420	21,341
Total Stockholders' Equity	$ 1,944,769	$ 1,988,849
Total Liabilities and Stockholders' Equity	$ 9,736,231	$ 9,112,405

(1) Includes approximately $4.8 billion and $4.0 billion of Residential whole loans transferred to consolidated variable interest entities ("VIEs") at June 30, 2023 and December 31, 2022, 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 June 30, 2023 (Unaudited)	Three Months Ended June 30, 2022 (Unaudited)	Six Months Ended June 30, 2023 (Unaudited)	Six Months Ended June 30, 2022 (Unaudited)
Interest Income:				
Residential whole loans	$ 128,048	$ 102,354	$ 247,558	$ 201,820
Securities, at fair value	9,948	5,294	17,256	10,569
Other interest-earning assets	2,622	1,349	4,973	2,855
Cash and cash equivalent investments	3,732	324	6,768	426
Interest Income	$ 144,350	$ 109,321	$ 276,555	$ 215,670
Interest Expense:				
Asset-backed and other collateralized financing arrangements	$ 95,884	$ 52,805	$ 184,764	$ 92,170
Other interest expense	3,961	3,937	7,917	7,868
Interest Expense	$ 99,845	$ 56,742	$ 192,681	$ 100,038
Net Interest Income	$ 44,505	$ 52,579	$ 83,874	$ 115,632
(Provision)/Reversal of Provision for Credit Losses on Residential Whole Loans	$ (294)	$ (1,817)	$ (281)	$ 1,694
Provision for Credit Losses on Other Assets	—	(28,579)	—	(28,579)
Net Interest Income after Provision for Credit Losses	$ 44,211	$ 22,183	$ 83,593	$ 88,747
Other (Loss)/Income, net:				
Net loss on residential whole loans measured at fair value through earnings	$ (130,703)	$ (218,181)	$ (1,529)	$ (506,116)
Impairment and other net loss on securities and other portfolio investments	(4,569)	(12,046)	(1,638)	(15,747)
Net gain on real estate owned	2,153	7,185	6,095	15,917
Net gain on derivatives used for risk management purposes	60,451	47,804	39,243	141,905
Net gain/(loss) on securitized debt measured at fair value through earnings	27,394	84,573	(24,331)	148,690
Lima One - origination, servicing and other fee income	11,477	10,673	20,453	25,167
Other, net	5,496	3,544	8,668	6,220
Other (Loss)/Income, net	$ (28,301)	$ (76,448)	$ 46,961	$ (183,964)
Operating and Other Expense:				
Compensation and benefits	$ 21,771	$ 19,060	$ 42,401	$ 38,616
Other general and administrative expense	11,169	10,507	21,560	19,204
Loan servicing, financing and other related costs	7,598	13,235	17,137	23,636
Amortization of intangible assets	1,300	3,300	2,600	6,600
Operating and Other Expense	$ 41,838	$ 46,102	$ 83,698	$ 88,056
Net (Loss)/Income	$ (25,928)	$ (100,367)	$ 46,856	$ (183,273)
Less Preferred Stock Dividend Requirement	$ 8,218	$ 8,219	$ 16,437	$ 16,438
Net (Loss)/Income Available to Common Stock and Participating Securities	$ (34,146)	$ (108,586)	$ 30,419	$ (199,711)
Basic (Loss)/Earnings per Common Share	$ (0.34)	$ (1.06)	$ 0.30	$ (1.91)
Diluted (Loss)/Earnings per Common Share	$ (0.34)	$ (1.06)	$ 0.29	$ (1.91)

Segment Reporting

At June 30, 2023, the Company's reportable segments include (i) mortgage-related assets and (ii) Lima One. The Corporate column in the table below primarily consists of corporate cash and related interest income, investments in loan originators and related economics, general and administrative expenses not directly attributable to Lima One, interest expense on unsecured convertible senior notes, securitization issuance costs, and preferred stock dividends.

The following tables summarize segment financial information, which in total reconciles to the same data for the Company as a whole:

(Dollars in Thousands)	Mortgage-Related Assets	Lima One	Corporate	Total
Three months ended June 30, 2023				
Interest Income	$ 89,912	$ 51,308	$ 3,130	$ 144,350
Interest Expense	58,940	36,943	3,962	99,845
Net Interest Income/(Expense)	$ 30,972	$ 14,365	$ (832)	$ 44,505
Provision for Credit Losses on Residential Whole Loans	(294)	—	—	(294)
Net Interest Income/(Expense) after Provision for Credit Losses	$ 30,678	$ 14,365	$ (832)	$ 44,211
Net loss on residential whole loans measured at fair value through earnings	$ (97,459)	$ (33,244)	$ —	$ (130,703)
Impairment and other net loss on securities and other portfolio investments	(3,697)	—	(872)	(4,569)
Net gain/(loss) on real estate owned	2,493	(340)	—	2,153
Net gain on derivatives used for risk management purposes	45,142	15,309	—	60,451
Net gain on securitized debt measured at fair value through earnings	18,887	8,507	—	27,394
Lima One - origination, servicing and other fee income	—	11,477	—	11,477
Other, net	3,812	1,076	608	5,496
Total Other (Loss)/Income, net	$ (30,822)	$ 2,785	$ (264)	$ (28,301)
General and administrative expenses (including compensation)	$ —	$ 15,601	$ 17,339	$ 32,940
Loan servicing, financing, and other related costs	5,395	131	2,072	7,598
Amortization of intangible assets	—	1,300	—	1,300
Net (Loss)/Income	$ (5,539)	$ 118	$ (20,507)	$ (25,928)
Less Preferred Stock Dividend Requirement	$ —	$ —	$ 8,218	$ 8,218
Net (Loss)/Income Available to Common Stock and Participating Securities	$ (5,539)	$ 118	$ (28,725)	$ (34,146)

(Dollars in Thousands)	Mortgage-Related Assets	Lima One	Corporate	Total
June 30, 2023				
Total Assets	$ 6,183,728	$ 3,156,741	$ 395,762	$ 9,736,231
December 31, 2022				
Total Assets	$ 6,065,557	$ 2,618,695	$ 428,153	$ 9,112,405

Reconciliation of GAAP Net Income to non-GAAP Distributable Earnings

"Distributable earnings" is a non-GAAP financial measure of our operating performance, within the meaning of Regulation G and Item 10(e) of Regulation S-K, as promulgated by the Securities and Exchange Commission. Distributable earnings is determined by adjusting GAAP net income/(loss) by removing certain unrealized gains and losses, primarily on residential mortgage investments, associated debt, and hedges that are, in each case, accounted for at fair value through earnings, certain realized gains and losses, as well as certain non-cash expenses and securitization-related transaction costs. Management believes that the adjustments made to GAAP earnings result in the removal of (i) income or expenses that are not reflective of the longer term performance of our investment portfolio, (ii) certain non-cash expenses, and (iii) expense items required to be recognized solely due to the election of the fair value option on certain related residential mortgage assets and associated liabilities. Distributable earnings is one of the factors that our Board of Directors considers when evaluating distributions to our shareholders. Accordingly, we believe that the adjustments to compute Distributable earnings specified below provide investors and analysts with additional information to evaluate our financial results.

Distributable earnings should be used in conjunction with results presented in accordance with GAAP. Distributable earnings does not represent and should not be considered as a substitute for net income or cash flows from operating activities, each 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 net income/(loss) used in the calculation of basic EPS to our non-GAAP Distributable earnings for the quarterly periods below:

	Quarter Ended				
(In Thousands, Except Per Share Amounts)	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
GAAP Net (loss)/income used in the calculation of basic EPS	$ (34,265)	$ 64,407	$ (1,647)	$ (63,410)	$ (108,760)
Adjustments:					
Unrealized and realized gains and losses on:					
Residential whole loans held at fair value	130,703	(129,174)	68,828	291,818	218,181
Securities held at fair value	3,698	(2,931)	383	(1,549)	1,459
Interest rate swaps	(37,018)	40,747	12,725	(108,917)	(31,767)
Securitized debt held at fair value	(30,908)	48,846	(44,988)	(100,767)	(84,348)
Investments in loan origination partners	872	—	8,526	2,031	39,162
Expense items:					
Amortization of intangible assets	1,300	1,300	1,300	1,300	3,300
Equity based compensation	3,932	3,020	2,480	2,673	3,540
Securitization-related transaction costs	2,071	4,602	1,744	5,014	6,399
Total adjustments	74,650	(33,590)	50,998	91,603	155,926
Distributable earnings	$ 40,385	$ 30,817	$ 49,351	$ 28,193	$ 47,166
GAAP earnings/(loss) per basic common share	$ (0.34)	$ 0.63	$ (0.02)	$ (0.62)	$ (1.06)
Distributable earnings per basic common share	$ 0.40	$ 0.30	$ 0.48	$ 0.28	$ 0.46
Weighted average common shares for basic earnings per share	101,915	101,900	101,800	101,795	102,515

The following table presents our non-GAAP Distributable earnings by segment for the quarterly periods below:

(Dollars in Thousands)	Mortgage-Related Assets	Lima One	Corporate	Total
Three months ended June 30, 2023				
GAAP Net (loss)/income used in the calculation of basic EPS	$ (5,539)	$ 118	$ (28,844)	$ (34,265)
Adjustments:				
Unrealized and realized gains and losses on:				
Residential whole loans held at fair value	97,459	33,244	—	130,703
Securities held at fair value	3,698	—	—	3,698
Interest rate swaps	(27,903)	(9,115)	—	(37,018)
Securitized debt held at fair value	(21,756)	(9,152)	—	(30,908)
Investments in loan origination partners	—	—	872	872
Expense items:				
Amortization of intangible assets	—	1,300	—	1,300
Equity based compensation	—	130	3,802	3,932
Securitization-related transaction costs	—	—	2,071	2,071
Total adjustments	$ 51,498	$ 16,407	$ 6,745	$ 74,650
Distributable earnings	$ 45,959	$ 16,525	$ (22,099)	$ 40,385

(Dollars in Thousands)	Mortgage-Related Assets	Lima One	Corporate	Total
Three months ended March 31, 2023				
GAAP Net income/(loss) used in the calculation of basic EPS	$ 76,153	$ 20,215	$ (31,961)	$ 64,407
Adjustments:				
Unrealized and realized gains and losses on:				
Residential whole loans held at fair value	(95,509)	(33,665)	—	(129,174)
Securities held at fair value	(2,931)	—	—	(2,931)
Interest rate swaps	30,870	9,877	—	40,747
Securitized debt held at fair value	32,580	16,266	—	48,846
Investments in loan origination partners	—	—	—	—
Expense items:				
Amortization of intangible assets	—	1,300	—	1,300
Equity based compensation	—	127	2,893	3,020
Securitization-related transaction costs	—	—	4,602	4,602
Total adjustments	$ (34,990)	$ (6,095)	$ 7,495	$ (33,590)
Distributable earnings	$ 41,163	$ 14,120	$ (24,466)	$ 30,817

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 investment activities, 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:

	Quarter Ended:				
(In Millions, Except Per Share Amounts)	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
GAAP Total Stockholders' Equity	$ 1,944.8	$ 2,018.6	$ 1,988.8	$ 2,033.9	$ 2,146.4
Preferred Stock, liquidation preference	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)
GAAP Stockholders' Equity for book value per common share	1,469.8	1,543.6	1,513.8	1,558.9	1,671.4
Adjustments:					
Fair value adjustment to Residential whole loans, at carrying value	(58.3)	(33.9)	(70.2)	(58.2)	9.5
Fair value adjustment to Securitized debt, at carrying value	129.8	122.4	139.7	109.6	75.4
Stockholders' Equity including fair value adjustments to Residential whole loans and Securitized debt held at carrying value (Economic book value)	$ 1,541.3	$ 1,632.1	$ 1,583.3	$ 1,610.3	$ 1,756.3
GAAP book value per common share	$ 14.42	$ 15.15	$ 14.87	$ 15.31	$ 16.42
Economic book value per common share	$ 15.12	$ 16.02	$ 15.55	$ 15.82	$ 17.25
Number of shares of common stock outstanding	101.9	101.9	101.8	101.8	101.8

Cautionary Note Regarding Forward-Looking Statements

When used in this press release or other written or oral communications, statements that 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 MFA’s business, financial condition, liquidity, results of operations, plans and objectives. Among the important factors that could cause our actual results to differ materially from those projected in any forward-looking statements that we make are: general economic developments and trends and the performance of the housing, real estate, mortgage finance, broader financial markets; inflation, increases in interest rates and changes in the market (i.e., fair) value of MFA’s residential whole loans, MBS, securitized debt and other assets, as well as changes in the value of MFA’s liabilities accounted for at fair value through earnings; the effectiveness of hedging transactions; 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 or 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 of Directors and will depend on, among other things, MFA’s taxable income, its financial results and overall financial condition and liquidity, maintenance of its REIT qualification and such other factors as MFA’s Board of Directors 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; targeted or expected returns on our investments in recently-originated mortgage loans, the performance of which is, similar to our other mortgage loan investments, subject to, among other things, differences in prepayment risk, credit risk and financing costs associated with such investments; risks associated with the ongoing operation of Lima One Holdings, LLC (including, without limitation, unanticipated expenditures relating to or liabilities arising from its operation (including, among other things, a failure to realize management’s assumptions regarding expected growth in business purpose loan (BPL) origination volumes and credit risks underlying BPLs, including changes in the default rates and management’s assumptions regarding default rates on the BPLs originated by Lima One)); 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; risks associated with our 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 generally, including changes in business conditions and the general economy; and other risks, uncertainties and factors, including those described in the annual, quarterly and current reports that we file with the SEC. These forward-looking statements are based on beliefs, assumptions and expectations of MFA’s future performance, taking into account information currently available. Readers and listeners 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.

Exhibit 99.2

Forward-looking statements

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MFA at a glance

Leading hybrid mortgage REIT with extensive experience in managing residential mortgage assets through economic cycles

Total assets

$9.7B

as of June 30, 2023

Total equity

$1.9B

as of June 30, 2023

Common dividends

$4.6B

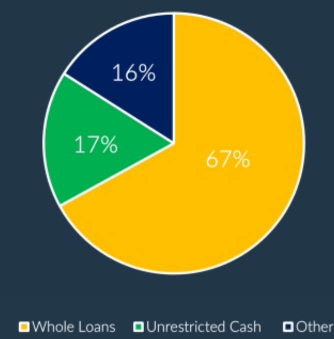
paid since IPO in 1998

Listed on NYSE in

1998

NYSE: MFA

Equity Allocation
(As of June 30,2023)



Q2 2023 financial snapshot

MFA generated strong Distributable earnings during another difficult quarter for fixed-income markets

GAAP book value	Economic book value[1]	GAAP net income[2]	Distributable earnings[3]
$14.42 per common share	$15.12 per common share	$(0.34) per common share	$0.40 per common share

Recourse leverage[4]	Unrestricted cash	Total economic return[5]	Q2 dividend
1.9x	$329M	(3.4%) for the quarter	$0.35 per common share

See page 24 for end notes

Q2 2023 Company Highlights

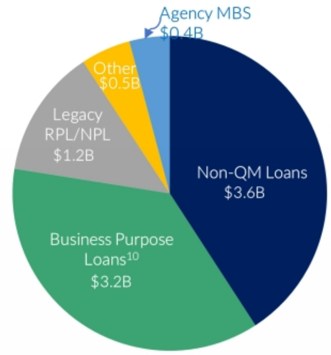
- Strong Distributable earnings during another quarter of heightened interest rate volatility
  - Distributable earnings of $0.40 and declared $0.35 dividend
  - GAAP and Economic book value declined by 4.8% and 5.6%, primarily due to impact of higher rates
  - Ended Q2 with $329M of unrestricted cash
- Net interest spread rose to 2.14%, an increase of 40 bps from Q1
  - Acquired higher yielding assets while our effective cost of funds rose just 1 bp
  - Spread is up 77 bps from Q2 2022
- Acquired $1B of high-yielding assets
  - Lima One originated $584M[6] of loans (50% increase over Q1) with average coupon of 10%
  - Strong balance sheet and leading in-house BPL originator allow us to add high-quality loans
- Credit performance continues to be strong
  - Loan delinquencies declined in Q2 for each major asset class
  - Current LTV[7] of 59% on loan portfolio at quarter-end

MFA FINANCIAL, INC.

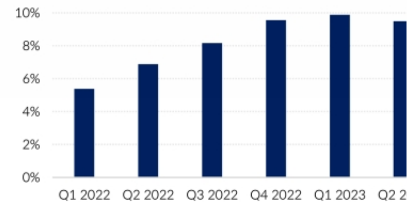
Q2 2023 Investment Activity

- Added $1B of loans and securities, growing our investment portfolio to $8.9B
  - Lima One funded $523M of new business purpose loans (BPLs) and draws on existing loans[8]
  - Purchased $345M of non-qualified mortgage (Non-QM) loans
  - Purchased $109M of Agency MBS during Q2, bringing that portfolio to $396M
  - Portfolio runoff of $404M for the quarter
- Higher interest rates continue to provide opportunities to add new assets at attractive yields
  - Weighted average coupon on loans acquired in Q2 was 9.5%
  - Weighted average coupon in Lima One's origination pipeline remains above 10%
  - Incremental ROE on new investments averages in mid-teens

Investment Portfolio as of June 30, 2023[9]

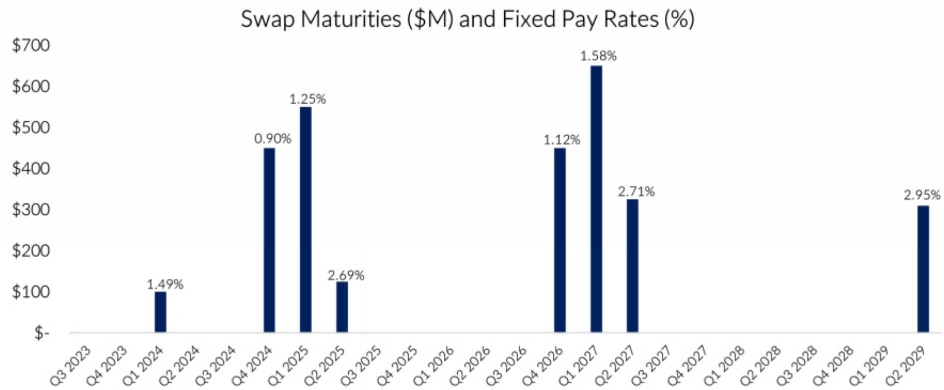


Average Coupon on Loan Acquisitions



Interest Rate Swaps

- Positive carry on our interest rate swaps now exceeds 350 bps
  - We continue to benefit from our $3B interest rate hedge placed in late 2021 and early 2022, before the Federal Reserve began aggressively raising the Fed Funds Rate in summer 2022
  - Weighted average fixed pay rate was 1.58% and variable receive rate was 5.09%[11] at June 30
  - Net positive swap carry of $26M during Q2, up from $22M in Q1
- Very few of our swaps mature before Q4 2024

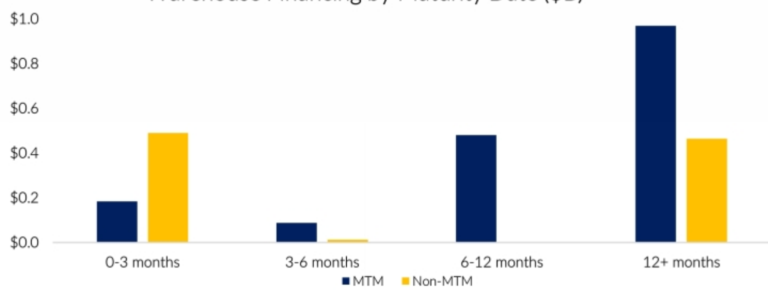


MFA FINANCIAL, INC.

Q2 2023 Liability Highlights

- All of our borrowing costs are effectively fixed due to securitizations or interest rate swaps used for hedging purposes
  - Effective cost of funds rose 1 bp to 3.96% from 3.95% in Q1
  - Effective cost of funds has increased just 58 bps over past 12 months despite 350 bps increase in Fed Funds Rate (through June 30)
- Overall leverage was 3.9x and recourse leverage was 1.9x at June 30
  - Approximately two-thirds of our asset-based financing is non-mark-to-market (non-MTM)
  - $1.4B of unused financing capacity across all loan product types

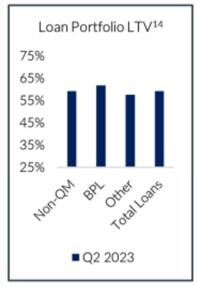
Warehouse Financing by Maturity Date ($B)[12]

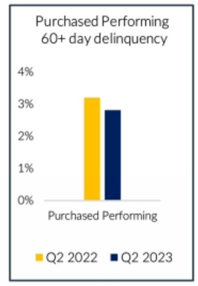


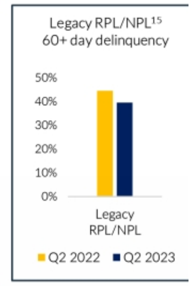
Q2 Liabilities ($B)

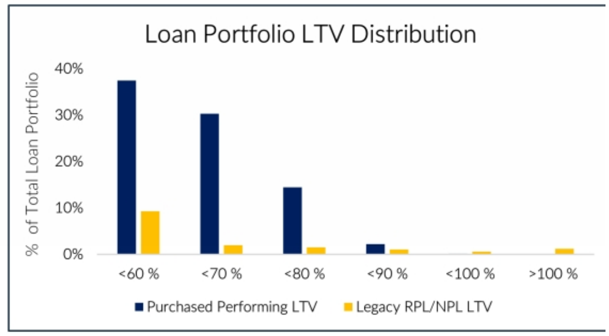
Credit Remains Strong

- Loan delinquencies declined for every major asset class during Q2
  - 60+ day delinquency rate on Purchased Performing Loans declined to 2.8% from 3.1% in Q1
- Loan-to-value (LTV) ratios remain low
  - We continue to benefit from accumulated home price appreciation and principal pay-downs
  - Less than 4% of our Purchased Performing Loans[13] (as measured by UPB) have LTV ratios over 80%
- Realized losses have been infrequent and minimal due to low LTVs, strong underwriting, and diligent asset management





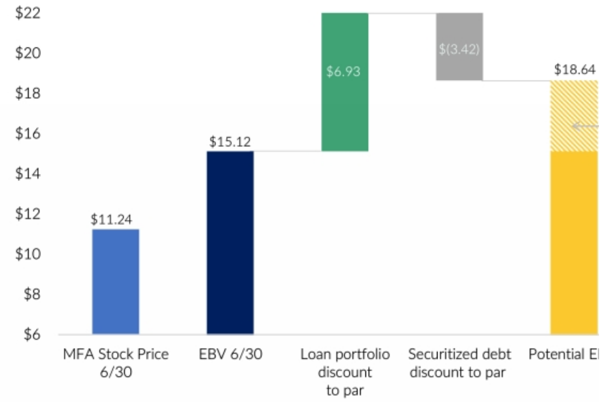




Book Value Upside

- Economic book value has over $3.50 per share of potential upside
  - Our loan portfolio is marked at a substantial discount to par, mostly due to impact of higher interest rates
  - We recoup these unrealized losses as loans pay off and as borrowers make scheduled principal payments
- Economic book value would be $18.64 per share if our loans and securitized debt are repaid at par
  - Strong credit fundamentals support potential book value upside

Potential Upside in Economic Book Value (EBV)



Q2 2023 Lima One Highlights

- 50% increase in origination volume from Q1 and continued emphasis on high quality credit
  - $584M of originations[6] with an average LTV[16] of 66% and FICO score of 738
  - Combination of sector upheaval and MFA's strong balance sheet has enabled Lima to gain market share from competing lenders
  - Origination fees, servicing fees and other fee income totaled $11.5M in Q2
- Lima One segment Distributable earnings increased 17% to $16.5M
- Lima One has originated over $4.3B of BPLs for our balance sheet since our acquisition in 2021
  - Lima offers a broad range of loan products, including transitional loans, single-family rental loans and small-balance multifamily loans
  - Credit performance remains strong with 60+ day delinquency rate of 2.2% on our BPLs originated by Lima One

Q2 2023 Transitional Loan Highlights

- Transitional loan portfolio grew by over $220M to $1.8B UPB, a 15% increase from Q1
  - Lima originated $493M[6] of new transitional loans with an average ARV-LTV of 66% and average FICO score of 738
  - 10.3% average coupon on loans originated in Q1
- 68% of transitional loan financing is non-MTM
- 3-month repayment rate increased to 42 CPR[20]
- 60+ day delinquency rate declined by 60 bps to 4.1%
  - Delinquency rate for transitional loans originated by Lima One is 2.4%

Portfolio statistics (06/30/23)	
UPB ($M)	$1,760
Maximum Loan Amount ($M)	$2,347
WA Coupon	8.45%
Second Quarter Yield	7.89%
WA As-Is/Purchased LTV[17]	67%
WA ARV-LTV[18]	65%
WA Current ARV-LTV[19]	64%
WA FICO	744
WA Loan Age (Months)	11
Multifamily (5+ units)	47%
3-Month Repayment Rate[20]	42 CPR
60+ Days Delinquent	4.1%
Top 2 states	
TX	15%
FL	13%

Q2 2023 SFR Loan Highlights

- Single-family rental (SFR) loan portfolio is performing well, delivering attractive yields and strong credit performance
  - Lima One originated $91M of SFR loans with average LTV of 68% and average FICO score of 739
  - SFR loan portfolio grew by 4%
  - 8.27% average coupon on loans originated in Q2
- 88% of SFR financing is non-MTM
- 3-month prepayment rate rose slightly to 6 CPR
- 60+ day delinquency rate declined 20 bps to 2.4%

Portfolio statistics (06/30/23)	
UPB ($M)	$1,604
WA Coupon	6.01%
Second Quarter Yield	5.83%
WA Original LTV	70%
WA Current LTV[7]	62%
WA FICO	737
WA DSCR[21]	1.48x
WA Loan Age (Months)	18
Hybrid ARMs	24%
3-Month Prepayment Rate	6 CPR
60+ Days Delinquent	2.4%
Top 2 states	
FL	11%
GA	9%

Q2 2023 Non-QM Highlights

- Acquired $337M UPB of Non-QM loans in Q2, growing portfolio by 6% to $3.9B UPB
  - 8.67% average coupon on loans purchased in Q2
- Credit performance remained strong with 60+ day delinquencies declining to 2.4%
- Issued our 11th Non-QM securitization in May
  - $4.2B UPB securitized since strategy inception

	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
Loan count	5,846	6,706	7,240	7,137	7,199	7,253	7,337	7,873
Total UPB ($M)	2,738	3,361	3,671	3,637	3,669	3,671	3,684	3,918
% Current	92.3%	94.2%	93.5%	95.3%	96.3%	95.9%	95.2%	95.7%
% 30 days DQ	2.4%	2.3%	3.3%	2.1%	1.4%	1.5%	2.0%	1.8%
% 60+ days DQ	5.3%	3.5%	3.3%	2.6%	2.3%	2.6%	2.7%	2.4%
WA LTV	56%	57%	56%	54%	55%	56%	57%	58%

Portfolio statistics (06/30/23)	
UPB ($M)	$3,918
Average balance	$498K
WA Coupon	5.63%
Second Quarter Yield	4.69%
WA Original LTV	67%
WA Current LTV[7]	58%
WA FICO	735
Fixed rate	78%
Hybrid ARMs	22%
Purchase	52%
Cash-out refinance	37%
3-Month Prepayment Rate	8 CPR
60+ Days Delinquent	2.4%
Top 2 states	
CA	55%
FL	15%

Legacy Non-Performing and Re-Performing Loans

Non-Performing Loans (NPL)[22]

- Remaining UPB of $695M for loans purchased as NPLs
- 92% of these loans were performing, paid in full, liquidated or REO at June 30
- Achieving excellent outcomes due to intensive asset management and home price appreciation
- 75% of loans that were modified by MFA are either performing today or have paid in full
- Sold $32M of REO properties in Q2, realizing net gains of $4M

	NPL Acquisition Year						
	2014	2015	2016	2017	2018	2019	Total
UPB purchased ($M)	208	620	280	670	497	227	**2,502**
Status 6/30/2023							
Performing[24]/PIF	47%	29%	32%	39%	53%	37%	**39%**
Liquidation/REO	48%	64%	65%	53%	40%	45%	**53%**
Non-performing	5%	7%	3%	8%	7%	18%	**8%**
Remaining UPB ($M)	53	120	42	193	178	109	695

Re-Performing Loans (RPL)[23]

- Remaining UPB of $741M for loans purchased as RPLs
- 85% of RPL portfolio is less than 60 days delinquent as of Jun 30
- On average, 40% of the 60+ days delinquent loans are makin payments
- Portfolio LTV has fallen to 52% due to significant home price appreciation and principal repayments
- Seasoned, stable portfolio with average loan age of 17 years

Appendix

James Casebere, Landscape w
Houses
(Dutchess County, NY) #2, 2(

MFA Financial Overview

- MFA Financial, Inc. (NYSE: MFA) is a leading specialty finance company that invests primarily in residential mortgage loans and mortgage-backed securities
- MFA currently owns a diversified portfolio of transitional and term business purpose loans (BPLs), non-qualified mortgage (Non-QM) loans, re-performing/non-performing loans (RPL/NPLs) and residential mortgage-backed securities (RMBS)
- In 2021, MFA acquired Lima One Capital, a leading nationwide originator and servicer of BPLs with nearly $8B in originations since its formation in 2011
- MFA originates BPLs directly through Lima One and acquires Non-QM loans through flow and mini-bulk arrangements with a select group of originators with which it holds strong relationships
- MFA operates a leading residential credit securitization platform with over $7.5B of issuance since inception
- MFA has deep expertise in residential credit as well as a long history of investing in new asset classes when compelling opportunities arise

Lima One: Leading Nationwide BPL Originator and Servicer

LIMA ONE CAPITAL

Fully Integrated BPL Platform

- Lima One, a wholly-owned subsidiary of MFA, is an industry-leading, fully integrated business purpose lending platform
- Lima operates an efficient and scalable platform with approximately 280 employees headquartered in Greenville, SC
- Lima has originated over $4.3B[6] since MFA's acquisition in 2021 and nearly $8B[6] since its formation in 2011
- Trailing 12-month origination volume of $2.0B[6] through Q2 2023
- Lima provides MFA with access to organically created, high yielding loans, substantially below the cost to purchase from third parties

Credit Quality

- Strong focus on credit quality, with disciplined underwriting, in-house servicing, and construction management teams
- Conservative underwriting with average FICO of 738 and average LTV of 66%[16] as of June 30, 2023
- 60+ day delinquency rate of just 2% as of June 30, 2023
- Historical losses of less than 1 bp on over $1.8B of payoffs and liquidations for loans held by MFA and originated by Lima One

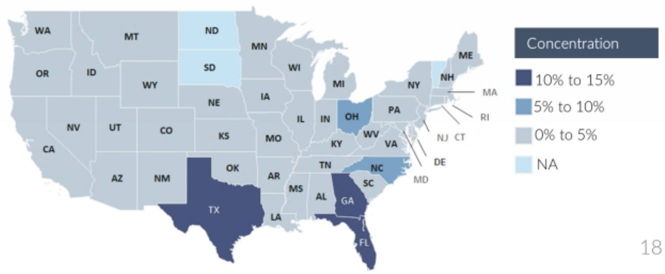
Product Offerings

- Lima One offers a diverse selection of both short-term and long-term financing solutions to experienced real estate investors across the U.S.
- Current products include fix/flip loans, construction loans, single-family rental loans and small-balance multifamily loans

FIX & FLIP GROUND UP RENTAL MULTIFAMILY

Geographic and Borrower Diversity

- No state concentration in excess of 15% and no borrower concentration in excess of 2%



Reconciliation of GAAP net income to non-GAAP Distributable earnings

"Distributable earnings" is a non-GAAP financial measure of our operating performance, within the meaning of Regulation G and Item 10(e) of Regulation S-K, as promulgated by the Securities and Exchange Commission Distributable earnings is determined by adjusting GAAP net income/(loss) by removing certain unrealized gains and losses, primarily on residential mortgage investments, associated debt, and hedges that are, in each case accounted for at fair value through earnings, certain realized gains and losses, as well as certain non-cash expenses and securitization-related transaction costs. Management believes that the adjustments made to GAAP earning result in the removal of (i) income or expenses that are not reflective of the longer term performance of our investment portfolio, (ii) certain non-cash expenses, and (iii) expense items required to be recognized solely due to the election of the fair value option on certain related residential mortgage assets and associated liabilities. Distributable earnings is one of the factors that our Board of Directors considers when evaluating distributions to ou shareholders. Accordingly, we believe that the adjustments to compute Distributable earnings specified below provide investors and analysts with additional information to evaluate our financial results.

The following table provides a reconciliation of GAAP net (loss)/income used in the calculation of basic EPS to our non-GAAP Distributable earnings for the quarterly periods presented.

($ in millions, except per share amounts)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
GAAP Net (loss)/income used in the calculation of basic EPS	$ (34.3)	$ 64.4	$ (1.6)	$ (63.4)	$ (108.8)
Adjustments:					
Unrealized and realized gains and losses on:					
Residential whole loans held at fair value	130.7	(129.2)	68.8	291.8	218.2
Securities held at fair value	3.7	(2.9)	0.4	(1.5)	1.5
Interest rate swaps	(37.0)	40.8	12.7	(108.9)	(31.8)
Securitized debt held at fair value	(30.9)	48.8	(45.0)	(100.8)	(84.3)
Investments in loan origination partners	0.9	-	8.5	2.0	39.2
Expense items:					
Amortization of intangible assets	1.3	1.3	1.3	1.3	3.3
Equity based compensation	3.9	3.0	2.5	2.7	3.5
Securitization-related transaction costs	2.1	4.6	1.7	5.0	6.4
Total adjustments	$ 74.7	$ (33.6)	$ 51.0	$ 91.6	$ 155.9
Distributable earnings	$ 40.4	$ 30.8	$ 49.4	$ 28.2	$ 47.2
GAAP (loss)/earnings per basic common share	$ (0.34)	$ 0.63	$ (0.02)	$ (0.62)	$ (1.06)
Distributable earnings per basic common share	$ 0.40	$ 0.30	$ 0.48	$ 0.28	$ 0.46
Weighted average common shares for basic earnings per share	101.9	101.9	101.8	101.8	102.5

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 the 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 peric 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 o investment activities, 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 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 2022.

($ in millions, except per share amounts)	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22
GAAP Total Stockholders' Equity	$ 1,944.8	$ 2,018.6	$ 1,988.8	$ 2,033.9	$ 2,146.4
Preferred Stock, liquidation preference	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)
GAAP Stockholders' Equity for book value per common share	$ 1,469.8	$ 1,543.6	$ 1,513.8	$ 1,558.9	$ 1,671.4
Adjustments:					
Fair value adjustment to Residential whole loans, at carrying value	(58.3)	(33.9)	(70.2)	(58.2)	9.5
Fair value adjustment to Securitized debt, at carrying value	129.8	122.4	139.7	109.6	75.4
Stockholders' Equity including fair value adjustments to Residential whole loans and Securitized debt held at carrying value (Economic book value)	$ 1,541.3	$ 1,632.1	$ 1,583.3	$ 1,610.3	$ 1,756.3
GAAP book value per common share	$ 14.42	$ 15.15	$ 14.87	$ 15.31	$ 16.42
Economic book value per common share	$ 15.12	$ 16.02	$ 15.55	$ 15.82	$ 17.25
Number of shares of common stock outstanding	101.9	101.9	101.8	101.8	101.8

Book Value and Economic Book Value Rollforward

	GAAP	Economic
Book value per common share as of 3/31/23	$15.15	$16.02
Net income available to common shareholders	(0.34)	(0.34)
Common stock dividends declared	(0.35)	(0.35)
Fair value changes attributable to residential mortgage securities and other	(0.04)	(0.04)
Change in fair value of residential whole loans reported at carrying value under GAAP	—	(0.24)
Change in fair value of securitized debt at carrying value under GAAP	—	0.07
Book value per common share as of 6/30/23	$14.42	$15.12

MFA FINANCIAL, INC.

GAAP Segment Reporting

(Dollars in millions) Three months ended June 30, 2023	Mortgage-Related Assets	Lima One	Corporate	Total
Interest Income	89.9	51.3	3.1	144.3
Interest Expense	58.9	36.9	4.0	99.8
Net Interest Income/(Expense)	$ 31.0	$ 14.4	$ (0.9)	$ 44.5
(Provision)/Reversal of Provision for Credit Losses on Residential Whole Loans	(0.3)	-	-	(0.3)
Net Interest Income/(Expense) after Reversal of Provision/(Provision) for Credit Losses	$ 30.7	$ 14.4	$ (0.9)	$ 44.2
Net gain/(loss) on residential whole loans measured at fair value through earnings	(97.4)	(33.3)	-	(130.7)
Impairment and other net gain on securities and other portfolio investments	(3.7)	-	(0.9)	(4.6)
Net gain on real estate owned	2.5	(0.3)	-	2.2
Net gain on derivatives used for risk management purposes	45.1	15.3	-	60.4
Net loss on securitized debt measured at fair value through earnings	18.9	8.5	-	27.4
Lima One - origination, servicing and other fee income	-	11.5	-	11.5
Other, net	3.8	1.0	0.6	5.4
Total Other (Loss)/Income, net	$ (30.8)	$ 2.7	$ (0.3)	$ (28.4)
General and administrative expenses (including compensation)	-	15.6	17.3	32.9
Loan servicing, financing, and other related costs	5.4	0.1	2.1	7.6
Amortization of intangible assets	-	1.3	-	1.3
Net Income/(Loss)	$ (5.5)	$ 0.1	$ (20.6)	$ (26.0)
Less Preferred Stock Dividend Requirement	-	-	8.2	8.2
Net Income/(Loss) Available to Common Stock and Participating Securities	$ (5.5)	$ 0.1	$ (28.8)	$ (34.2)

Distributable Earnings by Operating Segment

(Dollars in millions) Three months ended June 30, 2023	Mortgage-Related Assets	Lima One	Corporate	Total
GAAP Net (loss)/income used in the calculation of basic EPS	$ (5.5)	$ 0.1	$ (28.9)	$ (34.3)
Adjustments:				
Unrealized and realized gains and losses on:				
Residential whole loans held at fair value	97.5	33.2	—	130.7
Securities held at fair value	3.7	—	—	3.7
Interest rate swaps	(27.9)	(9.1)	—	(37)
Securitized debt held at fair value	(21.8)	(9.1)	—	(30.9)
Investments in loan origination partners	—	—	0.9	0.9
Expense items:				
Amortization of intangible assets	—	1.3	—	1.3
Equity based compensation	—	0.1	3.8	3.9
Securitization-related transaction costs	—	—	2.1	2.1
Total adjustments	$ 51.5	$ 16.4	$ 6.8	$ 74.7
Distributable earnings	$ 46.0	$ 16.5	$ (22.1)	$ 40.4

Endnotes

1) Economic book value is a non-GAAP financial measure. Refer to slide 20 for further information regarding the calculation of this measure and a reconciliation to GAAP book value.
2) GAAP net income presented per basic common share. GAAP net income was $(0.34) per common share on a fully diluted basis.
3) Distributable earnings is a non-GAAP financial measure. Refer to slide 19 for further information regarding the calculation of this measure and a reconciliation to GAAP net income.
4) Total economic return is calculated as the quarterly change in Economic Book Value (EBV) plus common dividends declared during the quarter divided by EBV at the start of the quarter. Economic return based solely on the change in GAAP book value for the quarter was (4.8)%.
5) Recourse leverage is the ratio of MFA's financing liabilities (excluding non-recourse Securitized Debt) to net equity. Including Securitized Debt, MFA's overall leverage ratio at June 30, 2023 was 3.9x.
6) Origination amounts are based on the maximum loan amount, which includes amounts initially funded plus any committed, but undrawn amounts.
7) Current LTV reflects loan amortization and estimated home price appreciation (or depreciation) since acquisition. Zillow Home Value Index (ZHVI) is utilized to estimate updated LTVs. For Transitional loans, the LTV reflects after repaired loan to value.
8) Includes $390.3 million of funded originations during Q2 plus $132.9 million of draws funded during Q2 on previously originated Transitional loans.
9) Amounts presented reflect the aggregation of fair value and carrying value amounts as presented in MFA's consolidated balance sheet at June 30, 2023.
10) Business Purpose Loans comprised of $1.7B of Transitional loans and $1.5B of Single-family rental loans at June 30, 2023.
11) Swap variable receive rate is the Secured Overnight Financing Rate (SOFR).
12) Amounts presented include the assumed exercise of the Company's unilateral option to extend the maturity of a $0.3B warehouse facility for one year.
13) Purchased Performing Loans includes Non-QM, Transitional, Single-family rental, Seasoned Performing and Agency-eligible investor loans.
14) Loan Portfolio LTV reflects principal amortization and estimated home price appreciation (or depreciation) since acquisition. Zillow Home Value Index (ZHVI) is utilized to estimate updated LTVs. For Transitional loans, the LTV reflects after repaired loan to value.
15) Legacy RPL/NPL includes Purchased Credit Deteriorated and Purchased Non-Performing loans.
16) LTV is based on After Repaired Value (ARV) for Transitional loans and as-is LTV for Rental loans at origination.
17) Weighted average loan amount to as-is value (when available) or purchase value at origination.
18) Weighted average loan amount to after repaired value at origination.
19) Reflects loan amortization and estimated home price appreciation (or depreciation) since acquisition. Zillow Home Value Index (ZHVI) is utilized to estimate updated LTVs.
20) CPR shown for Transitional loans includes all principal repayments.
21) Weighted average debt service coverage ratio (DSCR).
22) Non-Performing at purchase refers to loans at least 60 days delinquent at purchase.
23) Includes Purchased Credit Deteriorated (PCD) and certain other loans purchased as Re-Performing Loans but were not classified as PCD loans for accounting purposes.
24) Performing as of June 30, 2023 defined as less than 60 days delinquent or made a full P&I payment in June 2023.