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): November 7, 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 November 7, 2023, announcing its financial results for the quarter ended September 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 third 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 November 7, 2023, announcing MFA's financial results for the quarter ended September 30, 2023.
99.2	Additional information relating to the financial results of MFA for the quarter ended September 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: November 7, 2023

EXHIBIT INDEX

Exhibit No.	Description
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99.2	Additional information relating to the financial results of MFA Financial, Inc. for the quarter ended September 30, 2023.
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**

November 7, 2023 **NEW YORK METRO**

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www.mfafinancial.com

NYSE: MFA

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Tom Johnson
212-371-5999

MFA Financial, Inc. Announces Third Quarter 2023 Financial Results

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

Third Quarter 2023 financial results update:

- MFA generated a GAAP net loss for the third quarter of $64.7 million, or $0.64 per basic and diluted common share. Distributable earnings, a non-GAAP financial measure, were $41.1 million, or $0.40 per common share. MFA paid a regular cash dividend for the quarter of $0.35 per share on October 31, 2023.

- GAAP book value at September 30, 2023 was $13.48 per common share. Economic book value, a non-GAAP financial measure, was $13.84 per common share.

- Net interest spread rose to 2.17%, a 3 bp increase from the second quarter.

- Total economic return was (6.2)% for the third quarter.

- MFA closed the quarter with unrestricted cash of $300.1 million.

Commenting on the quarter, Craig Knutson, MFA's CEO and President said: "With the 10-year Treasury yield climbing nearly 80 bps, the third quarter was exceptionally challenging for fixed-income investors and particularly for the mortgage industry. While our book value was negatively impacted by the spike in interest rates, we again generated distributable earnings in excess of our dividend and continued to execute our business plan of adding higher-yielding assets while keeping our cost of funds relatively stable. Lima One originated a record $671 million of new loans during the quarter. Overall, we acquired or originated over $800 million of loans at an average coupon of approximately 10%. We also purchased $152 million of Agency MBS at some of the widest spreads seen since the 2008 financial crisis. These investments propelled our net interest spread higher to 2.17% and our net interest margin to 3.02%."

Mr. Knutson continued: "Our emphasis on strong underwriting, credit performance and more durable forms of financing has not wavered. Loan delinquencies and loan-to-value (LTV) ratios remain low. We securitized over $600 million of loans during the quarter and an additional $225 million in October. We again benefited from our $3.1 billion interest rate swap position, which generated a net positive carry of $29 million during the quarter. We also added $133 million of longer duration swaps and maintained a substantial cash position to protect our balance sheet from further rate volatility. Finally, we repurchased over $10 million of our convertible senior notes that mature in June 2024 at a slight discount to their unpaid principal balance."

Q3 2023 Portfolio Activity

- Loan acquisitions were $802.6 million, including $646.5 million of funded originations of business purpose loans (including draws on Transitional loans) and $156.1 million of Non-QM loan acquisitions, bringing MFA's residential whole loan balance to $8.4 billion.

- Lima One funded $479.5 million of new business purpose loans with a maximum loan amount of $671.0 million. Further, $166.9 million of draws were funded on previously originated Transitional loans. Lima One generated $12.1 million of origination, servicing, and other fee income.

- MFA added $151.8 million of Agency MBS during the quarter, bringing its total Securities portfolio to $724.0 million.

- MFA continued to reduce its REO portfolio, selling 77 properties in the third quarter for aggregate proceeds of $26.2 million and generating $3.2 million of gains.

- 60+ day delinquencies (measured as a percentage of UPB) for Purchased Performing Loans increased to 3.1% from 2.8% in the second quarter. Combined Purchased Credit Deteriorated and Purchased Non-Performing 60+ day delinquencies declined to 25.9% from 27.4% in the second quarter.

- MFA completed two loan securitizations during the quarter, collateralized by $601.5 million of unpaid principal balance (UPB) loans, including $386.8 million of Non-QM loans and $214.7 million of Single-family rental loans, bringing its securitized debt to approximately $4.3 billion.

- MFA maintained its position in interest rate swaps at a notional amount of approximately $3.1 billion. At September 30, 2023, these swaps had a weighted average fixed pay interest rate of 1.69% and a weighted average variable receive interest rate of 5.32%.

- MFA estimates the net effective duration of its investment portfolio at September 30, 2023 declined to 1.05 from 1.19 at June 30, 2023.

- MFA's Debt/Net Equity Ratio was 4.3x and recourse leverage was 2.0x at September 30, 2023.

Webcast

MFA Financial, Inc. plans to host a live audio webcast of its investor conference call on Tuesday, November 7, 2023, at 11:00 a.m. (Eastern Time) to discuss its third 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 $4.7 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 September 30, 2023, and the third 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 September 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	$ 7,306	$ 418	$ 700	$ 724	$ 113	$ 626	$ 9,887
Financing Agreements with Non-mark-to-market Collateral Provisions	(1,125)	—	—	—	—	—	(1,125)
Financing Agreements with Mark-to-market Collateral Provisions	(1,375)	(128)	(222)	(609)	(27)	—	(2,361)
Securitized Debt	(3,797)	(240)	(284)	—	(12)	—	(4,333)
Convertible Senior Notes	—	—	—	—	—	(219)	(219)
Net Equity Allocated	$ 1,009	$ 50	$ 194	$ 115	$ 74	$ 407	$ 1,849
Debt/Net Equity Ratio *(4)*	6.2x	7.4 x	2.6x	5.3x	0.5x		4.3x
For the Quarter Ended September 30, 2023							
Yield on Average Interest Earning Assets *(5)*	6.06%	6.63%	9.59%	7.38%	N/A		6.35%
Less Average Cost of Funds *(6)*	(4.23)	(2.43)	(3.65)	(3.92)	(5.91)		(4.18)
Net Interest Rate Spread	1.83%	4.20%	5.94%	3.46%	(5.91)%		2.17%

(1) Includes $3.6 billion of Non-QM loans, $2.1 billion of Transitional loans, $1.5 billion of Single-family rental loans, $72.6 million of Seasoned performing loans, and $53.1 million of Agency eligible investor loans. At September 30, 2023, the total fair value of these loans is estimated to be $7.2 billion.

(2) At September 30, 2023, the total fair value of these loans is estimated to be $423.2 million.

(3) Includes $300.1 million of cash and cash equivalents, $153.4 million of restricted cash, and $20.0 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 September 30, 2023, the amortized cost of our Securities, at fair value, was $725.2 million. In addition, the yield for residential whole loans was 6.33%, net of one 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 September 30, 2023, this decreased the overall funding cost by 141 basis points for our overall portfolio, 143 basis points for our Residential whole loans, 146 basis points for our Purchased Performing Loans, 161 basis points for our Purchased Credit Deteriorated Loans, 89 basis points for our Purchased Non-Performing Loans and 191 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 September 30, 2023:

Table 2 - Investment Portfolio Activity *Q3 2023*

(In Millions)	June 30, 2023	Runoff *(1)*	Acquisitions *(2)*	Other *(3)*	September 30, 2023	Change
Residential whole loans and REO	$ 8,260	$ (393)	$ 803	$ (133)	$ 8,537	$ 277
Securities, at fair value	594	(10)	152	(12)	724	130
Totals	$ 8,854	$ (403)	$ 955	$ (145)	$ 9,261	$ 407

(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)	**September 30, 2023**	**December 31, 2022**	**September 30, 2023**	**December 31, 2022**	**September 30, 2023**	**December 31, 2022**
Purchased Performing Loans:						
Non-QM loans	$ 873,790	$ 987,282	$ 2,700,473	$ 2,372,548	$ 3,574,263	$ 3,359,830
Transitional loans *(1)*	37,946	75,188	2,059,655	1,342,032	2,097,601	1,417,220
Single-family rental loans	182,879	210,833	1,333,484	1,165,741	1,516,363	1,376,574
Seasoned performing loans	72,675	82,932	—	—	72,675	82,932
Agency eligible investor loans	—	—	53,148	51,094	53,148	51,094
Total Purchased Performing Loans	$ 1,167,290	$ 1,356,235	$ 6,146,760	$ 4,931,415	$ 7,314,050	$ 6,287,650
Purchased Credit Deteriorated Loans	$ 438,913	$ 470,294	$ —	$ —	$ 438,913	$ 470,294
Allowance for Credit Losses	$ (28,557)	$ (35,314)	$ —	$ —	$ (28,557)	$ (35,314)
Purchased Non-Performing Loans	$ —	$ —	$ 699,810	$ 796,109	$ 699,810	$ 796,109
Total Residential Whole Loans	$ 1,577,646	$ 1,791,215	$ 6,846,570	$ 5,727,524	$ 8,424,216	$ 7,518,739
Number of loans	6,493	7,126	18,639	16,717	25,132	23,843

(1) As of September 30, 2023 includes $1.1 billion of loans collateralized by one-to-four family residential properties and $1.0 billion 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

(Dollars in Thousands)	For the Three-Month Period Ended September 30, 2023 Interest	September 30, 2023 Average Balance	September 30, 2023 Average Yield	June 30, 2023 Interest	June 30, 2023 Average Balance	June 30, 2023 Average Yield	September 30, 2022 Interest	September 30, 2022 Average Balance	September 30, 2022 Average Yield
Purchased Performing Loans:									
Non-QM loans	$ 51,724	$ 4,053,924	5.10%	$ 45,518	$ 3,879,175	4.69%	$ 40,658	$ 3,743,940	4.34%
Transitional loans	40,223	1,927,533	8.35%	32,621	1,654,585	7.89%	19,342	1,126,178	6.87%
Single-family rental loans	24,087	1,639,626	5.88%	23,141	1,587,636	5.83%	18,998	1,391,770	5.46%
Seasoned performing loans	1,095	74,345	5.89%	1,127	77,843	5.79%	1,227	89,459	5.49%
Agency eligible investor loans	486	71,306	2.73%	518	72,875	2.84%	7,542	1,035,266	2.91%
Total Purchased Performing Loans	117,615	7,766,734	6.06%	102,925	7,272,114	5.66%	87,767	7,386,613	4.75%
Purchased Credit Deteriorated Loans	7,371	444,568	6.63%	8,087	455,993	7.09%	7,916	487,918	6.49%
Purchased Non-Performing Loans	15,552	648,959	9.59%	17,036	674,200	10.11%	18,732	761,706	9.84%
Total Residential Whole Loans	$ 140,538	$ 8,860,261	6.34%	$ 128,048	$ 8,402,307	6.10%	$ 114,415	$ 8,636,237	5.30%

Table 5 - Net Interest Spread

	For the Three-Month Period Ended September 30, 2023	June 30, 2023	September 30, 2022
Purchased Performing Loans			
Net Yield *(1)*	6.06%	5.66%	4.75%
Cost of Funding *(2)*	4.23%	3.97%	3.60%
Net Interest Spread	1.83%	1.69%	1.15%
Purchased Credit Deteriorated Loans			
Net Yield *(1)*	6.63%	7.09%	6.49%
Cost of Funding *(2)*	2.43%	1.98%	2.72%
Net Interest Spread	4.20%	5.11%	3.77%
Purchased Non-Performing Loans			
Net Yield *(1)*	9.59%	10.11%	9.84%
Cost of Funding *(2)*	3.65%	3.53%	2.86%
Net Interest Spread	5.94%	6.58%	6.98%
Total Residential Whole Loans			
Net Yield *(1)*	6.34%	6.10%	5.30%
Cost of Funding *(2)*	4.10%	3.83%	3.49%
Net Interest Spread	2.24%	2.27%	1.81%

(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 September 30, 2023, this decreased the overall funding cost by 143 basis points for our Residential whole loans, 146 basis points for our Purchased Performing Loans, 161 basis points for our Purchased Credit Deteriorated Loans, and 89 basis points for our Purchased Non-Performing Loans. 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 September 30, 2022, this decreased the overall funding cost by 20 basis points for our Residential whole loans, 19 basis points for our Purchased Performing Loans, 43 basis points for our Purchased Credit Deteriorated Loans, and 24 basis points for our Purchased Non-Performing Loans.

Table 6 - Credit related metrics/Residential Whole Loans

September 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	$ 3,570,184	$ 3,963,235	5.60%	346	65%	735	$ 3,808,303	$ 68,171	$ 23,230	$ 63,531	2.2%	66.9%
Transitional loans *(1)*	2,095,083	2,105,552	8.89	11	64	746	1,989,050	25,717	15,771	75,014	4.3	65.0
Single-family rental loans	1,515,032	1,667,902	6.16	321	68	737	1,586,313	17,947	28,249	35,393	3.8	73.3
Seasoned performing loans	72,647	79,751	4.38	145	28	725	75,016	1,271	911	2,553	4.3	29.9
Agency eligible investor loans	53,148	68,472	3.44	335	66	757	68,244	—	—	228	0.3	73.4
Total Purchased Performing Loans	$ 7,306,094	$ 7,884,912	6.56%	249							3.1%	
Purchased Credit Deteriorated Loans	$ 418,312	$ 517,611	4.79%	270	59%	N/A	$ 389,166	$ 41,615	$ 14,018	$ 72,812	16.8%	64.1%
Purchased Non-Performing Loans	$ 699,810	$ 798,902	5.17%	272	63%	N/A	$ 449,936	$ 95,456	$ 28,310	$ 225,200	31.7%	70.8%
Residential whole loans, total or weighted average	$ 8,424,216	$ 9,201,425	5.87%	244							6.4%	

(1) As of September 30, 2023 Transitional loans includes $1.0 billion of loans collateralized by multi-family properties with a weighted average term to maturity of 15 months and a weighted average LTV ratio of 64%.

(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 $423.6 million at September 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 September 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 September 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 September 30, 2023.

Change in Interest Rates	Percentage Change in Portfolio Value	Percentage Change in Total Stockholders' Equity
+100 Basis Point Increase	(1.32)%	(6.99)%
+ 50 Basis Point Increase	(0.60)%	(3.18)%
Actual at September 30, 2023	—%	—%
- 50 Basis Point Decrease	0.48%	2.54%
-100 Basis Point Decrease	0.84%	4.45%

MFA FINANCIAL, INC.
CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Per Share Amounts)	September 30, 2023 (unaudited)	December 31, 2022
Assets:		
Residential whole loans, net ($6,846,570 and $5,727,524 held at fair value, respectively) *(1)*	$ 8,424,216	$ 7,518,739
Securities, at fair value	723,959	333,364
Cash and cash equivalents	300,089	334,183
Restricted cash	153,449	159,898
Other assets	503,087	766,221
Total Assets	$ 10,104,800	$ 9,112,405
Liabilities:		
Financing agreements ($4,438,676 and $3,898,744 held at fair value, respectively)	$ 8,037,973	$ 6,812,086
Other liabilities	218,311	311,470
Total Liabilities	$ 8,256,284	$ 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	3,695,406	3,684,291
Accumulated deficit	(1,862,452)	(1,717,991)
Accumulated other comprehensive income	14,353	21,341
Total Stockholders' Equity	$ 1,848,516	$ 1,988,849
Total Liabilities and Stockholders' Equity	$ 10,104,800	$ 9,112,405

(1) Includes approximately $5.1 billion and $4.0 billion of Residential whole loans transferred to consolidated variable interest entities ("VIEs") at September 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 September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest Income:				
Residential whole loans	$ 140,538	$ 114,415	$ 388,096	$ 316,235
Securities, at fair value	11,945	5,612	29,201	16,181
Other interest-earning assets	2,587	2,216	7,560	5,071
Cash and cash equivalent investments	4,095	1,629	10,863	2,055
Interest Income	$ 159,165	$ 123,872	$ 435,720	$ 339,542
Interest Expense:				
Asset-backed and other collateralized financing arrangements	$ 109,088	$ 67,636	$ 293,852	$ 159,806
Other interest expense	3,936	3,943	11,853	11,811
Interest Expense	$ 113,024	$ 71,579	$ 305,705	$ 171,617
Net Interest Income	$ 46,141	$ 52,293	$ 130,015	$ 167,925
Reversal of Provision/(Provision) for Credit Losses on Residential Whole Loans	$ 1,258	$ (588)	$ 977	$ 1,106
Provision for Credit Losses on Other Assets	—	—	—	(28,579)
Net Interest Income after Provision for Credit Losses	$ 47,399	$ 51,705	$ 130,992	$ 140,452
Other (Loss)/Income, net:				
Net loss on residential whole loans measured at fair value through earnings	$ (132,894)	$ (291,818)	$ (134,423)	$ (797,934)
Impairment and other net loss on securities and other portfolio investments	(14,161)	(411)	(15,799)	(16,159)
Net gain on real estate owned	2,409	3,861	8,504	19,777
Net gain on derivatives used for risk management purposes	34,860	111,816	74,103	253,721
Net gain on securitized debt measured at fair value through earnings	36,431	98,858	12,100	247,548
Lima One - origination, servicing and other fee income	12,109	12,372	32,562	37,539
Other, net	1,854	1,131	10,522	7,353
Other Loss, net	$ (59,392)	$ (64,191)	$ (12,431)	$ (248,155)
Operating and Other Expense:				
Compensation and benefits	$ 24,051	$ 21,063	$ 66,452	$ 59,679
Other general and administrative expense	10,605	8,812	32,165	28,016
Loan servicing, financing and other related costs	8,989	11,357	26,126	34,993
Amortization of intangible assets	800	1,300	3,400	7,900
Operating and Other Expense	$ 44,445	$ 42,532	$ 128,143	$ 130,588
Net (Loss)/Income	$ (56,438)	$ (55,018)	$ (9,582)	$ (238,291)
Less Preferred Stock Dividend Requirement	$ 8,219	$ 8,218	$ 24,656	$ 24,656
Net (Loss)/Income Available to Common Stock and Participating Securities	$ (64,657)	$ (63,236)	$ (34,238)	$ (262,947)
Basic (Loss)/Earnings per Common Share	$ (0.64)	$ (0.62)	$ (0.34)	$ (2.54)
Diluted (Loss)/Earnings per Common Share	$ (0.64)	$ (0.62)	$ (0.34)	$ (2.54)

Segment Reporting

At September 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 September 30, 2023				
Interest Income	$ 94,855	$ 61,101	$ 3,209	$ 159,165
Interest Expense	64,785	44,303	3,936	113,024
Net Interest Income/(Expense)	$ 30,070	$ 16,798	$ (727)	$ 46,141
Reversal of Provision for Credit Losses on Residential Whole Loans	1,258	—	—	1,258
Net Interest Income/(Expense) after Provision for Credit Losses	$ 31,328	$ 16,798	$ (727)	$ 47,399
Net loss on residential whole loans measured at fair value through earnings	$ (99,500)	$ (33,394)	$ —	$ (132,894)
Impairment and other net loss on securities and other portfolio investments	(13,439)	—	(722)	(14,161)
Net gain on real estate owned	2,062	347	—	2,409
Net gain on derivatives used for risk management purposes	25,310	9,550	—	34,860
Net gain on securitized debt measured at fair value through earnings	25,345	11,086	—	36,431
Lima One - origination, servicing and other fee income	—	12,109	—	12,109
Other, net	515	684	655	1,854
Total Other (Loss)/Income, net	$ (59,707)	$ 382	$ (67)	$ (59,392)
Compensation and benefits	$ —	$ 12,010	$ 12,041	$ 24,051
General and administrative expenses	—	4,664	5,941	10,605
Loan servicing, financing, and other related costs	5,032	699	3,258	8,989
Amortization of intangible assets	—	800	—	800
Net (Loss)/Income	$ (33,411)	$ (993)	$ (22,034)	$ (56,438)
Less Preferred Stock Dividend Requirement	$ —	$ —	$ 8,219	$ 8,219
Net (Loss)/Income Available to Common Stock and Participating Securities	$ (33,411)	$ (993)	$ (30,253)	$ (64,657)

(Dollars in Thousands)	Mortgage-Related Assets	Lima One	Corporate	Total
September 30, 2023				
Total Assets	$ 6,174,062	$ 3,572,079	$ 358,659	$ 10,104,800
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)	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
GAAP Net (loss)/income used in the calculation of basic EPS	$ (64,776)	$ (34,265)	$ 64,407	$ (1,647)	$ (63,410)
Adjustments:					
Unrealized and realized gains and losses on:					
Residential whole loans held at fair value	132,894	130,703	(129,174)	68,828	291,818
Securities held at fair value	13,439	3,698	(2,931)	383	(1,549)
Interest rate swaps	(9,433)	(37,018)	40,747	12,725	(108,917)
Securitized debt held at fair value	(40,229)	(30,908)	48,846	(44,988)	(100,767)
Investments in loan origination partners	722	872	—	8,526	2,031
Expense items:					
Amortization of intangible assets	800	1,300	1,300	1,300	1,300
Equity based compensation	4,447	3,932	3,020	2,480	2,673
Securitization-related transaction costs	3,217	2,071	4,602	1,744	5,014
Total adjustments	105,857	74,650	(33,590)	50,998	91,603
Distributable earnings	$ 41,081	$ 40,385	$ 30,817	$ 49,351	$ 28,193
GAAP earnings/(loss) per basic common share	$ (0.64)	$ (0.34)	$ 0.63	$ (0.02)	$ (0.62)
Distributable earnings per basic common share	$ 0.40	$ 0.40	$ 0.30	$ 0.48	$ 0.28
Weighted average common shares for basic earnings per share	101,916	101,915	101,900	101,800	101,795

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 September 30, 2023				
GAAP Net (loss)/income used in the calculation of basic EPS	$ (33,411)	$ (993)	$ (30,372)	$ (64,776)
Adjustments:				
Unrealized and realized gains and losses on:				
Residential whole loans held at fair value	99,500	33,394	—	132,894
Securities held at fair value	13,439	—	—	13,439
Interest rate swaps	(7,098)	(2,335)	—	(9,433)
Securitized debt held at fair value	(28,572)	(11,657)	—	(40,229)
Investments in loan origination partners	—	—	722	722
Expense items:				
Amortization of intangible assets	—	800	—	800
Equity based compensation	—	131	4,316	4,447
Securitization-related transaction costs	—	—	3,217	3,217
Total adjustments	$ 77,269	$ 20,333	$ 8,255	$ 105,857
Distributable earnings	$ 43,858	$ 19,340	$ (22,117)	$ 41,081

(Dollars in Thousands)	Mortgage-Related Assets	Lima One	Corporate	Total
Three months ended June 30, 2023				
GAAP Net income/(loss) 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

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)	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**
GAAP Total Stockholders' Equity	$ 1,848.5	$ 1,944.8	$ 2,018.6	$ 1,988.8	$ 2,033.9
Preferred Stock, liquidation preference	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)
GAAP Stockholders' Equity for book value per common share	1,373.5	1,469.8	1,543.6	1,513.8	1,558.9
Adjustments:					
Fair value adjustment to Residential whole loans, at carrying value	(85.3)	(58.3)	(33.9)	(70.2)	(58.2)
Fair value adjustment to Securitized debt, at carrying value	122.5	129.8	122.4	139.7	109.6
Stockholders' Equity including fair value adjustments to Residential whole loans and Securitized debt held at carrying value (Economic book value)	$ 1,410.7	$ 1,541.3	$ 1,632.1	$ 1,583.3	$ 1,610.3
GAAP book value per common share	$ 13.48	$ 14.42	$ 15.15	$ 14.87	$ 15.31
Economic book value per common share	$ 13.84	$ 15.12	$ 16.02	$ 15.55	$ 15.82
Number of shares of common stock outstanding	101.9	101.9	101.9	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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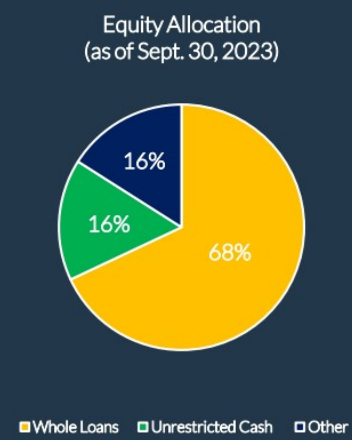
MFA at a glance

MFA FINANCIAL, INC.

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

Total assets	Total equity
$10.1B as of Sept. 30, 2023	**$1.8B** as of Sept. 30, 2023

Common dividends	Listed on NYSE in
$4.7B paid since IPO in 1998	**1998** NYSE: MFA



Q3 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]
$13.48 per common share	$13.84 per common share	$(0.64) per common share	$0.40 per common share

Recourse leverage[4]	Unrestricted cash	Total economic return[5]	Q3 dividend
2.0x	$300M	(6.2%) for the quarter	$0.35 per common share

See page 23 for end notes

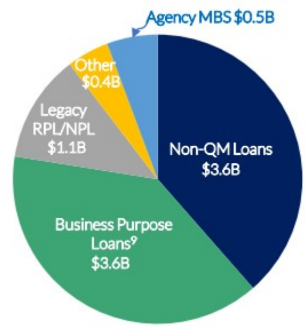
Q3 2023 Company Highlights

- Higher interest rates and elevated rate volatility impacted book value and GAAP earnings
  - GAAP and Economic book value declined by 6.5% and 8.5%, respectively
- Distributable earnings of $0.40 and declared $0.35 dividend
  - Net interest spread rose to 2.17%, up from 2.14% in Q2 and 1.64% in Q3 2022
  - Net interest margin (NIM) rose to 3.02%
  - Interest income continues to benefit from acquiring assets at increasingly higher yields
- Record quarter of originations for Lima One, our wholly-owned business purpose lender
  - Lima originated $671M[6] of loans (15% increase over Q2) with average coupon of 10.2%
- Maintained substantial liquidity and continued shift to non-mark to market (non-MTM) financing
  - Issued two securitizations during the quarter and another in October
  - 77% of our loan financing is non-MTM, up from 73% in Q2
  - Ended Q3 with $300M of unrestricted cash

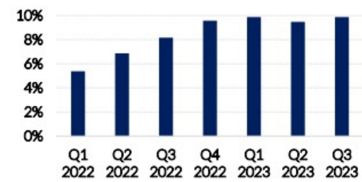
Q3 2023 Investment Activity

- Acquired $955M of loans and securities, growing our investment portfolio to $9.3B
  - Lima One funded $646M of new business purpose loans (BPLs) and draws on existing loans[7]
  - Purchased $156M of non-qualified mortgage (Non-QM) loans
  - Added $152M of Agency MBS during Q3, bringing that portfolio to $525M
  - Portfolio runoff of $403M for the quarter
- Higher interest rates continue to provide opportunities to add new assets at attractive yields
  - Average coupon on loans acquired in Q3 was 9.9%
  - Average coupon in Lima One's origination pipeline exceeds 10.5%
  - Incremental ROE on new investments averages in mid-teens

Investment Portfolio as of Sept. 30[8]

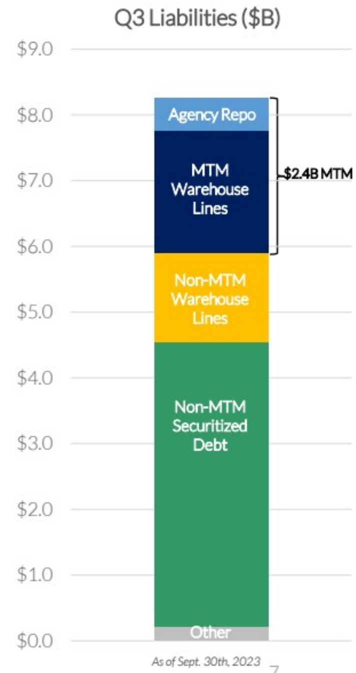


Average Coupon on Loan Acquisitions



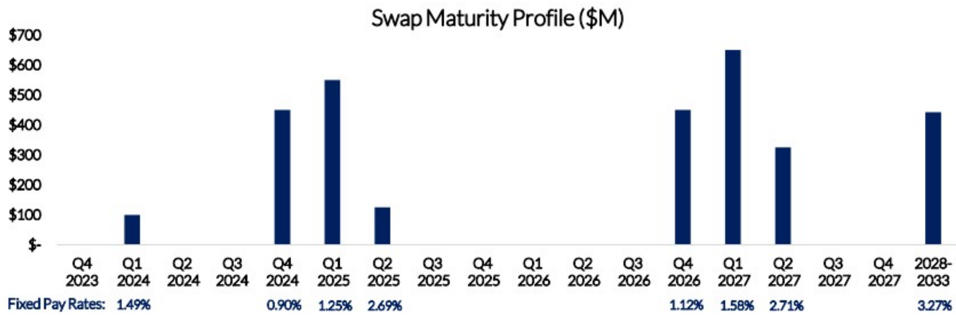
Q3 2023 Liability Highlights

- Our borrowing costs remain relatively stable due to securitizations and interest rate swaps used for hedging purposes
  - Effective cost of funds of 4.18%, a rise of just 128 bps over past 18 months despite 500 bps increase in Fed Funds Rate over that period
  - Net interest spread continues to trend upward
- Issued two securitizations collateralized by $602M UPB of Non-QM and single-family rental (SFR) loans
- Margin calls did not significantly impact our cash position
  - $2.4B of MTM borrowings subject to margin calls, collateralized by $2.8B of assets, are hedged by $3.1B interest rate swaps
  - Over two-thirds of our asset-based financing is non-MTM
- Overall leverage was 4.3x and recourse leverage was 2.0x at Sept. 30
  - $1.7B of unused financing capacity across all loan product types



Q3 2023 Interest Rate Swaps

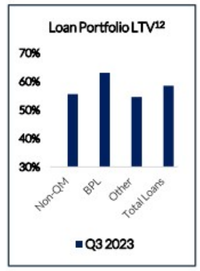
- Positive carry on our interest rate swaps exceeds 350 bps
  - We continue to benefit from our $3.1B interest rate hedge placed primarily in late 2021 and early 2022 before the Federal Reserve began aggressively raising the Fed Funds Rate in mid-2022
  - Weighted average fixed pay rate was 1.69% and variable receive rate was 5.32%[10] at Sept. 30
  - Net positive swap carry of $29M, up from $26M in Q2
- Added $133M of longer duration swaps during Q3, bringing our net portfolio duration to 1.05
- Very few of our swaps mature before Q4 2024

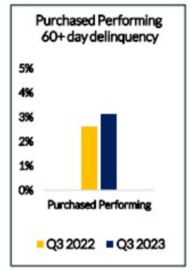


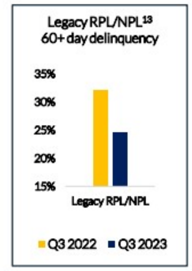
MFA
FINANCIAL, INC.

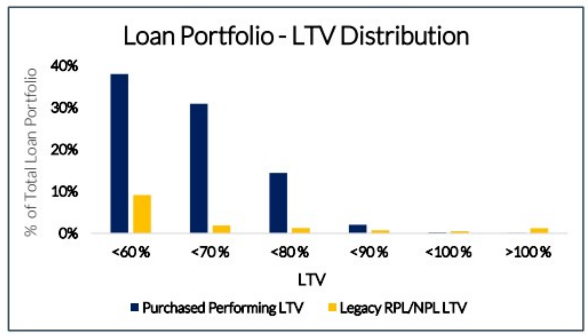
Q3 2023 Credit Highlights

- Loan delinquencies and loan-to-value (LTV) ratios remain low
  - We continue to benefit from accumulated home price appreciation and principal paydowns
  - 60+ day delinquency rate on Purchased Performing Loans rose slightly to 3.1% from 2.8% in Q2
- Realized losses have been rare due to low LTVs, strong underwriting and proactive asset management
  - Only 3% of our Purchased Performing Loans[11] (as measured by UPB) have LTV ratios over 80%









Q3 2023 Lima One Highlights

- 15% increase in origination volume from Q2 and continued emphasis on high quality credit
  - Record $671M of originations[6] with an average LTV[14] of 65% and FICO score of 754
  - 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 $12.1M
- Lima One segment Distributable earnings increased 17% to $19.3M[15]
- Lima One has originated $5B of BPLs for our balance sheet since MFA's acquisition in 2021
  - Lima offers a broad range of loan products to real estate investors nationwide including rehab loans, bridge loans, construction loans, rental loans and small-balance multifamily loans
  - Credit performance remains strong with 60+ day delinquency rate of 3.2% for our BPLs originated by Lima One

Q3 2023 Transitional Loan Highlights

- Transitional loan portfolio grew by over $340M to $2.1B UPB, a 20% increase from Q2
  - Lima originated $574M[6] of new transitional loans with an average ARV-LTV of 65% and average FICO score of 756
  - 10.5% average coupon on loans originated in Q3
- 76% of transitional loan financing is non-MTM
  - Issued our third revolving securitization after quarter-end
  - $225M UPB of loans securitized in October, bringing total securitized to $628M UPB since first issuance last year
- 60+ day delinquency rate remained low at 4.3%

Portfolio statistics (09/30/23)	
UPB ($M)	$2,106
Maximum Loan Amount ($M)	$2,693
Average Maximum Loan Amount	$788K
WA Coupon	8.92%
Third Quarter Yield	8.35%
WA As-Is/Purchased LTV[16]	66%
WA Original ARV-LTV[17]	64%
WA Current ARV-LTV[18]	63%
WA FICO	746
WA Loan Age (Months)	11
Multifamily (5+ units)	49%
Ground-up Construction	20%
3-Month Repayment Rate[19]	37 CPR
60+ Days Delinquent	4.3%
Top 2 states	
TX	17%
FL	12%

Q3 2023 SFR Loan Highlights

- Single-family rental (SFR) loan portfolio grew by 4% and continues to perform well
  - Lima One originated $97M of SFR loans with average LTV of 69% and average FICO score of 737
  - 8.41% average coupon on loans originated in Q3
- 90% of SFR loan financing is non-MTM
- Issued our 7th SFR loan securitization
  - $215M UPB of loans were securitized in September
  - $1.6B UPB securitized since 2021
- 3-month prepayment rate remained flat at 6 CPR
- 60+ day delinquency rate rose to 3.8%

Portfolio statistics (09/30/23)	
UPB ($M)	$1,668
Average Balance	$249K
WA Coupon	6. 22%
Third Quarter Yield	5.88%
WA Original LTV	70%
WA Current LTV[7]	62%
WA FICO	737
WA DSCR[20]	1.48x
WA Loan Age (Months)	20
Hybrid ARMs	25%
3-Month Prepayment Rate	6 CPR
60+ Days Delinquent	3.8%
Top 2 states	
FL	11%
GA	9%

MFA FINANCIAL, INC.

Q3 2023 Non-QM Highlights

- Acquired $154M UPB of Non-QM loans, growing portfolio to nearly $4B UPB
  - 8.41% average coupon on loans purchased in Q3
- Issued our 12th Non-QM securitization
  - $387M UPB of loans were securitized in September
  - $4.5B UPB securitized since strategy inception
- 60+ day delinquency rate declined to 2.2%

	Q4 '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23
Loan count	6,706	7,240	7,137	7,199	7,253	7,337	7,873	7,887
Total UPB ($M)	3,361	3,671	3,637	3,669	3,671	3,684	3,918	3,963
% Current	94.2%	93.4%	95.3%	96.3%	95.9%	95.3%	95.8%	96.1%
% 30 days DQ	2.3%	3.3%	2.1%	1.4%	1.5%	2.0%	1.8%	1.7%
% 60+ days DQ	3.5%	3.3%	2.6%	2.3%	2.6%	2.7%	2.4%	2.2%
WA LTV	57%	56%	54%	55%	56%	57%	58%	56%

Portfolio statistics (09/30/23)	
UPB ($M)	$3,963
Average Balance	$503K
WA Coupon	5.74%
Third Quarter Yield	5.10%
WA Original LTV	67%
WA Current LTV[18]	56%
WA FICO	735
Fixed Rate	78%
Hybrid ARMs	22%
Purchase	52%
Cash-out Refinance	37%
3-Month Prepayment Rate	9 CPR
60+ Days Delinquent	2.2%
Top 2 states	
CA	55%
FL	15%

Legacy Non-Performing and Re-Performing Loans

Non-Performing Loans (NPL)[21]

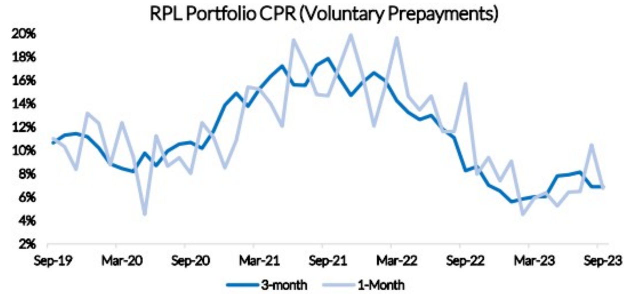
- Remaining UPB of $672M for loans purchased as NPLs
- 93% of these loans were performing, paid in full, liquidated or REO at Sept. 30
- Achieving excellent outcomes due to home price appreciation and intensive asset management
- 76% of loans that were modified by MFA are either performing today or have paid in full
- Sold $26M of REO properties in Q3, realizing net gains of $3M

	NPL Acquisition Year						
	2014	2015	2016	2017	2018	2019	Total
UPB Purchased ($M)	208	620	280	670	497	227	**2,502**
Status 9/30/2023							
Performing[23]/PIF	47%	30%	31%	41%	53%	38%	**39%**
Liquidation/REO	49%	64%	66%	53%	40%	46%	**54%**
Non-performing	4%	6%	3%	6%	7%	16%	**7%**
Remaining UPB ($M)	51	115	41	185	175	106	**672**

Re-Performing Loans (RPL)[22]

- Remaining UPB of $724M for loans purchased as RPLs
- 85% of RPL portfolio is less than 60 days delinquent as of Sept. 30
- On average, 35% of 60+ days delinquent loans are making payments
- Portfolio LTV has fallen to 50% due to significant home price appreciation and principal repayments
- Seasoned, stable portfolio with average loan age of 17 years

RPL Portfolio CPR (Voluntary Prepayments)



James Casebere, Landscape with Houses (Dutchess County, NY) #2, 2010 (detail)

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 over $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 $8.4B 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 $5B[6] since MFA's acquisition in 2021 and over $8B[6] since its formation in 2011
- Trailing 12-month origination volume of $2.0B[6] through Q3 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 743 and average LTV of 67%[14] as of Sept. 30, 2023
- 60+ day delinquency rate of 3.2% as of Sept. 30, 2023[24]
- Historical losses of less than 1 bp on over $2.1B of payoffs and liquidations for loans held by MFA and originated by Lima One

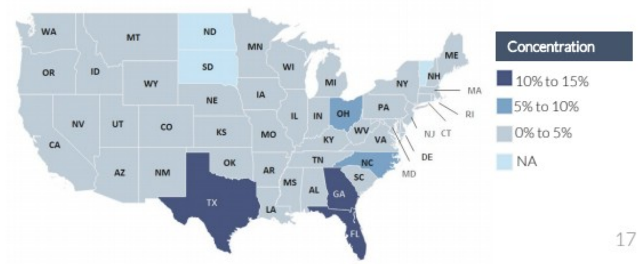
Product Offerings

- 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 above 15% and no borrower concentration above 2%



MFA
FINANCIAL, INC.

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.

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)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GAAP Net (loss)/income used in the calculation of basic EPS	$ (64.8)	$ (34.3)	$ 64.4	$ (1.6)	$ (63.4)
Adjustments:					
Unrealized and realized gains and losses on:					
Residential whole loans held at fair value	132.9	130.7	(129.2)	68.8	291.8
Securities held at fair value	13.4	3.7	(2.9)	0.4	(1.5)
Interest rate swaps	(9.4)	(37.0)	40.8	12.7	(108.9)
Securitized debt held at fair value	(40.2)	(30.9)	48.8	(45.0)	(100.8)
Investments in loan origination partners	0.8	0.9	-	8.5	2.0
Expense items:					
Amortization of intangible assets	0.8	1.3	1.3	1.3	1.3
Equity based compensation	4.4	3.9	3.0	2.5	2.7
Securitization-related transaction costs	3.2	2.1	4.6	1.7	5.0
Total adjustments	$ 105.9	$ 74.7	$ (33.6)	$ 51.0	$ 91.6
Distributable earnings	$ 41.1	$ 40.4	$ 30.8	$ 49.4	$ 28.2
GAAP (loss)/earnings per basic common share	$ (0.64)	$ (0.34)	$ 0.63	$ (0.02)	$ (0.62)
Distributable earnings per basic common share	$ 0.40	$ 0.40	$ 0.30	$ 0.48	$ 0.28
Weighted average common shares for basic earnings per share	101.9	101.9	101.9	101.8	101.8

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 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 GAAP book value per common share to our non-GAAP Economic book value per common share as of the end of each quarter since Q3 2022.

($ in millions, except per share amounts)	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
GAAP Total Stockholders' Equity	$ 1,848.5	$ 1,944.8	$ 2,018.6	$ 1,988.8	$ 2,033.9
Preferred Stock, liquidation preference	(475.0)	(475.0)	(475.0)	(475.0)	(475.0)
GAAP Stockholders' Equity for book value per common share	$ 1,373.5	$ 1,469.8	$ 1,543.6	$ 1,513.8	$ 1,558.9
Adjustments:					
Fair value adjustment to Residential whole loans, at carrying value	(85.3)	(58.3)	(33.9)	(70.2)	(58.2)
Fair value adjustment to Securitized debt, at carrying value	122.5	129.8	122.4	139.7	109.6
Stockholders' Equity including fair value adjustments to Residential whole loans and Securitized debt held at carrying value (Economic book value)	$ 1,410.7	$ 1,541.3	$ 1,632.1	$ 1,583.3	$ 1,610.3
GAAP book value per common share	$ 13.48	$ 14.42	$ 15.15	$ 14.87	$ 15.31
Economic book value per common share	$ 13.84	$ 15.12	$ 16.02	$ 15.55	$ 15.82
Number of shares of common stock outstanding	101.9	101.9	101.9	101.8	101.8

MFA FINANCIAL, INC.

Book Value and Economic Book Value Rollforward

	GAAP	Economic
Book value per common share as of 6/30/23	$14.42	$15.12
Net income available to common shareholders	(0.63)	(0.63)
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	—	(0.27)
Change in fair value of securitized debt at carrying value under GAAP	—	(0.07)
Book value per common share as of 9/30/23	$13.48	$13.84

GAAP Segment Reporting

(Dollars in millions)		Mortgage-Related Assets		Lima One		Corporate		Total
Three months ended Sept .30, 2023								
Interest Income		94.8		61.1		3.2		159.1
Interest Expense		64.8		44.3		3.9		113.0
Net Interest Income/(Expense)	$	30.0	$	16.8	$	(0.7)	$	46.1
(Provision)/Reversal of Provision for Credit Losses on Residential Whole Loans		1.3		-		-		1.3
Net Interest Income/(Expense) after Reversal of Provision/(Provision) for Credit Losses	$	31.3	$	16.8	$	(0.7)	$	47.4
Net gain/(loss) on residential whole loans measured at fair value through earnings		(99.5)		(33.4)		-		(132.9)
Impairment and other net gain on securities and other portfolio investments		(13.4)		-		(0.7)		(14.1)
Net gain on real estate owned		2.1		0.3		-		2.4
Net gain on derivatives used for risk management purposes		25.3		9.5		-		34.8
Net gain on securitized debt measured at fair value through earnings		25.3		11.1		-		36.4
Lima One - origination, servicing and other fee income		-		12.1		-		12.1
Other, net		0.5		0.7		0.6		1.8
Total Other (Loss)/Income, net	$	(59.7)	$	0.3	$	(0.1)	$	(59.5)
Compensation and benefits				12.0		12.0		24.0
General and administrative expenses		-		4.6		6.0		10.6
Loan servicing, financing, and other related costs		5.0		0.7		3.3		9.0
Amortization of intangible assets		-		0.8		-		0.8
Net Income/(Loss)	$	(33.4)	$	(1.0)	$	(22.1)	$	(56.5)
Less Preferred Stock Dividend Requirement		-		-		8.2		8.2
Net Income/(Loss) Available to Common Stock and Participating Securities	$	(33.4)	$	(1.0)	$	(30.3)	$	(64.7)

MFA FINANCIAL, INC.

Distributable Earnings by Operating Segment

(Dollars in millions) Three months ended Sept. 30, 2023	Mortgage-Related Assets	Lima One	Corporate	Total
GAAP Net (loss)/income used in the calculation of basic EPS	$ (33.4)	$ (1.0)	$ (30.4)	$ (64.8)
Adjustments:				
Unrealized and realized gains and losses on:				
Residential whole loans held at fair value	99.5	33.4	—	132.9
Securities held at fair value	13.4	—	—	13.4
Interest rate swaps	(7.1)	(2.3)	—	(9.4)
Securitized debt held at fair value	(28.5)	(11.7)	—	(40.2)
Investments in loan origination partners	—	—	0.8	0.8
Expense items:				
Amortization of intangible assets	—	0.8	—	0.8
Equity based compensation	—	0.1	4.3	4.4
Securitization-related transaction costs	—	—	3.2	3.2
Total adjustments	$ 77.3	$ 20.3	$ 8.3	$ 105.9
Distributable earnings	$ 43.9	$ 19.3	$ (22.1)	$ 41.1

Endnotes

1) *Economic book value is a non-GAAP financial measure. Refer to slide 19 for further information regarding the calculation of this measure and a reconciliation to GAAP book value.*
2) *GAAP net income presented per basic and diluted common share.*
3) *Distributable earnings is a non-GAAP financial measure. Refer to slide 18 for further information regarding the calculation of this measure and a reconciliation to GAAP net income.*
4) *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 Sept. 30, 2023 was 4.3x.*
5) *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.*
6) *Origination amounts are based on the maximum loan amount, which includes amounts initially funded plus any committed, but undrawn amounts.*
7) *Includes $479.5 million of funded originations during Q3 plus $166.9 million of draws funded during Q3 on previously originated Transitional loans.*
8) *Amounts presented reflect the aggregation of fair value and carrying value amounts as presented in MFA's consolidated balance sheet at Sept. 30, 2023.*
9) *Business Purpose Loans comprised of $2.1B of Transitional loans and $1.5B of SFR loans at Sept. 30, 2023.*
10) *Swap variable receive rate is the Secured Overnight Financing Rate (SOFR).*
11) *Purchased Performing Loans includes Non-QM, Transitional, Single-family rental, Seasoned Performing and Agency-eligible investor loans.*
12) *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.*
13) *Legacy RPL/NPL includes Purchased Credit Deteriorated and Purchased Non-Performing loans.*
14) *LTV is based on After Repaired Value (ARV) for Transitional loans and as-is LTV for Rental loans at origination.*
15) *See page 21 for reconciliation to comparable GAAP measure.*
16) *Weighted average loan amount to as-is value (when available) or purchase value at origination.*
17) *Weighted average loan amount to after repaired value at origination.*
18) *Reflects loan amortization and estimated home price appreciation (or depreciation) since acquisition. Zillow Home Value Index (ZHVI) is utilized to estimate updated LTVs.*
19) *CPR shown for Transitional loans includes all principal repayments.*
20) *Weighted average debt service coverage ratio (DSCR).*
21) *Non-Performing at purchase refers to loans at least 60 days delinquent at purchase.*
22) *Includes Purchased Credit Deteriorated (PCD) and certain other loans purchased as Re-Performing Loans but were not classified as PCD loans for accounting purposes.*
23) *Performing as of Sept. 30, 2023 defined as less than 60 days delinquent or made a full P&I payment in Sept. 2023.*
24) *60+ day delinquency rate for loans originated by Lima One and held by MFA.*