
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): **September 11, 2012**

MFA FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation
or organization)

1-13991
(Commission File Number)

13-3974868
(IRS Employer
Identification No.)

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

10022
(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))
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Item 7.01 Regulation FD Disclosure

MFA Financial, Inc. ("MFA") hereby furnishes the information set forth in the presentation attached hereto as Exhibit 99.1, which is incorporated herein by reference.

The information referenced in this Current Report on Form 8-K (including Exhibit 99.1) 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 Exhibit 99.1) shall 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 shall be expressly set forth by specific reference in such filing.

As discussed therein, the presentation 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 presentation 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 Presentation of MFA Financial, Inc.

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: September 11, 2012

3

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation of MFA Financial, Inc.

4

September 2012



Forward Looking Statements

When used in this presentation 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” or similar expressions, are intended to identify “forward-looking statements” for purposes of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known and unknown risks, uncertainties and assumptions.

These forward-looking statements include information about possible or assumed future results with respect to our business, financial condition, liquidity, results of operations, plans and objectives. Statements regarding the following subjects, among others, may be forward-looking: changes in interest rates and the market value of MFA’s MBS; changes in the prepayment rates on the mortgage loans securing MFA’s MBS; changes in the default rates and management’s assumptions regarding default rates of MFA’s Non-Agency MBS; MFA’s ability to borrow to finance its assets and the terms, including the cost, maturity and other terms, of any such borrowing; implementation of or changes in government regulations or programs affecting MFA’s business; 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, including statements regarding the Concept Release issued by the Securities and Exchange Commission relating to interpretive issues under the 1940 Act with respect to the status under the 1940 Act of companies that are engaged in the business of acquiring mortgages and mortgage-related interests; and risks associated with investing in real estate assets, including changes in business conditions and the general economy. These and other risks, uncertainties and factors, including those described in the annual, quarterly and/or current reports that MFA files with the SEC, could cause MFA’s actual results to differ materially from those projected in any forward-looking statements that it makes.

These forward-looking statements are based on beliefs, assumptions and expectations of MFA’s future performance, taking into account all information currently available. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect MFA. Except as required by law, MFA is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



MFA is an internally managed
REIT positioned to benefit from
investment in both Agency
and Non-Agency Residential MBS



3

Our Strategy is to Identify the Best Investment Opportunities
Throughout the Entire Residential MBS Universe

- Non-Agency MBS selection is driven by credit analysis and expected return.
- Agency MBS selection is driven by analysis of interest rate sensitivity, prepayment exposure and expected return.
- Combination of Agency and Non-Agency MBS has allowed MFA to generate attractive returns with:
 - Leverage Ratio of 3.6x Debt/Equity
 - Decreased sensitivity to prepayment rates
 - Less correlation to changes in interest rates



4

MFA Has a Long Track Record of Delivering Attractive Shareholder Returns

- 16.0 % Annual Return since January 2000
- 548% Total Stockholder Return since January 2000



Source: Bloomberg
*Through July 31, 2012. Includes reinvestment of dividends.



5

MFA Asset Allocation Strategy

Investment in Residential MBS Including both Agency MBS and Non-Agency MBS

At June 30, 2012	Agency MBS	Non-Agency MBS (1)	Cash	Other Net	Total
(\$ in Thousands)					
Market Value	\$ 7,014,611	\$ 4,741,281	\$ 602,385	\$ (32,475)	\$ 12,325,802
Less Financings and Payables (2)	(6,155,411)	(3,224,767)	-	(100,000)	(9,480,178)
Equity Allocated	859,200	1,516,514	602,385	(132,475)	2,845,624
Less Swaps at Market Value	-	-	-	(89,823)	(89,823)
Net Equity Allocated	\$ 859,200	\$ 1,516,514	\$ 602,385	\$ (222,298)	\$ 2,755,801
Debt/Net Equity Ratio (3)	7.16 x	2.13 x	-	-	3.63 x
For the Quarter Ended June 30, 2012					
Yield on Average Interest Earning Assets	2.95%	6.75%	0.04%	-	4.37%
Less Average MBS Cost of Funds (4)	(1.63)	(2.30)	-	-	(1.85)
Less Cost of Senior Notes	-	-	-	(8.02) %	(8.02)
Net Interest Rate Spread	1.32%	4.45%	0.04%	(8.02) %	2.46%

(1) Information presented with respect to Non-Agency MBS, related repurchase agreements and resulting totals are presented on a Non-GAAP basis.

Refer to Annex 1 for a Reconciliation of Non-GAAP Financial Measures.

(2) Financings and Payables include repurchase agreements, securitized debt, senior notes and payable for unsettled purchases.

(3) Represents financings and payables, as well as obligation to return securities obtained as collateral of \$512.9 million, as a multiple of net equity allocated.

(4) Includes the effects of Swaps.



6

MFA Strategy - Agency MBS

Lower Duration Assets that Either Reset or are Fixed for 15 Years or Less	75% Hybrid 25% 15-Year Fixed
Low Premium Exposure	Agency Portfolio average amortized cost of 102.9%
Runoff of High Cost Funding	In the second half of 2012, \$529 million of existing swaps with a weighted average fixed pay rate of 4.4% are scheduled to expire
Prepayment Rates Subdued	Despite governmental actions and low mortgage rates, CPRs have averaged 17.4% over the last four quarters



7

MFA Strategy - Non-Agency MBS

Significant Investment in Non-Agency MBS*

- MFA owns \$4.7 billion market value (\$6.4 billion face amount) of Non-Agency MBS with an average amortized cost of 73% of par.
- In the second quarter of 2012, these assets generated a loss-adjusted yield of 6.75% on an unlevered basis.
- Subsequent to June 30, 2012, market prices of Non-Agency MBS have increased.

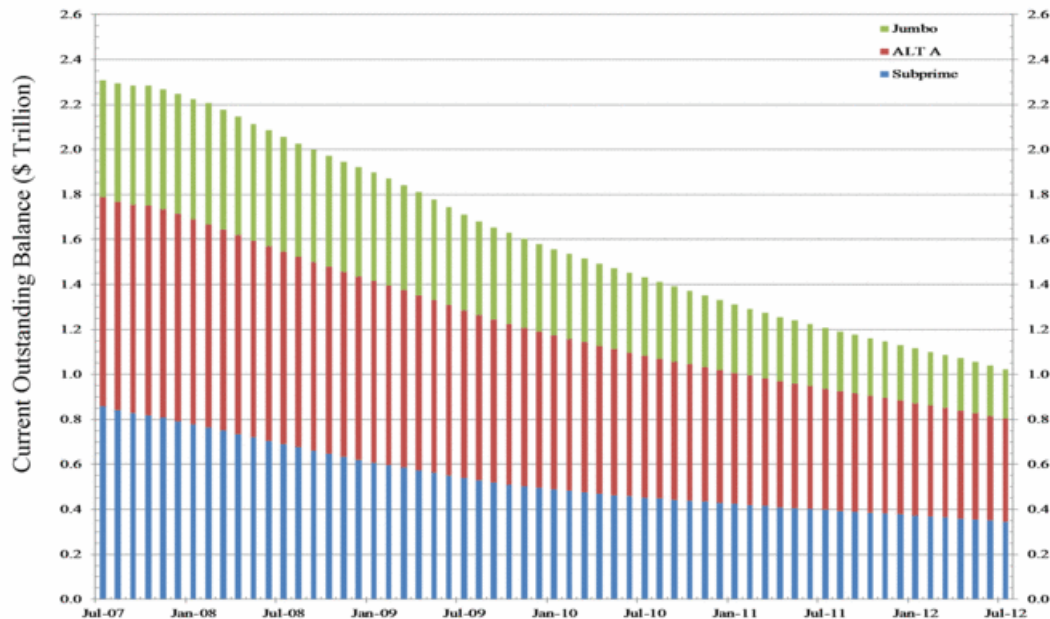
*Information presented as of June 30, 2012. Includes \$65.4 million fair value of Non-Agency MBS underlying Linked Transactions at June 30, 2012. Non-Agency MBS are presented on a non-GAAP basis. For a GAAP reconciliation of such items, see Annex 1.



8

MFA Strategy - Non-Agency MBS

Non-Agency MBS universe continues to shrink providing technical support for existing assets



* Source: CoreLogic, 1010Data

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9

Non-Agency MBS – 20 Largest Positions*

MFA's Non-Agency Yields are based on projections that assume defaults well in excess of currently delinquent mortgages

% of Total Portfolio	Collateral Type	FICO	WALA	Credit Support (%)	60+ DQ	Projected Defaults	Projected Principal Recovery	6 Month Loss Severity
2.1%	7/23	725	60	0.0	23%	48%	76%	51%
1.5%	10/20	719	71	5.3	24%	49%	77%	43%
1.4%	10/20	737	66	2.7	16%	36%	86%	41%
1.3%	Fixed	743	62	0.1	16%	31%	77%	50%
1.3%	Fixed	715	86	5.2	9%	36%	72%	60%
1.3%	Fixed	729	60	0.0	23%	41%	68%	65%
1.3%	10/20	742	60	0.0	25%	39%	80%	55%
1.2%	5/25	730	83	9.5	22%	44%	81%	54%
1.2%	5/25	745	59	1.9	16%	39%	86%	49%
1.1%	7/23	732	69	2.2	21%	47%	80%	41%
1.0%	5/25	736	76	3.7	11%	39%	86%	47%
1.0%	5/25	724	59	3.0	27%	51%	74%	54%
0.9%	5/25	737	80	4.2	10%	30%	90%	47%
0.9%	Fixed	741	63	0.0	20%	35%	82%	48%
0.9%	Fixed	729	61	4.3	26%	46%	75%	57%
0.9%	10/20	728	69	0.5	23%	55%	69%	51%
0.9%	5/25	726	91	12.5	11%	30%	96%	52%
0.8%	5/25	721	93	14.4	11%	28%	99%	37%
0.8%	10/20	740	64	0.7	18%	35%	84%	56%
0.8%	Fixed	716	72	0.0	23%	48%	61%	64%
Total/weighted average:								
22.3%		731	69	3.2	19%	41%	79%	51%

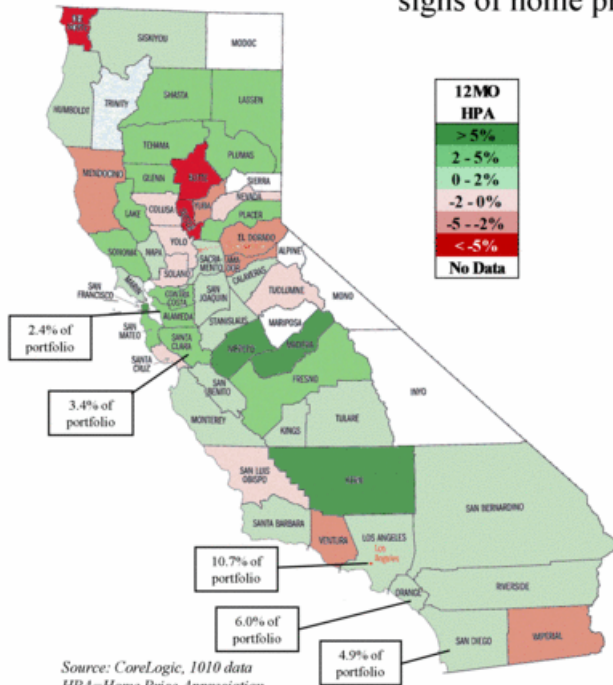
* Data as of June 30, 2012. FICO scores as of deal origination date.

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10

MFA Strategy – Non-Agency MBS

While housing fundamental trends remain uncertain, there have been increasing signs of home price stabilization



MFA Portfolio Top 5 California County Concentrations

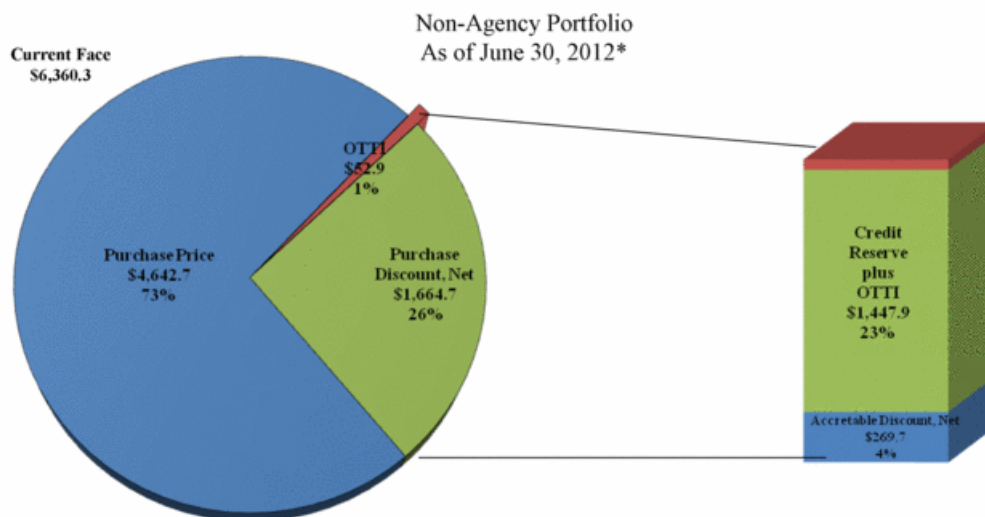
County	% of MFA Non-Agency Portfolio	12 Month Home Price Appreciation
Los Angeles	10.7%	+ 1.5%
Orange	6.0%	+ 0.2%
San Diego	4.9%	+ 0.1%
Santa Clara	3.4%	+ 3.1%
Alameda	2.4%	+ 2.8%

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11

MFA Strategy – Non-Agency MBS

We maintain a substantial credit reserve of \$1.4 Billion.
Credit assumption changes would impact earnings over time.



Dollars in Millions

* Information regarding Non-Agency MBS is presented on a non-GAAP basis. For a GAAP reconciliation of such items, see Annex 1.

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12

- Strategy is to identify the best investment opportunities within the Residential MBS universe.
- Internally managed.
- 16.0% annual return and 548% total return since 2000 (including reinvestment of dividends).
- Significant \$4.7 billion market value investment in Non-Agency MBS sector which generated a 6.75% loss-adjusted unlevered yield in the second quarter.
- While housing fundamental trends remain uncertain, there have been increasing signs of home price stabilization.

ANNEX 1 – Reconciliations of Non-GAAP Financial Measures

Information pertaining to MFA's Non-Agency MBS that are a component of Linked Transactions are reconciled below as of and for the three months ended June 30, 2012 with the most directly comparable financial measure calculated in accordance with GAAP, as follows:

<i>(Dollars in Thousands)</i>	GAAP Based Information	Adjustments to Include Assets/Liabilities of Underlying Linked Transactions	Non-GAAP Presentation
At June 30, 2012:			
Repurchase Agreement Borrowings	\$ 8,368,407	\$ 51,244 (1)	\$ 8,419,651
Securitized Debt	861,255	-	861,255
Obligation to Return Securities Obtained as Collateral	512,907	-	512,907
Senior Notes	100,000	-	100,000
Payable for Unsettled MBS Purchases	99,272	-	99,272
Total Borrowings (Debt)	\$ 9,941,841	\$ 51,244 (1)	\$ 9,993,085
Stockholders' Equity	\$ 2,755,801	\$ -	\$ 2,755,801
Debt-to-Equity (Debt/Stockholders' Equity)	3.6 x	-	3.6 x
For the Three Months Ended June 30, 2012:			
Average Interest Earning Assets	\$ 11,511,357	\$ 85,552 (2)	\$ 11,596,909
Interest Income	\$ 125,531	\$ 1,286	\$ 126,817
Yield on Average Interest Earning Assets	4.36 %	6.02 %	4.37 %
Average Total Borrowings	\$ 8,981,553	\$ 69,670 (1)	\$ 9,051,223
Interest Expense	\$ 42,688	\$ 293	\$ 42,981
Average Cost of Funds	1.91 %	1.69 %	1.91 %
Net Interest Rate Spread	2.45 %	4.33 %	2.46 %

(1) Represents borrowings under repurchase agreements underlying Linked Transactions.

(2) Represents Non-Agency MBS underlying Linked Transactions.



15

ANNEX 1 – Reconciliations of Non-GAAP Financial Measures (cont)

The table below reconciles MFA's Non-Agency MBS and related repurchase agreement borrowings and securitized debt on a GAAP basis to reflect on a combined basis its Non-Agency MBS and related repurchase agreements underlying its Linked Transactions, which is a Non-GAAP financial measure. Based on this Non-GAAP presentation, MFA has also presented certain resulting performance measures (reflected in the table below) on a Non-GAAP basis.

<i>(Dollars in Thousands)</i>	GAAP Based Information	Adjustments to Include Assets/Liabilities of Underlying Linked Transactions	Non-GAAP Presentation
At June 30, 2012:			
Amortized Cost of Non-Agency MBS	\$ 4,578,913	\$ 63,740	\$ 4,642,653
Fair Value of Non-Agency MBS	\$ 4,675,893	\$ 65,388	\$ 4,741,281
Face/Par Value of Non-Agency MBS	\$ 6,283,837	\$ 76,433	\$ 6,360,270
Purchase (Discount) Designated as Credit Reserve and OTTI	\$ (1,440,752) (3)	\$ (7,152)	\$ (1,447,904) (4)
Net Purchase (Discount) Designated as Accretable	(264,172)	(5,541)	(269,713)
Total Purchase (Discount) on Non-Agency MBS	\$ (1,704,924) (3)	\$ (12,693)	\$ (1,717,617) (4)
Non-Agency Repurchase Agreements and Securitized Debt	\$ 3,173,523	\$ 51,244	\$ 3,224,767
For the Three Months Ended June 30, 2012:			
Non-Agency MBS Average Amortized Cost	\$ 4,490,141	\$ 85,552	\$ 4,575,693
Non-Agency Average Total Borrowings	\$ 2,820,831	\$ 69,670	\$ 2,890,501
Coupon Interest on Non-Agency MBS	\$ 66,144	\$ 962	\$ 67,106
Effective Yield Adjustment (5)	9,810	324	10,134
Interest Income on Non-Agency MBS	\$ 75,954	\$ 1,286	\$ 77,240
Interest Expense on Non-Agency Total Borrowings	\$ 16,267	\$ 293	\$ 16,560
Yield on Average Interest Earning Non-Agency MBS	6.77 %	6.02 %	6.75 %
Non-Agency Average Cost of Funds	2.32	1.69	2.30
Non-Agency Interest Rate Spread	4.45 %	4.33 %	4.45 %

(1) Includes Non-Agency MBS transferred to consolidated VIEs.

(2) Adjustment to reflect Non-Agency MBS underlying Linked Transactions and borrowings under repurchase agreements underlying Linked Transactions.

(3) Amounts disclosed reflect purchase discount designated as credit reserve of \$1.388 billion and OTTI of \$52.9 million.

(4) Amounts disclosed reflect purchase discount designated as credit reserve of \$1.395 billion and OTTI of \$52.9 million.

(5) The effective yield adjustment on Non-Agency MBS is the difference between net income calculated using the net yield on average interest earning Non-Agency MBS, which is based on management's estimates of future cash flows for Non-Agency MBS, less the current coupon yield.



16