
**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): **April 4, 2013**

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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Amendment No. 1 to Amended and Restated Employment Agreement between MFA Financial, Inc. and Craig L. Knutson

On April 4, 2013, MFA Financial, Inc. (the "Company") entered into Amendment No. 1 (the "Amendment") to the Amended and Restated Employment Agreement, dated as of June 30, 2011 (the "Employment Agreement"), between the Company and Craig L. Knutson, an Executive Vice President of the Company.

The Amendment amends the performance bonus provisions of the Employment Agreement such that for 2013, Mr. Knutson's annual bonus will be determined by the Compensation Committee of the Board of Directors in its discretion (rather than through a discretionary allocation by the Compensation Committee from a delineated bonus pool).

A copy of the Amendment is attached hereto as Exhibit 10.1. The above description of the principal terms of the Amendment is a summary only and is qualified in its entirety by reference to Exhibit 10.1 hereto, which is incorporated by reference into this Item 5.02. Except as provided in the Amendment, all other terms and provisions of the Employment Agreement remain unchanged. A copy of the Employment Agreement may be found as Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 7, 2011.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

10.1 Amendment No. 1, dated April 4, 2013, to the Amended and Restated Employment Agreement, dated as of June 30, 2011, between MFA Financial, Inc. and Craig L. Knutson

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: April 4, 2013

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment No. 1, dated April 4, 2013, to the Amended and Restated Employment Agreement, dated as of June 30, 2011, between MFA Financial, Inc. and Craig L. Knutson

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AMENDMENT NO. 1 TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDMENT NO. 1 TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Amendment") is entered into as of the 4th day of April, 2013, by and between MFA FINANCIAL, INC., a Maryland corporation ("MFA"), and Craig L. Knutson ("Executive").

W I T N E S S E T H:

WHEREAS, the parties hereto entered into that certain Amended and Restated Employment Agreement, as of June 30, 2011 (the "Agreement") (capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement); and

WHEREAS, the parties hereto desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Section 3 (Compensation) of the Agreement is hereby amended by deleting subsection (b) thereof in its entirety and replacing it with the following:

"(b) Performance Bonus. For 2013, the amount of the Executive's annual bonus shall be determined by the Compensation Committee in its discretion.

The amount awarded to the Executive under this subsection (b) shall be paid in a combination of cash and restricted stock based, with up to 40% of the amount awarded (as determined by the Compensation Committee) to be paid in restricted stock. The period of restriction with respect to shares of restricted stock shall lapse with respect to six and one quarter percent (6.25%) of the shares on the last business day of each quarter commencing with the quarter beginning January 1, 2014, with the lapse of all restrictions occurring four years following the date of grant. Under the terms of the definitive award agreement, the Executive shall be entitled to receive any dividends payable with respect to any shares subject to restriction at such time as such shares are no longer subject to restrictions. Vested shares of such restricted stock cannot be transferred or sold during the Executive's employment by MFA until the value of the Executive's stock holdings in MFA (including shares of restricted stock) exceeds four times the Executive's Base Salary; and, following the termination of Executive's employment with the Company, vested shares of such restricted stock may not be sold or transferred to the extent the value of the Executive's stock holdings does not exceed four times the Executive's Base Salary as of the date of the Executive's termination of employment (provided, however, that this sentence shall no longer apply following the six-month anniversary, of the Executive's termination of employment). Cash payments awarded under this subsection (b) will be made as soon as practicable after the Compensation Committee has

determined the amount to be paid hereunder, and in no event later than January 16th of the next following calendar year."

2. Section 6 (Definitions) of the Agreement is hereby amended by deleting subsection (f) (Non Cash Items and Merger Expenses) thereof in its entirety and replacing it with the following:

"(f) Intentionally omitted."

3. Section 6 (Definitions) of the Agreement is hereby amended by deleting subsection (i) (Return on Average Equity) and subsection (j) (Tangible Net Worth) thereof in their entirety.

4. Exhibit A to the Agreement is hereby deleted in its entirety and is hereby replaced with the following:

"Exhibit A: Intentionally omitted."

5. Except as specifically set forth herein, the Agreement and all of its terms and conditions remain in full force and effect, and the Agreement is hereby ratified and confirmed in all respects, except that on or after the date of this Amendment all references in the Agreement to "this Agreement," "hereto," "hereof," "hereunder," or words of like import shall mean the Agreement as amended by this Amendment.

6. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

7. This Amendment and all rights hereunder, and any claims or disputes relating hereto, shall be governed by and construed in accordance with the laws of the State of Maryland (without regard to its choice of law provisions).

8. This Amendment shall be binding upon and inure to the benefit of MFA and the Executive and their respective successors, heirs (in the case of the Executive) and assigns. The Agreement, as amended by this Amendment, contains the entire agreement between MFA and the Executive concerning the subject matter thereof, as amended by this Amendment, and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between them with respect thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

COMPANY:

MFA FINANCIAL, INC.

By: /s/ Stewart Zimmerman

Name: Stewart Zimmerman

Title: Chief Executive Officer

EXECUTIVE:

/s/ Craig L. Knutson

Craig L. Knutson
