UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 13, 2014**

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.)

350 Park Avenue, 20th Floor **New York, New York**	**10022**
(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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition and
Item 7.01 Regulation FD Disclosure

MFA Financial, Inc. ("MFA") issued a press release, dated February 13, 2014, announcing its financial results for the quarter ended December 31, 2013, 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 2013 fourth quarter financial results. Such additional information is attached to this report as Exhibit 99.2 and is incorporated herein by reference.

The information referenced in this Current Report on Form 8-K (including 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 press release contains forward-looking statements within the meaning of the Securities Act and the Exchange Act and, as such, may involve known and unknown risks, uncertainties and assumptions. These forward-looking statements relate to MFA's current expectations and are subject to the limitations and qualifications set forth in the press release as well as in MFA's other documents filed with the SEC, including, without limitation, that actual events and/or results may differ materially from those projected in such forward-looking statements.

Exhibit	
99.1	Press Release, dated February 13, 2014, announcing MFA's financial results for the quarter ended December 31, 2013.
99.2	Additional information relating to the financial results of MFA for the quarter ended December 31, 2013.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MFA FINANCIAL, INC.
(REGISTRANT)

By: /s/ Harold E. Schwartz
Name: Harold E. Schwartz
Title: Senior Vice President and General Counsel

Date: February 13, 2014

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated February 13, 2014, announcing MFA Financial Inc.'s financial results for the quarter ended December 31, 2013.
99.2	Additional information relating to the financial results of MFA Financial, Inc. for the quarter ended December 31, 2013.

Exhibit 99.1

MFA

FINANCIAL, INC.

350 Park Avenue
New York, New York 10022

PRESS RELEASE		**FOR IMMEDIATE RELEASE**
February 13, 2014		**NEW YORK METRO**
INVESTOR CONTACT:	**InvestorRelations@mfafinancial.com** **212-207-6433** **www.mfafinancial.com**	**NYSE: MFA**
MEDIA CONTACT:	**Abernathy MacGregor** **Tom Johnson, Andrew Johnson** **212-371-5999**	

MFA Financial, Inc.
Announces Fourth Quarter 2013 Financial Results

NEW YORK - MFA Financial, Inc. (NYSE:MFA) today announced financial results for the fourth quarter ended December 31, 2013.

Fourth Quarter 2013 and other highlights:

· Generated fourth quarter net income available to common shareholders of $74.8 million, or $0.20 per common share.

· Book value per common share increased to $8.06 as of December 31, 2013 from $7.85 as of September 30, 2013 due primarily to Non-Agency MBS price appreciation.

· On January 31, 2014, MFA paid its fourth quarter 2013 dividend of $0.20 per share of common stock to stockholders of record as of December 31, 2013.

· In the fourth quarter, MFA transferred $47.2 million from credit reserve to accretable discount, bringing the total transferred in 2013 to $207.9 million. This increase in accretable discount is expected to increase the interest income realized over the remaining life of MFA's Non-Agency MBS.

· Due primarily to increases in accretable discount and to changes in the forward curve, the loss-adjusted yield on MFA's Non-Agency portfolio increased from 7.33% in the third quarter to 7.77% in the fourth quarter.

William Gorin, MFA's CEO, said, "Despite changing interest rates and prepayment speeds, MFA's key metrics remained generally consistent throughout 2013. Net interest rate spread was 2.34% in the fourth quarter versus a high of 2.38% in the second quarter and a low of 2.24% in the third quarter. The debt to equity ratio at the end of the fourth quarter was 3.0:1 versus 3.1:1 at the end of the first three quarters of the year.

"Our Non-Agency MBS portfolio continues to benefit from its exposure to positive trends in housing fundamentals. Home price appreciation and underlying mortgage loan amortization continue to decrease the Loan-To-Value Ratio ("LTV") for many of the mortgages underlying MFA's Non-Agency portfolio. We estimate that the LTV of mortgage loans underlying our Non-Agency MBS has declined from approximately 105% as of January 2012 to less than 85% as of December 31, 2013. As a result, we continue to reduce our estimate of future losses."

Craig Knutson, MFA's President and COO, added, "More than half of the underlying loans in the Non-Agency portfolio are in California and Florida (approximately 46% and 8% respectively), both of which have experienced home price appreciation in excess of 10% over the last 12 months. This home price appreciation is generally due to a combination of limited housing supply, low mortgage rates, capital flows into own-to-rent foreclosure purchases and demographic-driven U.S. household formation.

"MFA's Non-Agency MBS had a face amount of $5.616 billion with an amortized cost of $4.114 billion and a net purchase discount of $1.502 billion at December 31, 2013. This discount consists of a $1.043 billion credit reserve and other-than-temporary impairments and a $459.4 million net accretable discount. We believe this credit reserve appropriately factors in remaining uncertainties regarding underlying mortgage performance and the potential impact on future cash flows. Our Non-Agency MBS loss adjusted yield of 7.77% is based on projected defaults equal to 30% of underlying loan balances. On average, these loans are more than 7.5 years seasoned and only 16.5% are currently more than 60 days delinquent."

For the fourth quarter ended December 31, 2013, MFA generated net income available to common stockholders of $74.8 million, or $0.20 per share of common stock. Net income includes a $375,000 increase in the fair value of the securities underlying "Linked Transactions," $6.1 million of gains realized on sales of MBS and US Treasury Securities, and $1.2 million of gains realized on the closeout of Agency MBS TBA short positions.

In the quarter, the yield on interest earning assets increased due to the higher yield on Non-Agency MBS resulting primarily from improvements in underlying credit fundamentals and the higher yield on Agency MBS due to lower premium amortization. The Agency portfolio had an average amortized cost basis of 103.6% of par as of December 31, 2013, and generated a 2.37% yield in the fourth quarter. The Non-Agency portfolio had an average amortized cost of 73.2% of par as of December 31, 2013, and generated a loss-adjusted yield of 7.77% in the fourth quarter. For the three months ended December 31, 2013, MFA's costs for compensation and benefits and other general and administrative expenses were $7.7 million or an annualized 0.98% of stockholders' equity as of December 31, 2013.

Prepayments for MFA's MBS portfolio decreased in the fourth quarter. The average CPR for the MBS portfolio declined 29%, with the largest decline in the Agency MBS portion of the portfolio. The following table presents the weighted average prepayment speed on MFA's MBS portfolio.

Table 1

	Fourth Quarter 2013 Average CPR	Third Quarter 2013 Average CPR	Percent Change
MBS Portfolio	13.42%	18.77%	(28.50)%
Agency MBS	12.87%	19.25%	(33.14)%
Non-Agency MBS	14.16%	18.15%	(21.98)%

As of December 31, 2013, under its swap agreements, MFA had a weighted average fixed-pay rate of interest of 1.91% and a floating receive rate of 0.17% on notional balances totaling $4.045 billion, with an average maturity of 49 months. MFA's estimated effective duration, which is the measure of price sensitivity to changes in interest rates, was approximately 0.90 as of December 31, 2013.

The following table presents MFA's asset allocation as of December 31, 2013 and the fourth quarter 2013 yield on average interest earning assets, average cost of funds and net interest rate spread for the various asset types.

Table 2

ASSET ALLOCATION

At December 31, 2013 ($ in Thousands)	Agency MBS	Non-Agency MBS (1)	MBS Portfolio	Cash (2)	Other, net (3)	Total
Amortized Cost	$ 6,504,846	$ 4,240,097	$ 10,744,943	$ 602,890	$ (31,509)	$ 11,316,324
Market Value	$ 6,519,221	$ 4,982,927	$ 11,502,148	$ 602,890	$ (31,509)	$ 12,073,529
Less Payable for Unsettled Purchases	(6,737)	—	(6,737)	—	—	(6,737)
Less Repurchase Agreements	(5,750,053)	(2,309,323)	(8,059,376)	—	—	(8,059,376)
Less Multi-year Collateralized Financing Arrangements	—	(383,743)	(383,743)	—	—	(383,743)
Less Securitized Debt	—	(366,205)	(366,205)	—	—	(366,205)
Less Senior Notes	—	—	—	—	(100,000)	(100,000)
Equity Allocated	$ 762,431	$ 1,923,656	$ 2,686,087	$ 602,890	$ (131,509)	$ 3,157,468
Less Swaps at Market Value	—	—	—	—	(15,217)	(15,217)
Net Equity Allocated	$ 762,431	$ 1,923,656	$ 2,686,087	$ 602,890	$ (146,726)	$ 3,142,251
Debt/Net Equity Ratio (4)	7.6x	1.6x	—	—	—	3.0x
For the Quarter Ended December 31, 2013						
Yield on Average Interest Earning Assets	2.37%	7.77%	4.48%	0.02%	—	4.26%
Less Average MBS Cost of Funds (5)	(1.26)	(3.01)	(1.85)	—	—	(1.85)
Senior Notes (6)	—	—	—	—	(8.03)%	(8.03)
Net Interest Rate Spread	1.11%	4.76%	2.63%	0.02%	(8.03)%	2.34%

(1) Information presented with respect to Non-Agency MBS, related repurchase agreement borrowings and resulting totals are presented on a non-GAAP basis. Includes $130.8 million Non-Agency MBS and $102.7 million repurchase agreements underlying "linked transactions." The purchase of a Non-Agency MBS and contemporaneous repurchase borrowing of this MBS with the same counterparty are accounted for under GAAP as a linked transaction. The two components of a linked transaction (MBS and associated borrowings under a repurchase agreement) are evaluated on a combined basis and are presented net as linked transactions on our consolidated balance sheet.
(2) Includes cash, cash equivalents and restricted cash.
(3) Includes securities obtained and pledged as collateral, interest receivable, goodwill, prepaid and other assets, borrowings under repurchase agreements of $382.7 million for which U.S. Treasury securities are pledged as collateral, interest payable, dividends payable, excise tax and interest payable and accrued expenses and other liabilities.
(4) For the Agency and Non-Agency MBS portfolio, represents the sum of borrowings under repurchase agreements, payable for unsettled purchases, multi-year collateralized financing arrangements of $383.7 million and securitized debt as a multiple of net equity allocated. The numerator of our Total Debt/Net Equity ratio also includes borrowings under repurchase agreements of $382.7 million for which U.S. Treasury securities are pledged as collateral and Senior Notes.
(5) Average cost of funds includes interest on repurchase agreements, including the cost of swaps, and securitized debt. Non-Agency cost of funds includes 72 basis points associated with Swaps to hedge additional interest rate sensitivity on these assets.
(6) Includes amortization costs in connection with the issuance in of Senior Notes.

At December 31, 2013, MFA's $11.502 billion of Agency and Non-Agency MBS, which includes MBS underlying Linked Transactions, were backed by hybrid, adjustable and fixed-rate mortgages. Additional information about these MBS, including months to reset and three month average CPR, is presented below:

Table 3

($ in thousands)	Agency MBS			Non-Agency MBS			Total		
	Fair	Avg	Avg	Fair	Avg	Avg	Fair	Avg	Avg

Time to Reset	Value	MTR (1)	CPR (2)	Value	MTR (1)	CPR (2)	Value	MTR (1)	CPR (2)
< 2 years (3)	$ 1,994,323	10	16.3%	$ 3,072,603	4	12.3%	$ 5,066,926	6	13.8%
2-5 years	1,155,070	43	18.5	410,635	35	22.6	1,565,705	41	19.7
> 5 years	909,762	76	12.1	—	—	—	909,762	76	12.1
ARM-MBS Total	$ 4,059,155	34	15.9%	$ 3,483,238	8	13.6%	$ 7,542,393	22	14.8%
15-year fixed (4)	$ 2,460,066		8.8%	$ 16,756		18.6%	$ 2,476,822		8.1%
30-year fixed (4)	—		—	1,477,099		15.1	1,477,099		15.1
40-year fixed (4)	—		—	5,834		10.5	5,834		10.5
Fixed-Rate Total	$ 2,460,066		8.8%	$ 1,499,689		15.1%	$ 3,959,755		10.6%
MBS Total	$ 6,519,221		12.9%	$ 4,982,927		14.0%	$ 11,502,148		13.4%

1) MTR or Months To Reset is the number of months remaining before the coupon interest rate resets. At reset, the MBS coupon will adjust based upon the underlying benchmark interest rate index, margin and periodic or lifetime caps. The MTR does not reflect scheduled amortization or prepayments.
2) Average CPR weighted by positions as of beginning of each month in the quarter.
3) Includes floating rate MBS that may be collateralized by fixed rate mortgages.
4) Information presented based on data available at time of loan origination.

MFA Financial, Inc. plans to host a live audio webcast of its investor conference call on Thursday, February 13, 2014, at 10:00 a.m. (Eastern Time) to discuss its fourth quarter 2013 financial results. The live audio webcast will be accessible to the general public over the internet at http://www.mfafinancial.com through the "Webcasts & Presentations" link on MFA's home page. To listen to the conference call over the internet, please go to the MFA website at least 15 minutes before the call to register and to download and install any needed audio software. Earnings presentation materials will be posted on the MFA website prior to the conference call and an audio replay will be available on the website following the call.

When used in this press release or other written or oral communications, statements which are not historical in nature, including those containing words such as "will," "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" 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. 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 on the mortgage loans securing 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 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 the Company to accrete the market discount on Non-Agency MBS and the extent of prepayments, realized losses and changes in the composition of MFA's Agency MBS and Non-Agency MBS portfolios that may occur during the applicable tax period, including gain or loss on any MBS disposals; 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 the Board deems relevant; MFA's ability to maintain its qualification as a REIT for federal income tax purposes; MFA's ability to maintain its exemption from registration under the Investment Company Act of 1940, as amended (or the Investment Company Act), including statements regarding the Concept Release issued by the 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 in 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 current reports that MFA files with the Securities and Exchange Commission, could cause MFA's actual results to differ materially from those projected in any forward-looking statements it makes. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect MFA. Except as required by law, MFA is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

MFA FINANCIAL, INC.
CONSOLIDATED BALANCE SHEETS

(In Thousands Except Per Share Amounts)	December 31, 2013 (Unaudited)	December 31, 2012
Assets:		
Mortgage-backed securities ("MBS"):		
Agency MBS, at fair value ($6,142,306 and $6,747,299 pledged as collateral, respectively)	$ 6,519,221	$ 7,225,460
Non-Agency MBS, at fair value ($1,778,067 and $1,602,953 pledged as collateral, respectively)	2,569,766	2,762,006
Non-Agency MBS transferred to consolidated variable interest entities ("VIEs")	2,282,371	2,620,159
Securities obtained and pledged as collateral, at fair value	383,743	408,833
Cash and cash equivalents	565,370	401,293
Restricted cash	37,520	5,016
Interest Receivable	35,828	44,033
Derivative instruments:		
MBS linked transactions, net ("Linked Transactions"), at fair value	28,181	12,704
Derivative hedging instruments, at fair value	13,000	203
Goodwill	7,189	7,189
Prepaid and other assets	29,719	30,654
Total Assets	$ 12,471,908	$ 13,517,550
Liabilities:		
Repurchase agreements	$ 8,339,297	$ 8,752,472
Securitized debt	366,205	646,816
Obligation to return securities obtained as collateral, at fair value	383,743	508,827
8% Senior Notes due 2042 ("Senior Notes")	100,000	100,000
Accrued interest payable	14,726	16,104
Derivative hedging instruments, at fair value	28,217	63,034
Dividends and dividend equivalents rights ("DERs") payable	73,643	72,222
Payable for unsettled purchases	6,737	33,479
Excise tax and interest payable	6,398	7,500
Accrued expenses and other liabilities	10,691	6,090
Total Liabilities	$ 9,329,657	$ 10,206,544

Commitments and contingencies				
Stockholders' Equity:				
Preferred stock, $.01 par value; 8.50% Series A cumulative redeemable 5,000 shares authorized; 0 and 3,840 shares issued and outstanding, respectively ($0 and $96,000 aggregate liquidation preference, respectively)	$	—	$	38
Preferred stock, $.01 par value; 7.50% Series B cumulative redeemable 8,050 and 0 shares authorized; 8,000 and 0 shares issued and outstanding, respectively ($200,000 and $0 aggregate liquidation preference, respectively)		80		—
Common stock, $.01 par value; 886,950 and 895,000 shares authorized; 365,125 and 357,546 shares issued and outstanding, respectively		3,651		3,575
Additional paid-in capital, in excess of par		2,972,369		2,805,724
Accumulated deficit		(571,544)		(260,308)
Accumulated other comprehensive income		737,695		761,977
Total Stockholders' Equity	$	3,142,251	$	3,311,006
Total Liabilities and Stockholders' Equity	$	12,471,908	$	13,517,550

MFA FINANCIAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)	Three Months Ended December 31,				For the Year Ended December 31,			
	2013 (Unaudited)		2012 (Unaudited)		2013 (Unaudited)		2012	
Interest Income:								
Agency MBS	$	39,064	$	46,010	$	156,046	$	196,058
Non-Agency MBS		42,310		39,346		170,485		134,901
Non-Agency MBS transferred to consolidated VIEs		39,644		39,569		156,285		168,071
Cash and cash equivalent investments		31		43		124		127
Interest Income	$	121,049	$	124,968	$	482,940	$	499,157
Interest Expense:								
Repurchase agreements	$	38,700	$	37,128	$	143,885	$	148,767
Securitized debt		2,719		3,920		12,100		17,106
Senior Notes		2,008		2,006		8,028		5,797
Total Interest Expense	$	43,427	$	43,054	$	164,013	$	171,670
Net Interest Income	$	77,622	$	81,914	$	318,927	$	327,487
Other-Than-Temporary Impairments:								
Total other-than-temporary impairment losses	$	—	$	—	$	—	$	(879)
Portion of loss reclassed from other comprehensive income		—		—		—		(321)
Net Impairment Losses Recognized in Earnings	$	—	$	—	$	—	$	(1,200)
Other Income, net:								
Unrealized net gains and net interest income from Linked Transactions	$	1,440	$	1,166	$	3,225	$	12,610
Gains/(Losses) on TBA short positions		1,207		—		(7,517)		—
Gain on sales of MBS and U.S. Treasury securities, net		6,147		1,769		25,825		9,001
Other, net		54		8		219		10
Other Income, net	$	8,848	$	2,943	$	21,752	$	21,621
Operating and Other Expense:								
Compensation and benefits	$	4,477	$	5,337	$	20,328	$	22,089
Other general and administrative expense		3,186		2,801		13,361		11,480
Excise tax and interest		250		7,500		2,250		7,500
Impairment of resecuritization related costs		—		—		2,031		—
Operating and Other Expense	$	7,913	$	15,638	$	37,970	$	41,069
Net Income	$	78,557	$	69,129	$	302,709	$	306,839
Less Preferred Stock Dividends		3,750		2,040		13,750		8,160
Less Issuance Costs of Redeemed Preferred Stock		—		—		3,947		—
Net Income Available to Common Stock and Participating Securities	$	74,807	$	67,179	$	285,012	$	298,679
Earnings per Common Share - Basic and Diluted	$	0.20	$	0.19	$	0.78	$	0.83
Dividends Declared per Share of Common Stock	$	0.20	$	0.20	$	1.64	$	0.88

MFA FINANCIAL, INC.

Fourth Quarter 2013

Earnings Presentation

Forward Looking Statements

When used in this press release or other written or oral communications, statements which are not historical in nature, including those containing words such as "will," "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" 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. 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 on the mortgage loans securing 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 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 the Company to accrete the market discount on Non-Agency MBS and the extent of prepayments, realized losses and changes in the composition of MFA's Agency MBS and Non-Agency MBS portfolios that may occur during the applicable tax period, including gain or loss on any MBS disposals; 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 the Board deems relevant; MFA's ability to maintain its qualification as a REIT for federal income tax purposes; MFA's ability to maintain its exemption from registration under the Investment Company Act of 1940, as amended (or the Investment Company Act), including statements regarding the Concept Release issued by the 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 in 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 current reports that MFA files with the Securities and Exchange Commission, could cause MFA's actual results to differ materially from those projected in any forward-looking statements it makes. All forward-looking statements 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.

Fourth Quarter 2013 Earnings and Dividends

• Net Income Per Common Share	$0.20
• Fourth Quarter Dividend	$0.20
• Estimated Taxable Income Per Common Share	$0.20

• Estimated Undistributed Taxable Income Per Common Share as of December 31, 2013	$0.17

Despite Changing Interest Rates and Prepayment Speeds, MFA's Key Metrics Remained Generally Consistent Throughout 2013

	First Quarter 2013	Second Quarter 2013	Third Quarter 2013	Fourth Quarter 2013
Yield on Interest Earning Assets	**4.02%**	**4.01%**	**4.05%**	**4.26%**
Net Interest Rate Spread	**2.32%**	**2.38%**	**2.24%**	**2.34%**
Debt Equity Ratio	**3.1x**	**3.1x**	**3.1x**	**3.0x**

Book Value Increased in the Fourth Quarter due Primarily to the Appreciation of Non-Agency Assets

Book Value per common share as of 9/30/13	$	7.85
Net Income available to common shareholders		0.20
Q4 Common Dividend declared during the quarter		(0.20)
Net change in value of Agency MBS		(0.09)
Net change in value of Non-Agency MBS		0.19
Net change in value of hedging and other derivative instruments		0.10
Book Value per common share as of 12/31/13	**$**	**8.06**

REIT Taxable Income Update

- **MFA has now distributed to stockholders an amount equal to all taxable income for years prior to 2013.**
- We currently estimate that for 2013, MFA's REIT taxable income was approximately $374 million, while distributions not attributed to prior years was approximately $313 million.
- MFA has until the filing of its 2013 tax return (due not later than September 15, 2014), to declare the distribution of any 2013 REIT taxable income not previously distributed.

MFA's Interest Rate Sensitivity as Measured by Net Duration, is Below 1.0

Assets	Market Value*	Average Coupon	Duration
Non-Agency ARMs (12 months or less MTR)	$2,863	2.91%	0.5
Non-Agency Hybrid (12-48 MTR)	$621	5.19%	1.1
Non-Agency Fixed Rate	$1,500	5.78%	3.5
Agency ARMs (12 months or less MTR)	$1,303	2.79%	0.9
Agency ARMs (12-120 MTR)	$2,755	3.40%	2.5
Agency 15 Year Fixed Rate	$2,460	3.14%	4.3
Cash and Principal Receivable	$566		0.0
TOTAL ASSETS	**$12,068**		**2.1**

Hedging Instruments	Notional Amount*	Duration
Swaps (Less than 3 years)	$1,545	-1.0
Swaps (3-6 years)	$900	-3.9
Swaps (6-10 years)	$1,600	-6.3
TOTAL	**$4,045**	**-3.7**

Net Duration	0.90

MFA FINANCIAL, INC.

**Data as of 12/31/13, dollars in millions. Non-Agency market value includes approximately $131 million in aggregate of MBS underlying Linked Transactions for GAAP financial reporting purposes.*

Credit Fundamentals on MFA's Non-Agency MBS Continue to Improve

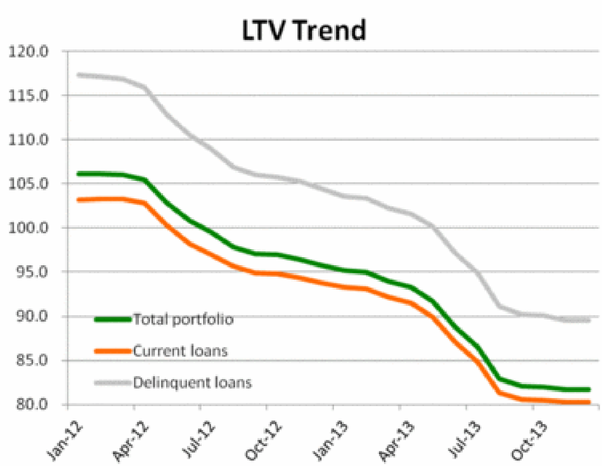
- Home price appreciation and mortgage amortization continue to decrease the LTV ratio for many of the mortgages underlying MFA's Non-Agency portfolio.
- As a result, we have lowered our estimate of future losses within MFA's Non-Agency MBS portfolio.
- Accordingly, in the fourth quarter, MFA transferred $47.2 million from credit reserve to accretable discount, bringing the total transferred in 2013 to $207.9 million. This increase in accretable discount is expected to increase the interest income realized over the remaining life of MFA's Non-Agency MBS.

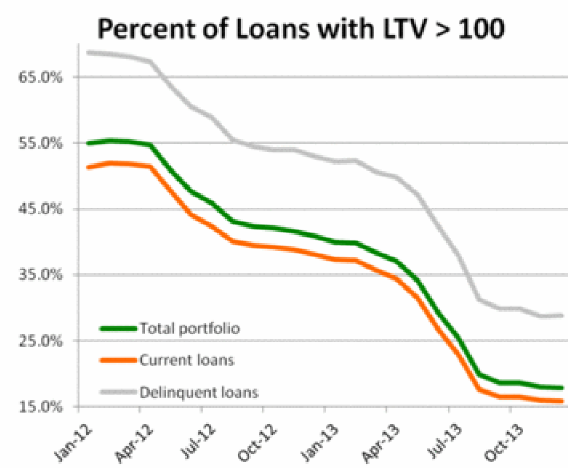
Information presented as of December 31, 2013.

Credit Reserve Reductions: What is the Impact on Financial Statements?

- Credit Reserve Reductions Increase ***Future*** Earnings
  - Credit Reserve reductions ***increase yields*** on Non-Agency MBS prospectively
  - Higher yields increase interest income on MFA's Non-Agency MBS ***over the remaining life*** of these assets
  - Total credit reserve transfers over 2012 and 2013 have increased Non-Agency portfolio yield by approximately 70 basis points in total
- Credit Reserve Reductions ***Do Not Impact Book Value***
  - MFA's Book Value is determined by the fair market value of our investment portfolio

LTVs on MFA's Non-Agency MBS Continued to Decline in 2013



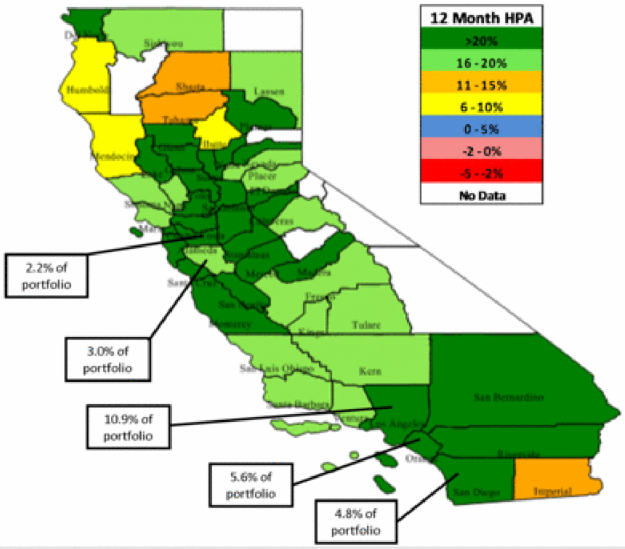


- Weighted average LTV of MFA's Non-Agency Portfolio continued to trend downward in 2013
- The amount of loans in the portfolio that are under water is decreasing
- Lower LTV's lessen the likelihood of defaults and simultaneously decrease loss severities

Data as of 12/31/13
Source: Loan Performance

Improving Credit: Home Price Appreciation Drives LTVs Down

46% of the underlying loans in MFA's Non-Agency portfolio are in California



MFA Portfolio Top 5 California County Concentrations

County	% of MFA Non-Agency Portfolio	12 Month Home Price Appreciation
Los Angeles	10.9%	**+ 21.0%**
Orange	5.6%	**+ 21.0%**
San Diego	4.8%	**+ 20.3%**
Santa Clara	3.0%	**+ 19.4%**
Alameda	2.2%	**+ 25.6%**

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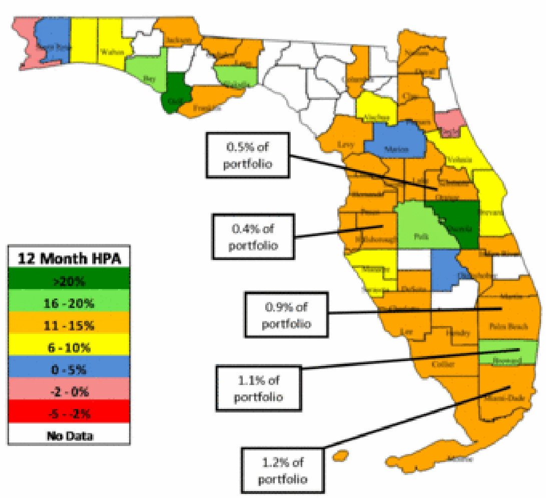
Source: CoreLogic, 1010 data
HPA=Home Price Appreciation
HPI Data as of November 2013

Improving Credit: Home Price Appreciation Drives LTVs Down

Florida makes up MFA's second largest Non-Agency geographic concentration with 8% of the portfolio

MFA Portfolio Top 5 Florida County Concentrations

County	% of MFA Non-Agency Portfolio	12 Month Home Price Appreciation
Miami-Dade	1.2%	**+ 10.8%**
Broward	1.1%	**+ 15.1%**
Palm Beach	0.9%	**+ 13.8%**
Orange	0.5%	**+ 11.7%**
Hillsborough	0.4%	**+ 10.7%**

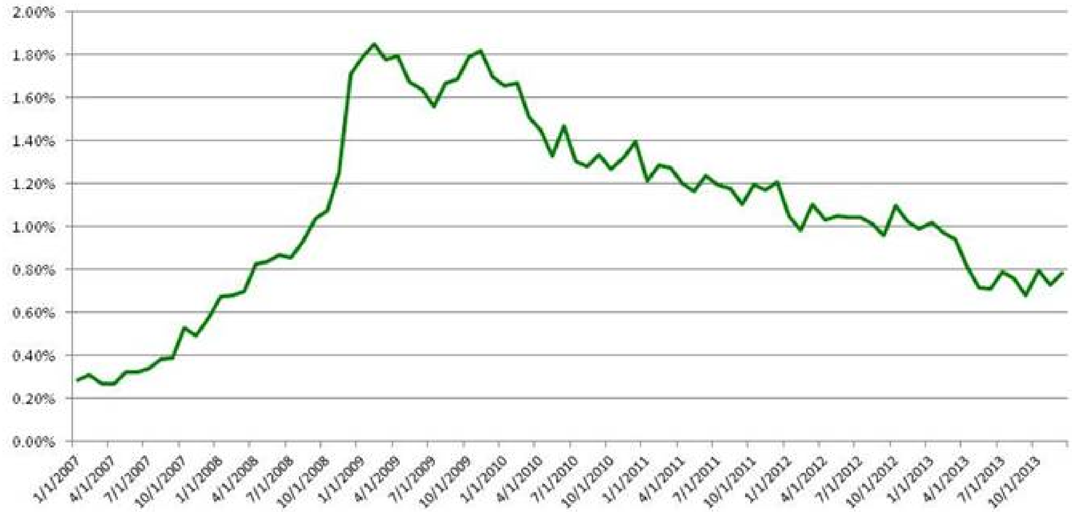


MFA FINANCIAL, INC.

Source: CoreLogic, 1010 data
HPA=Home Price Appreciation
HPI Data as of November 2013

Improving Credit: Current to 60 Days Delinquency Transition Rate for MFA's Non-Agency Portfolio has Trended Down

MFA's Non-Agency Portfolio Current to 60 Days Delinquency Transition Rate as of December 31, 2013

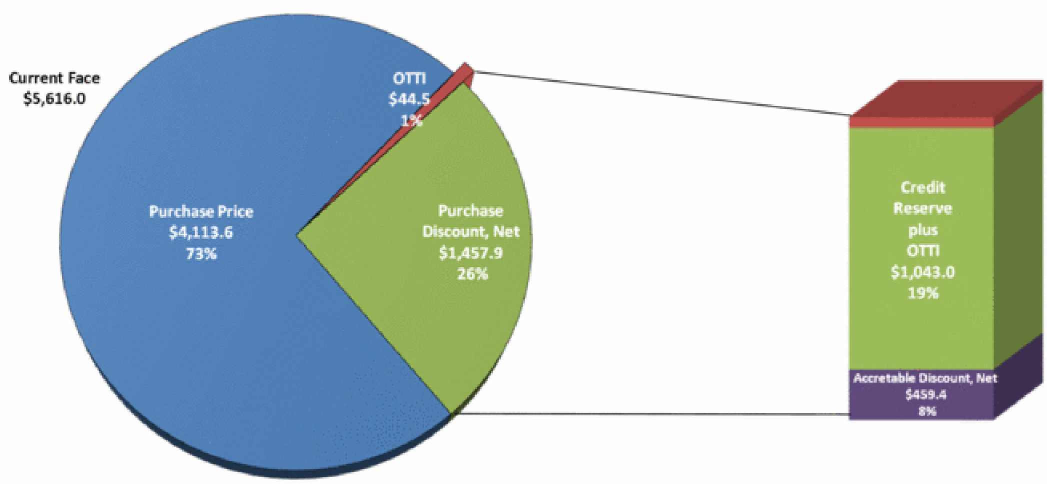


MFA FINANCIAL, INC.

Source: CoreLogic

Improving Credit: Yet Substantial Credit Reserves

MFA maintains a substantial credit reserve of $1.0 Billion.
Credit assumption changes would impact earnings over time.



Non-Agency Portfolio as of December 31, 2013

MFA FINANCIAL, INC.

Dollars in Millions

MFA

FINANCIAL, INC.