UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **August 3, 2016**

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 August 3, 2016, announcing its financial results for the quarter ended June 30, 2016, 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 2016 second quarter financial results. Such additional information is attached to this report as Exhibit 99.2 and is incorporated herein by reference.

The information referenced in this Current Report on Form 8-K (including Exhibits 99.1 and 99.2) is being "furnished" and, as such, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information set forth in this Current Report on Form 8-K (including Exhibits 99.1 and 99.2) is and will not be incorporated by reference into any registration statement or other document filed by MFA pursuant to the Securities Act of 1933, as amended (the "Securities Act"), except as may be expressly set forth by specific reference in such filing.

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

<u>Exhibit</u>

99.1 Press Release, dated August 3, 2016, announcing MFA's financial results for the quarter ended June 30, 2016.

99.2 Additional information relating to the financial results of MFA for the quarter ended June 30, 2016.

SIGNATURE

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

MFA FINANCIAL, INC.
(REGISTRANT)

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

Date: August 3, 2016

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated August 3, 2016, announcing MFA Financial Inc.'s financial results for the quarter ended June 30, 2016.
99.2	Additional information relating to the financial results of MFA Financial, Inc. for the quarter ended June 30, 2016.

MFA
FINANCIAL, INC.

350 Park Avenue
New York, New York 10022

PRESS RELEASE		**FOR IMMEDIATE RELEASE**
August 3, 2016		**NEW YORK METRO**
INVESTOR CONTACT:	**InvestorRelations@mfafinancial.com** **212-207-6488** **www.mfafinancial.com**	**NYSE: MFA**
MEDIA CONTACT:	**Abernathy MacGregor** **Tom Johnson, Andrew Johnson** **212-371-5999**	

MFA Financial, Inc.
Announces Second Quarter 2016 Financial Results

NEW YORK - MFA Financial, Inc. (NYSE:MFA) today announced financial results for the second quarter ended June 30, 2016.

Second Quarter 2016 and other highlights:

· Generated second quarter net income available to common shareholders of $75.2 million, or $0.20 per common share (based on 373.0 million weighted average common shares outstanding). As of June 30, 2016, book value per common share was $7.41.

· On July 29, 2016, MFA paid its second quarter 2016 dividend of $0.20 per share of common stock to shareholders of record as of June 28, 2016.

· MFA acquired $465.3 million of 3 year step-up RPL/NPL securities and $88.9 million of credit sensitive residential whole loans increasing these portfolios to $2.6 billion and $1.1 billion, respectively, at the end of the quarter. Additionally, MFA acquired $51.1 million of Credit Risk Transfer securities and was both an opportunistic buyer and seller of Legacy Non-Agency MBS during the quarter.

William Gorin, MFA's CEO, said, "In the second quarter, we continued to execute our strategy of targeted investment within the residential mortgage universe with a focus on credit sensitive assets. We increased our acquisitions of 3 year step-up RPL/NPL securities, bringing our holdings to $2.6 billion. We also acquired $88.9 million of credit sensitive residential whole loans during the quarter. Further, we opportunistically purchased $32.9 million of Non-Agency MBS issued prior to 2008 ("Legacy Non-Agency MBS") and also sold $19.8 million of Legacy Non-Agency MBS, realizing gains of $9.2 million for the quarter. This is the sixteenth consecutive quarter we have realized gains through selected sales of Legacy Non-Agency MBS based on our projections of future cash flows relative to market pricing. We did not acquire any Agency MBS in this quarter.

"MFA remains well positioned to generate attractive returns despite this period of extremely low interest rates. Rates are being held down, as on a worldwide basis there appears to be insufficient growth and a bias towards low inflation. Clearly, accommodative monetary policy also continues to impact rates. Through asset selection and hedging strategy, the estimated effective duration, a gauge of MFA's interest rate sensitivity, remains below 1.0 and measured 0.50 at quarter-end. Leverage, which reflects the ratio of our financing obligations to equity, was 3.3:1 at quarter-end."

Craig Knutson, MFA's President and COO, added, "MFA's portfolio asset selection process continues to emphasize residential mortgage credit exposure while seeking to minimize sensitivity to interest rates. As housing prices maintain their upward trend and borrowers repair their credit and balance sheets, MFA's Legacy Non-Agency portfolio continues to outperform our credit assumptions. In the second quarter of 2016, we reduced our credit reserve by $22.4 million. Despite heavy supply, RPL/NPL MBS spreads have tightened since the first quarter of 2016, as more buyers find these short duration and well credit-protected assets attractive. And our credit sensitive residential whole loans offer additional exposure to residential mortgage credit while affording us the opportunity to improve outcomes through sensible and effective servicing decisions."

MFA's Legacy Non-Agency MBS had a face amount of $3.9 billion with an amortized cost of $2.9 billion and a net purchase discount of $1.0 billion at June 30, 2016. This discount consists of a $724.2 million credit reserve and other-than-temporary impairments and a $323.6 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 Legacy Non-Agency MBS loss adjusted yield of 7.72% for the second quarter is based on projected defaults equal to 21% of underlying loan balances. On average, these loans are approximately ten years seasoned and approximately 12.6% are currently 60 or more days delinquent.

The Agency MBS portfolio had an average amortized cost basis of 103.8% of par as of June 30, 2016, and generated a 1.96% yield in the second quarter. The Legacy Non-Agency MBS portfolio had an average amortized cost of 73.4% of par as of June 30, 2016, and generated a loss-adjusted yield of 7.72% in the second quarter. At the end of the second quarter, MFA held approximately $2.6 billion of the senior most tranches of RPL/NPL MBS. These securities had an amortized cost of 99.9% of par and generated a 3.83% yield for the quarter.

In addition, at June 30, 2016, our investments in credit sensitive residential whole loans totaled $1.1 billion. Of this amount, $392.2 million is recorded at carrying value, or 84.3% of the interest-bearing unpaid principal balance and generated a loss-adjusted yield of 6.17% (5.80% net of servicing costs) during the quarter and $684.6 million is recorded at fair value on our consolidated balance sheet. On this portion of the portfolio we recorded gains for the quarter of approximately $14.5 million, primarily reflecting changes in the fair value of the underlying loans and coupon interest payments received during the quarter.

For the three months ended June 30, 2016, MFA's costs for compensation and benefits and other general and administrative expenses were $11.9 million or an annualized 1.62% of stockholders' equity as of June 30, 2016.

The following table presents the weighted average prepayment speed on MFA's MBS portfolio.

Table 1

	Second Quarter 2016 Average CPR	First Quarter 2016 Average CPR
Agency MBS	13.9%	11.7%
Legacy Non-Agency MBS	16.1%	13.3%
RPL/NPL MBS *(1)*	25.4%	23.0%

(1) All principal payments are considered to be prepayments for CPR purposes.

As of June 30, 2016, under its swap agreements, MFA had a weighted average fixed-pay rate of interest of 1.82% and a floating receive rate of 0.45% on notional balances totaling $3.0 billion, with an average maturity of 40 months.

The following table presents MFA's asset allocation as of June 30, 2016, and yield on average interest earning assets, average cost of funds and net interest rate spread for the various asset types for the quarter ended June 30, 2016.

Table 2

ASSET ALLOCATION

At June 30, 2016 ($ in Thousands)	Agency MBS	Legacy Non-Agency MBS	RPL/NPL MBS	Residential Whole Loans, at Carrying Value	Residential Whole Loans, at Fair Value	Other, net (1)	Total
Fair Value/ Carrying Value	$ 4,307,882	$ 3,465,874	$ 2,639,006	$ 392,172	$ 684,582	$ 724,925	$ 12,214,441
Less Payable for Unsettled Purchases	—	—	—	—	—	—	—
Less Repurchase Agreements	(3,276,823)	(2,371,726)	(2,069,976)	(171,808)	(411,781)	(190,973)	(8,493,087)
Less FHLB advances	(545,000)	—	—	—	—	—	(545,000)
Less Senior Notes	—	—	—	—	—	(96,715)	(96,715)
Equity Allocated	$ 486,059	$ 1,094,148	$ 569,030	$ 220,364	$ 272,801	$ 437,237	$ 3,079,639
Less Swaps at Market Value	—	—	—	—	—	(131,971)	(131,971)
Net Equity Allocated	$ 486,059	$ 1,094,148	$ 569,030	$ 220,364	$ 272,801	$ 305,266	$ 2,947,668
Debt/Net Equity Ratio *(2)*	7.9x	2.2x	3.6x	0.8x	1.5x	—	3.3x
For the Quarter Ended June 30, 2016							
Yield on Average Interest Earning Assets *(3)*	1.96%	7.72%	3.83%	6.17%	N/A	—%	4.19%
Less Average Cost of Funds *(4)*	(1.26)	(2.88)	(2.01)	(2.78)	(3.27)	—	(2.05)
Net Interest Rate Spread	0.70%	4.84%	1.82%	3.39%	N/A	—%	2.14%

(1) Includes cash and cash equivalents and restricted cash of $325.8 million, securities obtained and pledged as collateral, $272.6 million of CRT securities, other assets, obligation to return securities obtained as collateral and other liabilities.

(2) Represents the sum of borrowings under repurchase agreements, FHLB advances and payable for unsettled purchases as a multiple of net equity allocated. The numerator of our Total Debt/Net Equity ratio also includes the obligation to return securities obtained as collateral of $512.1 million, Senior Notes and repurchase agreements financing CRT security purchases.

(3) Yields reported on our interest earning assets are calculated based on the interest income recorded and the average amortized cost for the quarter of the respective asset. At June 30, 2016 the amortized cost of our interest earning assets were as follows: Agency MBS — $4,254,302; Legacy Non-Agency MBS - $2,892,245; RPL/NPL MBS - $2,642,712; and Residential Whole Loans at carrying value - $392,172. In addition, the yield for residential whole loans at carrying value was 5.80% net of 37 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. Interest payments received on residential whole loans at fair value is reported in Other Income as Net gain on residential whole loans held at fair value in our statement of operations. Accordingly, no yield is presented as such loans are not included in interest earning assets for reporting purposes.

(4) Average cost of funds includes interest on repurchase agreements and other advances, the cost of swaps, Senior Notes and securitized debt. Agency cost of funds includes 63 basis points and Legacy Non-Agency cost of funds includes 69 basis points associated with Swaps to hedge interest rate sensitivity on these assets.

At June 30, 2016, MFA's $7.8 billion of Agency and Legacy Non-Agency MBS, were backed by Hybrid, adjustable and fixed-rate mortgages. Additional information about these MBS, including average months to reset and three-month average CPR, is presented below:

Table 3

	Agency MBS			Legacy Non-Agency MBS (1)			Total (1)		
($ in Thousands) Time to Reset	Fair Value (2)	Average Months to Reset (3)	3 Month Average CPR (4)	Fair Value	Average Months to Reset (3)	3 Month Average CPR (4)	Fair Value (2)	Average Months to Reset (3)	3 Month Average CPR (4)
< 2 years *(5)*	$ 1,844,984	7	14.6%	$ 2,354,307	5	15.5%	$ 4,199,291	6	15.2%
2-5 years	646,936	33	17.6	—	—	—	646,936	33	17.6
> 5 years	173,262	72	18.2	—	—	—	173,262	72	18.2
ARM-MBS Total	$ 2,665,182	17	15.6%	$ 2,354,307	5	15.5%	$ 5,019,489	12	15.6%

15-year fixed *(6)*	$ 1,642,031	11.1%	$ 6,685	14.7%	$ 1,648,716	11.1%
30-year fixed *(6)*	—	—	1,098,577	17.3	1,098,577	17.3
40-year fixed *(6)*	—	—	6,305	12.7	6,305	12.7
Fixed-Rate Total	$ 1,642,031	11.1%	$ 1,111,567	17.3%	$ 2,753,598	13.8%
MBS Total	$ 4,307,213	13.9%	$ 3,465,874	16.1%	$ 7,773,087	15.0%

(1) Excludes $2.6 billion of RPL/NPL MBS. Refer to Table 4 for further information.
(2) Does not include principal payments receivable of $669,000.
(3) 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.
(4) 3 month average CPR weighted by positions as of beginning of each month in the quarter.
(5) Includes floating rate MBS that may be collateralized by fixed-rate mortgages.
(6) Information presented based on data available at time of loan origination.

Table 4

The following table presents certain information about our RPL/NPL MBS portfolio at June 30, 2016:

($ in Thousands)	Fair Value	Net Coupon	Months to Step-Up (1)	Current Credit Support (2)	Original Credit Support	3 Month Average Bond CPR (3)
Re-Performing MBS	$ 485,319	3.71%	13	47%	40%	20.1%
Non-Performing MBS	2,153,687	3.87	23	48	47	26.6
Total RPL/NPL MBS	$ 2,639,006	3.84%	21	48%	46%	25.4%

(1) Months to step-up is the weighted average number of months remaining before the coupon interest rate increases pursuant to the first coupon reset. We anticipate that the securities will be redeemed prior to the step-up date.
(2) Credit Support for a particular security is expressed as a percentage of all outstanding mortgage loan collateral. A particular security will not be subject to principal loss as long as credit enhancement is greater than zero.
(3) All principal payments are considered to be prepayments for CPR purposes.

Webcast

MFA Financial, Inc. plans to host a live audio webcast of its investor conference call on Wednesday, August 3, 2016, at 10:00 a.m. (Eastern Time) to discuss its second quarter 2016 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,” “could,” “would,” “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, an increase of which could result in a reduction of the yield on MBS in our portfolio and could require us to reinvest the proceeds received by us as a result of such prepayments in MBS with lower coupons; credit risks underlying MFA’s assets, including changes in the default rates and management’s assumptions regarding default rates on the mortgage loans securing MFA’s Non-Agency MBS and relating to 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 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; MFA’s ability to successfully implement its strategy to grow its residential whole loan portfolio; expected returns on our investments in non-performing 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; 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 Share and Per Share Amounts)	June 30, 2016 (Unaudited)	December 31, 2015
Assets:		

Mortgage-backed securities ("MBS") and credit risk transfer ("CRT") securities:				
Agency MBS, at fair value ($4,075,446 and $4,532,094 pledged as collateral, respectively)	$	4,307,882	$	4,752,244
Non-Agency MBS, at fair value ($5,111,148 and $4,874,372 pledged as collateral, respectively)		5,911,206		5,822,519
Non-Agency MBS transferred to consolidated variable interest entities ("VIEs"), at fair value		193,674		598,298
CRT securities, at fair value ($255,675 and $170,352 pledged as collateral, respectively)		272,569		183,582
Securities obtained and pledged as collateral, at fair value		512,059		507,443
Residential whole loans, at carrying value ($221,050 and $93,692 pledged as collateral, respectively)		392,172		271,845
Residential whole loans, at fair value ($592,945 and $585,971 pledged as collateral, respectively)		684,582		623,276
Cash and cash equivalents		182,765		165,007
Restricted cash		143,084		71,538
Other assets		227,555		166,799
Total Assets	$	12,827,548	$	13,162,551
Liabilities:				
Repurchase agreements and other advances	$	9,038,087	$	9,387,622
Obligation to return securities obtained as collateral, at fair value		512,059		507,443
8% Senior Notes due 2042 ("Senior Notes")		96,715		96,697
Other liabilities		233,019		203,528
Total Liabilities	$	9,879,880	$	10,195,290
Stockholders' Equity:				
Preferred stock, $.01 par value; 7.50% Series B cumulative redeemable; 8,050 shares authorized; 8,000 shares issued and outstanding ($200,000 aggregate liquidation preference)	$	80	$	80
Common stock, $.01 par value; 886,950 shares authorized; 371,027 and 370,584 shares issued and outstanding, respectively		3,710		3,706
Additional paid-in capital, in excess of par		3,021,861		3,019,956
Accumulated deficit		(571,709)		(572,332)
Accumulated other comprehensive income		493,726		515,851
Total Stockholders' Equity	$	2,947,668	$	2,967,261
Total Liabilities and Stockholders' Equity	$	12,827,548	$	13,162,551

MFA FINANCIAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
			(Unaudited)					
Interest Income:								
Agency MBS	$	21,592	$	25,739	$	45,589	$	57,412
Non-Agency MBS		80,441		80,916		160,746		162,164
Non-Agency MBS transferred to consolidated VIEs		3,324		11,595		9,171		23,638
CRT securities		3,222		1,524		5,914		2,884
Residential whole loans held at carrying value		5,758		4,193		10,195		7,784
Cash and cash equivalent investments		170		29		310		56
Interest Income	$	114,507	$	123,996	$	231,925	$	253,938
Interest Expense:								
Repurchase agreements and other advances	$	45,574	$	40,223	$	90,969	$	81,405
Senior Notes and other interest expense		2,146		2,626		4,351		5,384
Interest Expense	$	47,720	$	42,849	$	95,320	$	86,789
Net Interest Income	$	66,787	$	81,147	$	136,605	$	167,149
Other-Than-Temporary Impairments:								
Total other-than-temporary impairment losses	$	—	$	(130)	$	—	$	(525)
Portion of loss reclassed from other comprehensive income		—		(168)		—		(180)
Net Impairment Losses Recognized in Earnings	$	—	$	(298)	$	—	$	(705)
Other Income, net:								
Net gain on residential whole loans held at fair value	$	14,470	$	3,224	$	26,351	$	5,258
Gain on sales of MBS		9,241		7,617		18,986		14,052
Other, net		3,319		(678)		4,404		(367)
Other Income, net	$	27,030	$	10,163	$	49,741	$	18,943
Operating and Other Expense:								
Compensation and benefits	$	7,022	$	6,531	$	14,429	$	13,277
Other general and administrative expense		4,881		4,678		8,799		8,135
Loan servicing and other related operating expenses		2,964		1,732		6,098		3,731
Operating and Other Expense	$	14,867	$	12,941	$	29,326	$	25,143
Net Income	$	78,950	$	78,071	$	157,020	$	160,244
Less Preferred Stock Dividends		3,750		3,750		7,500		7,500
Net Income Available to Common Stock and Participating Securities	$	75,200	$	74,321	$	149,520	$	152,744

Earnings per Common Share - Basic and Diluted	$ 0.20	$ 0.20	$ 0.40	$ 0.41
Dividends Declared per Share of Common Stock	$ 0.20	$ 0.20	$ 0.40	$ 0.40

Exhibit 99.2

MFA
FINANCIAL, INC.

Second Quarter 2016

Earnings Presentation

Forward looking statements

When used in this presentation 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," "could", "would", "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, an increase of which could result in a reduction of the yield on MBS in our portfolio and could require us to reinvest the proceeds received by us as a result of such prepayments in MBS with lower coupons; changes in the prepayment rates on the mortgage loans securing MFA's MBS; credit risks underlying MFA's assets, including; changes in the default rates and management's assumptions regarding default rates on the mortgage loans securing MFA's Non-Agency MBS and as related to 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 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; MFA's ability to successfully implement its strategy to grow its residential whole loan portfolio; expected returns on our investments in non-performing 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; 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.

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Executive summary

- In this low interest rate environment, we continue to generate attractive returns from residential credit mortgage assets.
- In the second quarter we generated EPS and dividend per share of $0.20.
- MFA continued to acquire credit sensitive residential mortgage assets such as 3 year step-up RPL/NPL securities and credit sensitive loans in response to attractive investment opportunities.

MFA FINANCIAL, INC.

Through volatile markets and both interest rate and credit cycles, MFA has generated strong long term returns to investors

Time Period	Annualized MFA Shareholder Return [1]
Since 2000	14.8%
10 Year	13.0%
5 Year	12.3%
1 Year	9.2%

[1] As of 6/30/16 assuming reinvestment of dividends

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2016 MFA strategy

1) Invest in high value-added assets

   A. Generate returns from investment in credit sensitive residential mortgage assets

      - MFA's credit sensitive assets continue to perform well. Legacy Non-Agency MBS Credit Reserve has been reduced by $39.9 million over the past 12 months.

   B. Acquire assets with less interest rate sensitivity

      - 74% of MFA MBS are adjustable, hybrid or step-up
      - Net portfolio duration of 0.50

2) Maintain staying power and the ability to invest in distressed, less liquid markets

   - Permanent equity capital
   - Debt to Equity Ratio of 3.3x is low enough to accommodate potential declines in asset prices.
   - MFA is able to invest while other investors may face concerns about capital outflows and potential mark-to-market losses.

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Second quarter investment flows

Our assets run off due to amortization, paydowns or sale, allowing reinvestment opportunities in changing interest rate and credit environments.

$ in Millions

	March 31, 2016	2nd Quarter Runoff	2nd Quarter Acquisitions	MTM and other changes	June 30, 2016	2nd Quarter Change
Re-performing and Non-performing Loans	$1,024	$(31)	$89	$(5)	$1,077	$53
3 Year Step-up RPL/ NPL Securities	$2,496	$(337)	$466	$14	$2,639	$143
Credit Risk Transfer Securities	$216	$—	$51	$6	$273	$57
Legacy Non-Agency MBS	$3,605	$(211)	$33	$39	$3,466	$(139)
Agency MBS	$4,545	$(239)	$—	$2	$4,308	$(237)
Totals	**$11,886**	**$(818)**	**$639**	**$56**	**$11,763**	**$(123)**

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MFA's yields and spreads remain attractive

	Second Quarter 2016	First Quarter 2016	Fourth Quarter 2015
Yield on Interest Earning Assets	4.19%	4.23%	4.15%
Net Interest Rate Spread	2.14%	2.18%	2.22%
Debt Equity Ratio	3.3x	3.4x	3.4x
EPS	$0.20	$0.20	$0.19

Yields and spreads by asset type

Asset	Yield/Return	Cost of Funds	Net Spread	Debt/Net Equity Ratio
Agency MBS	1.96%	(1.26)%	0.70%	7.9x
Legacy Non-Agency MBS	7.72%	(2.88)%	4.84%	2.2x
RPL/NPL MBS	3.83%	(2.01)%	1.82%	3.6x
RPL Whole Loans	5.80% (1)	(2.78)%	3.02%	0.8x
NPL Whole Loans	(2)	(3.27)%	(2)	1.5x

(1) Net of 37 bps of servicing costs.

(2) Residential whole loans held at fair value produce GAAP income/loss based on changes in fair value in the current period and therefore results will vary on a quarter to quarter basis. The company expects to realize returns over time on these investments of 5-7%.

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Undistributed REIT taxable income

- As of June 30, 2016 MFA had undistributed REIT taxable income of $0.22 per share.

- Undistributed REIT taxable income includes the impact of the settlement of the Countrywide litigation. MFA received its share of the settlement proceeds during the second quarter (resolving MFA's involvement in the Countrywide actions), resulting in additional estimated taxable income for the quarter of approximately $0.05 per share.

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MFA's interest rate sensitivity remains below 1.0, as measured by net duration

$ in Millions

Assets	Market Value	Average Coupon	Duration
Non-Agency ARMs (12 months or less MTR)	$2,535	3.18%	0.5
Non-Agency Hybrid (13-48 MTR)	$92	4.79%	1.0
NPL/RPL Securities	$2,639	3.84%	0.4
Non-Agency Fixed Rate	$1,112	5.82%	3.0
Residential Whole Loans	$1,093	4.34%	2.5
Agency ARMs (12 months or less MTR)	$1,686	2.82%	0.6
Agency ARMs (13-120 MTR)	$979	3.04%	1.1
Agency 15 Year Fixed Rate	$1,642	3.07%	2.7
Cash, Cash Equivalents & Principal Receivable	$327		0.0
TOTAL ASSETS	**$12,104**		1.22
Hedging Instruments	**Notional Amount**		**Duration**
Swaps (Less than 3 years)	$1,200		-1.6
Swaps (3-10 years)	$1,800		-4.0
TOTAL HEDGES	**$3,000**		**-3.0**

Net Duration	0.50

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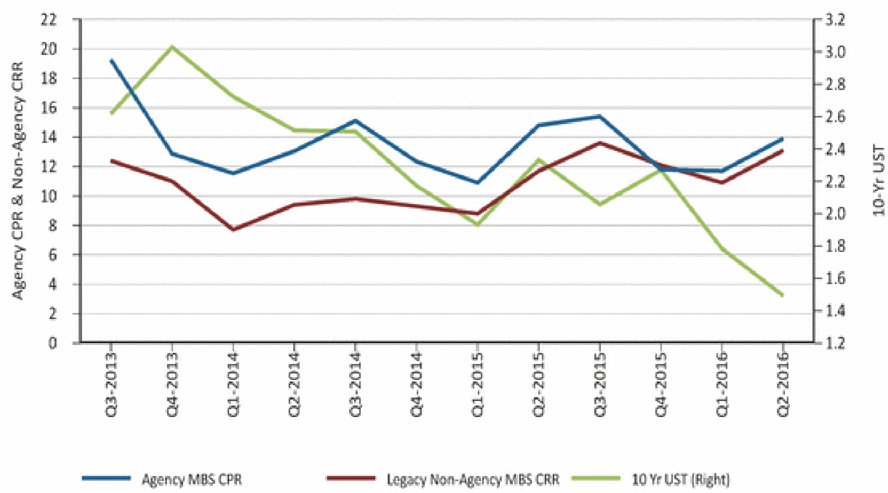
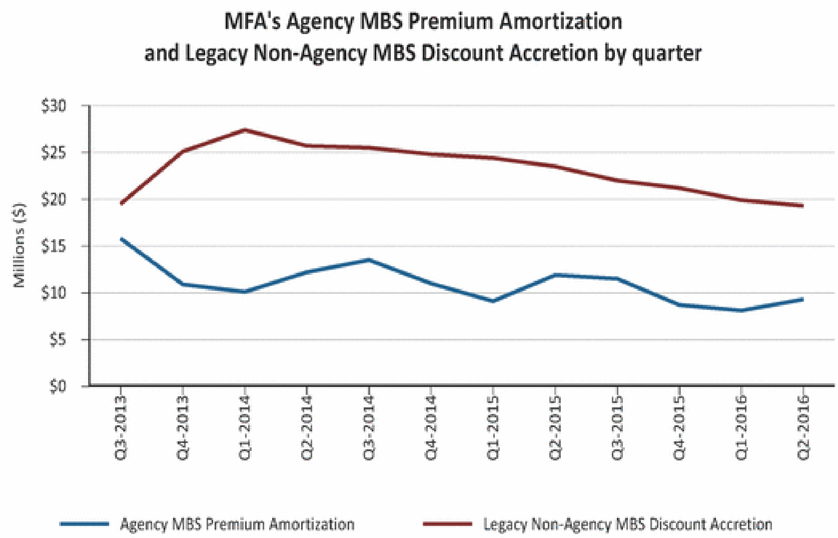
Prepayment speeds on MFA's Legacy Non-Agency MBS and Agency MBS have trended together over time

- MFA's Agency MBS were acquired at an average premium of 4% and have a remaining premium amount of $154.6 million while our Legacy Non-Agency MBS were acquired at an average discount of 27% and have a remaining discount amount of $1.0 billion.

MFA Agency MBS and Legacy Non-Agency MBS Prepayments



Legacy Non-Agency MBS discount accretion has exceeded Agency MBS premium amortization since 2013



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While economic growth rate is uncertain, there are many positive fundamentals for residential mortgage credit and home prices

- Strong fundamental ***and*** technical support for residential credit assets and home prices
- Sales of existing homes rose 3% year over year to 5.57 million and remain at their highest annual pace since February 2007*
- Median existing single-family home prices are up 4.8% year over year*
- Total housing inventory is down to 2.12 million, coming close to the lowest level in over 15 years*
- Foreclosure inventory is down 24.5% year over year (as of May 2016)**
- 268,000 residential properties regained equity in Q1 2016 from the prior quarter**

* Data sourced from the National Association of Realtors website

**CoreLogic

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Continued growth in credit sensitive loan portfolio

- Re-Performing and Non-Performing Loan Portfolio

$ in Millions

June 30, 2016	March 31, 2016	Dec 31, 2015	Sep 30, 2015	June 30, 2015
$1,077	$1,024	$895	$777	$429

- At today's market prices, re-performing and non-performing residential mortgage loans generate higher yields than residential MBS.
- Residential whole loans are qualifying interests for purposes of REIT qualification and 1940 Act exemption.
- Significant expected supply.

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Credit sensitive residential whole loans: growing asset class for MFA

- Early results indicate returns to date are consistent with our expectation of 5-7%
- Utilizes the same residential mortgage credit expertise we have employed in Legacy Non-Agency MBS since 2008.
- Ability to oversee servicing decisions (loan modifications, short sales, etc.) to produce better NPV outcomes.
- MFA has obtained financing of $584.0 million through three different warehouse borrowing facilities. We are currently negotiating the establishment of a fourth warehouse facility.
- MFA actively manages its loan portfolio through in-house asset management professionals and utilizes third-party special servicers.

Second quarter RPL/NPL MBS holdings

- Current market yields of mid to high 3%
- Well protected portfolio with current credit enhancement of 48%
- Very short assets with an average of 21 months remaining to step-up

As of June 30, 2016	Fair Value mm	Net Coupon	Months to Step-Up	Current Credit Support	Original Credit Support	3 Month Average Bond CPR
Re-Performing MBS	$485	3.71%	13	47%	40%	20.1%
Non-Performing MBS	$2,154	3.87%	23	48%	47%	26.6%
Total RPL/NPL MBS	$2,639	3.84%	21	48%	46%	25.4%

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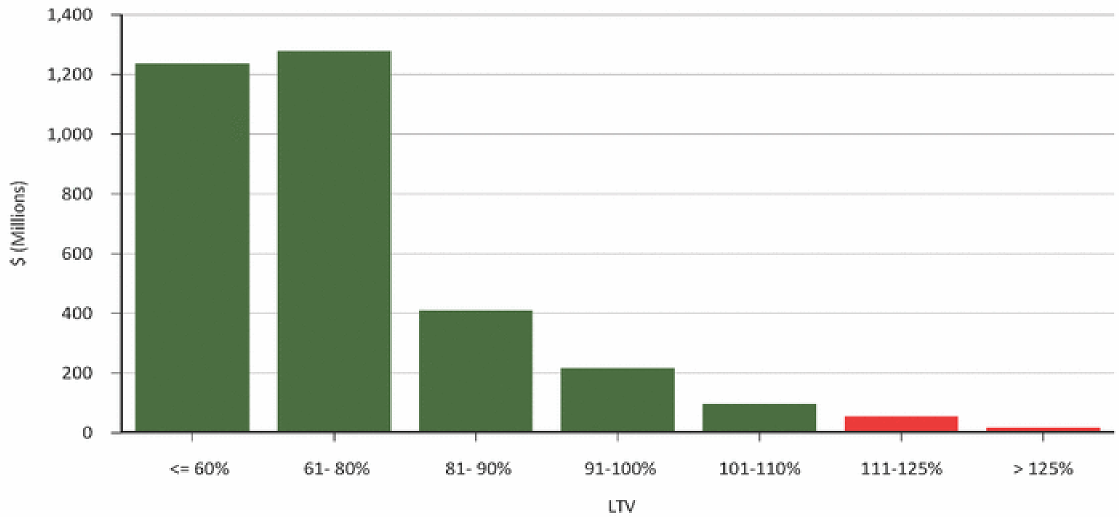
LTV breakdown of non-delinquent mortgage loans underlying MFA's Legacy Non-Agency MBS



- These loans are up to date on all required mortgage payments.
- Underlying loans are over ten years seasoned on average.

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Source: CoreLogic
Data as of June 30, 2016

Summary

- We continue to utilize our expertise to identify and acquire attractive credit sensitive residential mortgage assets.
- Continued to acquire 3 Year step-up RPL/NPL securities and credit sensitive mortgage loans during the quarter.
- Our credit sensitive assets continue to perform well.
- MFA is well positioned for changes in prepayment rates, monetary policy and/or interest rates.

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Additional Information

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Book value increased 3% primarily due to impact of fair value changes in Legacy Non-Agency MBS

Book value per common share as of 3/31/16	$7.17
Net income available to common shareholders	0.20
Common dividend declared during the quarter	(0.20)
Net change attributable to Agency MBS	0.04
Net change attributable to Non-Agency MBS and CRT securities	0.23
Net change in value of swap hedges	(0.03)
Book value per common share as of 6/30/16	**$7.41**

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Second Quarter Non-Agency MBS impact on MFA book value

	Impact Per Share[1]
Impact of change in market prices	$0.29
Realized gains from asset sales: Reallocation from OCI to Retained Earnings	$(0.02)
Discount Accretion: Primarily income in excess of coupon on Non-Agency MBS purchased at a discount. This income increases amortized cost and lowers unrealized gains	$(0.05)
Principal Paydowns	$0.05
Realized Credit Losses	$(0.04)
Total	**$0.23**

(1) Does not include impact of swap hedges.

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