

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): **November 23, 2010**

**MFA FINANCIAL, INC.**

(Exact Name of Registrant as Specified in Charter)

**Maryland**

(State or Other Jurisdiction  
of Incorporation)

**1-13991**

(Commission  
File No.)

**13-3974868**

(IRS Employer  
Identification No.)

**350 Park Avenue, 21<sup>st</sup> Floor, New York, New York 10022**

(Address of Principal Executive Office) (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:

- ☐ 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))

#### **ITEM 7.01. REGULATION FD DISCLOSURE.**

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

The information referenced in this Current Report on Form 8-K (including Exhibit 99.1 referenced in Item 9.01 below) is being “furnished” under “Item 7.01. Regulation FD Disclosure” 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 and 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 slideshow 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 slideshow presentation as well as in MFA’s reports and 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.

#### **ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(c) Exhibits.

99.1 Slideshow Presentation of MFA Financial, Inc.

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## SIGNATURES

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.

By: /s/ Timothy W. Korth

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Timothy W. Korth  
General Counsel and Senior Vice President

Date: November 23, 2010

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November 2010

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**MFA**  
FINANCIAL, INC.

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## 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 “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “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 of 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; MFA’s ability to borrow to finance its assets; 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; 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 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. 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**  
is positioned with the  
requisite expertise to benefit  
from investment in Agency  
and Non-Agency Residential  
MBS

## Experienced Management Team Focused on Residential MBS Opportunities

- Non-Agency MBS remain available at deep discounts to par value.
- Agency MBS continue to benefit from a steep yield curve.
- Our goal remains to generate double-digit ROEs with appropriate levels of leverage.

16.4% Annual Return Since January 2000

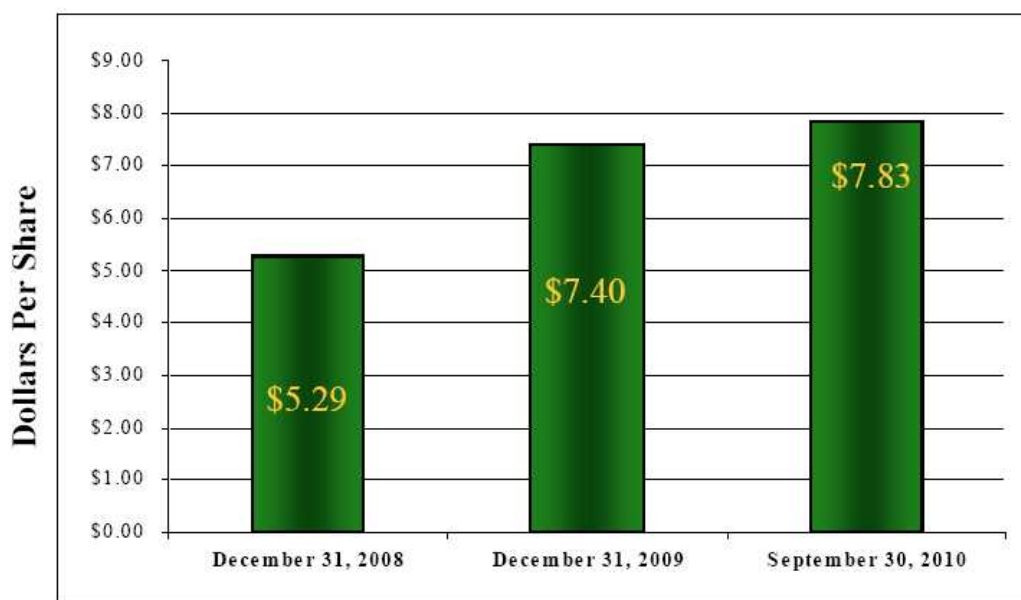
**Total Return\***



Source: Bloomberg

\*Includes reinvestment of dividends through November 5, 2010

**48% Growth in Book Value per Common Share  
over the last 21 Months**



## Investment in Residential MBS Including Both Agency MBS and Non-Agency MBS

<u>At September 30, 2010</u>	<u>Agency MBS</u>	<u>Non-Agency MBS (1)</u>	<u>Cash</u>	<u>Other, net</u>	<u>Total</u>
<i>(\$ in Millions)</i>					
Amortized cost	\$ 5,960	\$ 2,147	\$ 312	\$ 40	\$ 8,459
Asset fair value	\$ 6,181	\$ 2,351	\$ 312	\$ 40	\$ 8,884
Less repurchase agreement borrowings	<u>(5,239)</u>	<u>(1,179)</u>	<u>-</u>	<u>-</u>	<u>(6,418)</u>
= Equity allocated	\$ 942	\$ 1,172	\$ 312	\$ 40	\$ 2,466
Swaps at fair value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(175)</u>	<u>(175)</u>
=Net equity allocated	\$ <u>942</u>	\$ <u>1,172</u>	\$ <u>312</u>	\$ <u>(135)</u>	\$ <u>2,291</u>
Debt/net equity ratio	<u>5.56 x</u>	<u>1.01 x</u>	<u>-</u>	<u>-</u>	<u>2.80 x</u>

### For the Quarter Ended September 30, 2010

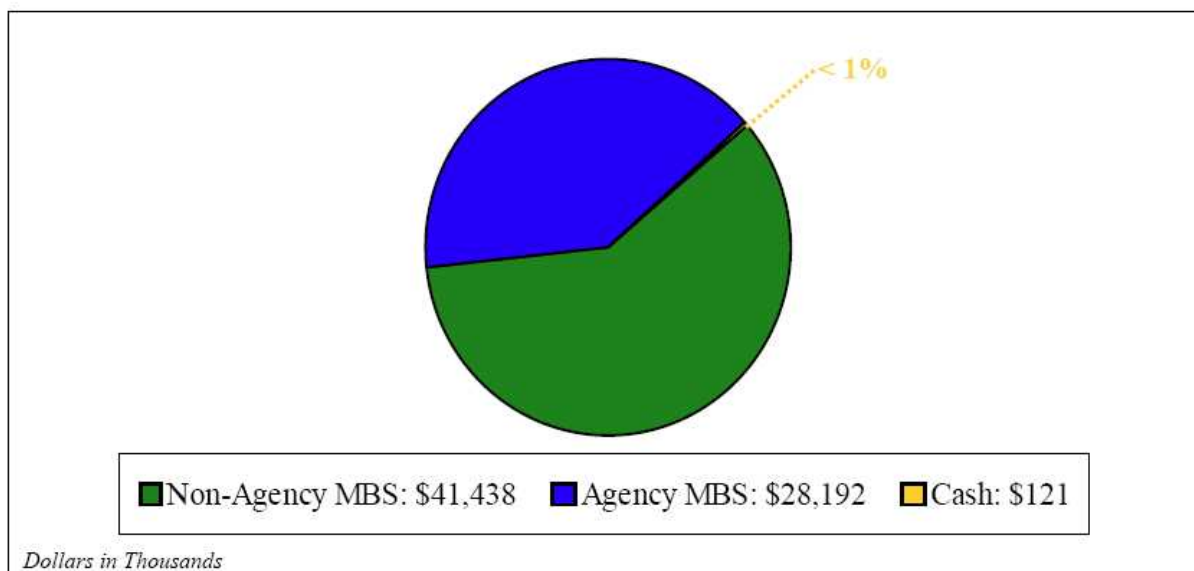
Yield on Assets	3.93%	9.27%	0.11%	4.98%
Less Cost of Funds	<u>2.32% (2)</u>	<u>1.79%</u>	<u>0.00%</u>	<u>2.23%</u>
Spread	<u>1.61%</u>	<u>7.48%</u>	<u>0.11%</u>	<u>2.75%</u>

For additional detail regarding the above table, see MFA's 2010 Third Quarter Financial Results press release, issued on November 4, 2010.

(1) Includes Non-Agency MBS and repurchase agreement borrowings underlying MBS Forwards.

(2) Includes effect of Swaps.

Higher Yielding Non-Agency MBS generated approximately 60% of MFA's Third Quarter Core Net Interest Income\*

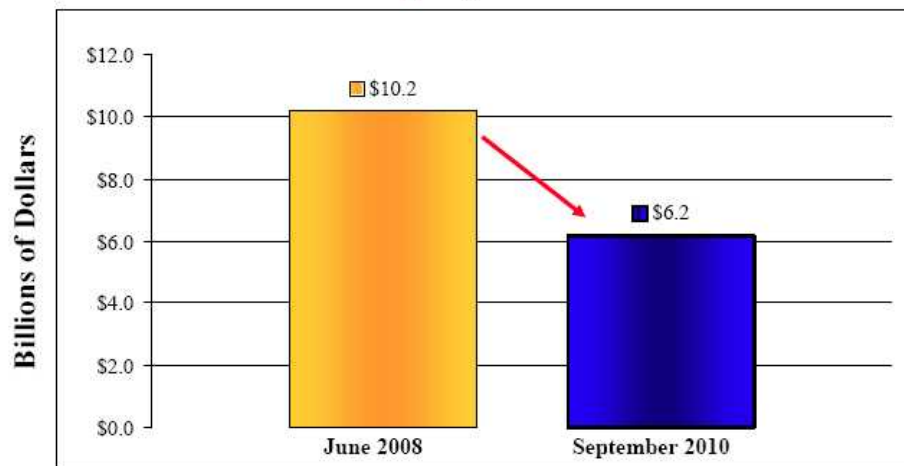


\* Core Net Interest Income includes \$9.5 million interest income on Non-Agency MBS and \$1.7 million interest expense on repurchase agreement borrowings underlying MBS Forwards.

## Strategically Positioning Agency MBS Portfolio

The Agency MBS Portfolio (which is more sensitive to potential increases in prepayments and interest rates) has been reduced from in excess of \$10 Billion to \$6.2 Billion

**MFA Agency Portfolio**

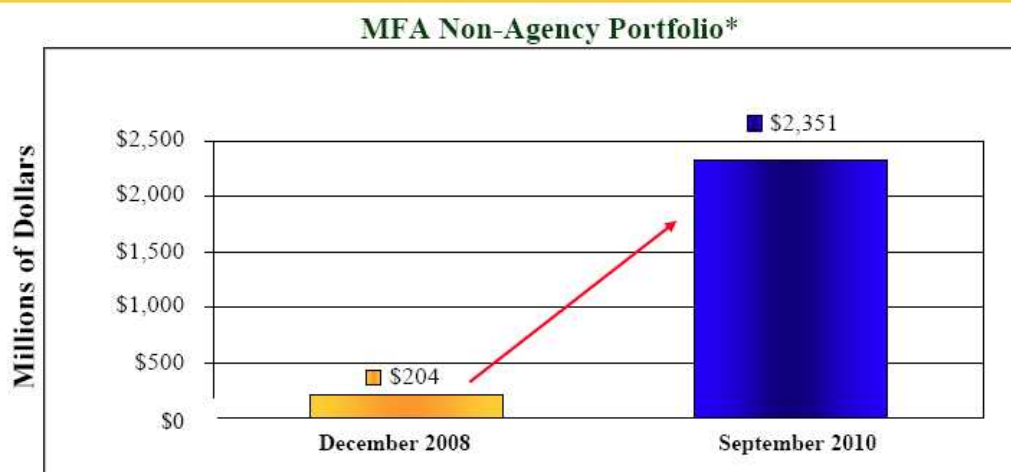


**MFA is acquiring Agency MBS to replace runoff**

- The majority of our assets will continue to be whole-pool Agency MBS due to the attractiveness of the asset class.
- The yield curve remains steep and incremental spreads on Agency MBS remain attractive.
- Tighter underwriting standards moderate voluntary prepayment rates.

## Strategically Increasing Non-Agency MBS Portfolio

MFA continues to identify high-yielding Non-Agency MBS at discounted prices

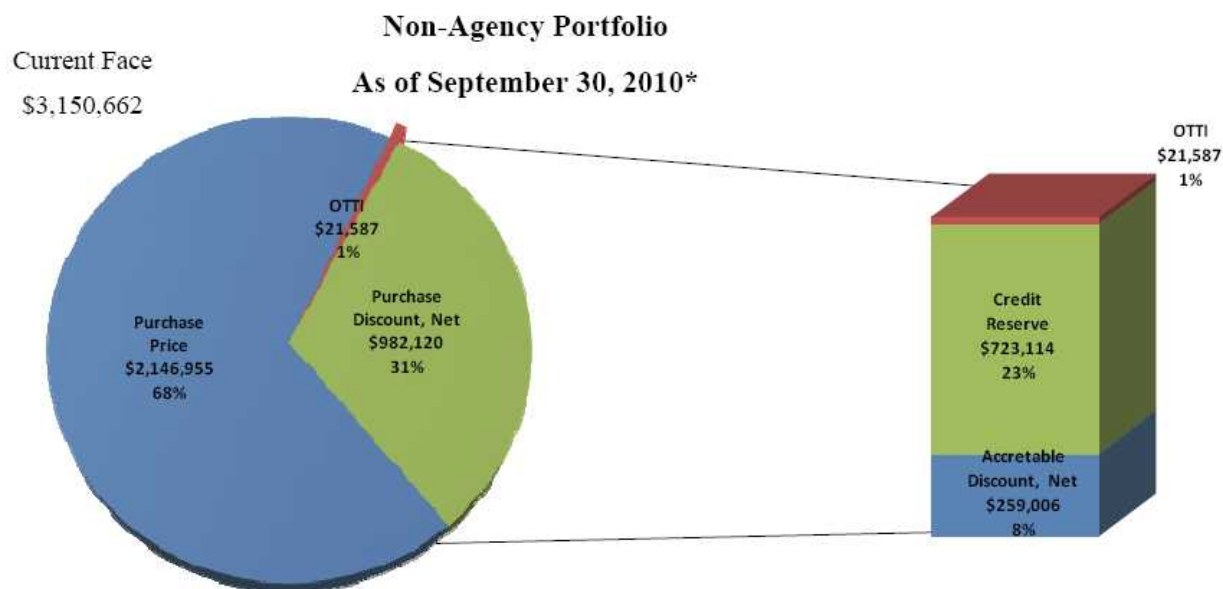


*\*Includes \$546 million fair value of Non-Agency MBS underlying MBS Forwards at September 30, 2010.*

- MFA owns \$2.4 billion market value of Non-Agency MBS. These Non-Agency MBS have an average amortized cost of 68% of par.
- In the Third Quarter of 2010, these assets generated a loss adjusted yield of 9.3% on an unlevered basis.
- These high yielding assets are less sensitive to changes in the yield curve and interest rates. The return on discounted Non-Agency MBS increases if prepayments increase.

*\*As of September 30, 2010 and includes Non-Agency MBS underlying MBS Forwards.*

Deeply discounted purchase price, substantial credit reserve and 8.00% credit enhancement mitigate credit risk



*Dollars in Thousands*

*\*Includes \$546 million fair value of Non-Agency MBS underlying MBS Forwards.*

*Other than temporary impairments (OTTI) have been taken on certain non-agency MBS.*

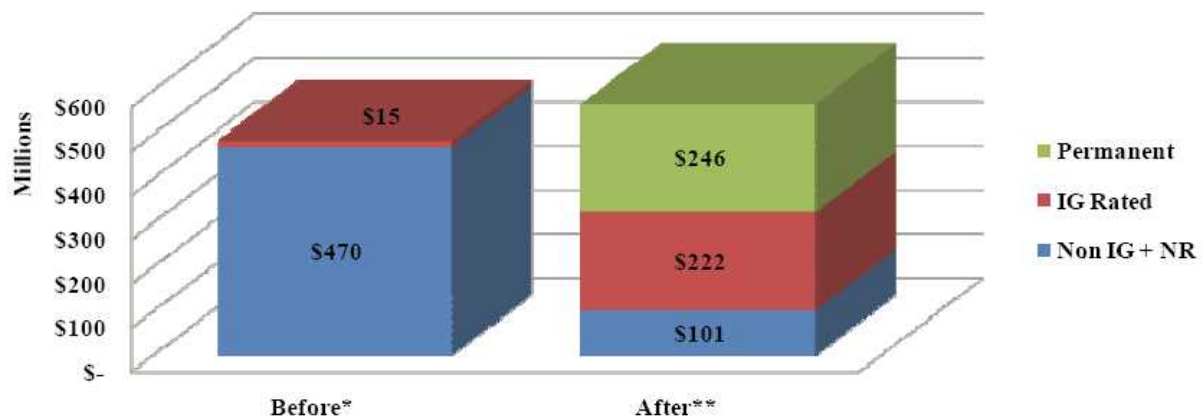
## October 2010 Re-securitization

- MFA completed a \$985.2 million re-securitization in October.
- \$246.3 million of the AAA rated bonds issued to third party investors at 1Mo LIBOR + 125 bps.
- \$374.4 million face amount of multiple mezzanine classes acquired by MFA with S&P ratings ranging from AAA to B, along with \$364.5 million face amount of non-rated subordinate bonds.
- Re-securitization allows for improved financing terms along with greater availability of financing.
- \$489.4 million increase in investment grade rated assets.

## October 2010 Re-securitization

- Borrowing availability increased 17% for the related assets after re-securitization.

### Borrowings by Pledged Collateral



\*Borrowings assume the maximum utilization of available leverage.

\*\*Borrowings as of the deal close October 8, 2010.

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MBS

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FINANCIAL, INC.

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