

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 5, 2004

MFA MORTGAGE INVESTMENTS, INC.

(Exact Name of Registrant as Specified in Its Charter)

| | | |
|---|--------------------------|--------------------------------------|
| Maryland | 1-13991 | 13-3974868 |
| ----- | ----- | ----- |
| (State or Other Jurisdiction of Incorporation) | (Commission File No.) | (IRS Employer Identification No.) |

350 Park Avenue, 21st 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)

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

99.1 Press Release, dated February 5, 2004.

ITEM 9. REGULATION FD DISCLOSURE.

MFA Mortgage Investments, Inc. ("MFA") issued a press release, dated February 5, 2004, announcing its financial results for the year and quarter ended December, 31, 2003, which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information referenced in this current report on Form 8-K (including the exhibit referenced in Items 7 and 9 above) is being "furnished" under "Item 9. Regulation FD Disclosure" and "Item 12. Results of Operations and Financial Condition" 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 the exhibit referenced in Items 7 and 9 above) shall not be incorporated by reference into any registration statement or other document 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 in Item 9 above, MFA issued a press release, dated February 5, 2004, announcing its financial results for the year and quarter ended December 31, 2004, the text of which is incorporated herein by reference.

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.

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 MORTGAGE INVESTMENTS, INC.

By: /s/ Stewart Zimmerman

Stewart Zimmerman
President and Chief Executive Officer

Date: February 5, 2004

MFA

[LOGO]

MORTGAGE INVESTMENTS, INC.

350 Park Avenue
NEW YORK, NEW YORK 10022
TELEPHONE (212) 207-6400

PRESS RELEASE

FOR IMMEDIATE RELEASE

February 5, 2004

NEW YORK METRO

CONTACT: William Gorin
(212) 207-6400
www.mfa-reit.com

NYSE: MFA

MFA Mortgage Investments, Inc.
Announces Fourth Quarter Earnings Per Share of \$0.25

MFA Mortgage Investments, Inc. (NYSE:MFA) today reported net income of \$15.3 million, or \$0.25 per share, for the fourth quarter ended December 31, 2003. For the year ended December 31, 2003, MFA's net income was \$57.8 million, or \$1.07 per share. Stockholders' equity at year-end 2003 was \$485.0 million, or \$7.67 per share.

On January 30, 2004, MFA paid its fourth quarter 2003 dividend of \$0.25 per share. Based on MFA's opening share price of \$10.21 on February 5, 2004, the fourth quarter dividend of \$0.25 per share represented an annualized yield of approximately 9.8%.

Stewart Zimmerman, MFA's Chairman of the Board, Chief Executive Officer and President, commented on MFA's 2003 results, "MFA's fundamentals remain solid and we are well positioned for 2004. Approximately 99% of our assets consist of mortgage-backed securities ("MBS") issued or guaranteed by an agency of the U.S. government or a federally chartered corporation, other MBS rated "AAA" by Standard & Poor's Corporation, MBS-related receivables and cash. In addition, over 99% of the MBS in MFA's portfolio are adjustable-rate and hybrids, which have an initial fixed interest rate for a specified period of time and, thereafter, generally reset annually. At year-end 2003, 91.7% of the MBS in MFA's portfolio had interest rates which contractually reprice over the next 36 months. We believe that avoiding significant holdings of fixed-rate MBS reduces our exposure to interest rate risk."

"During the fourth quarter of 2003, the gross yield on MFA's interest-earning assets was approximately 4.12% and the net yield on interest-earning assets was reduced to 2.86%, due primarily to premium amortization. The portfolio spread, which is the difference between MFA's interest-earning asset portfolio net yield of 2.86% and its 1.39% cost of funds, was 1.47% for the fourth quarter. Our assets are primarily indexed to one-year treasury rates and one-year LIBOR and, in the current low interest rate environment, we are pleased with MFA's return on average equity for the fourth quarter of 13.1%."

Mr. Zimmerman continued, "The prepayment speed on MFA's MBS portfolio averaged 32% Constant Prepayment Rate ("CPR") during the fourth quarter of 2003. As anticipated, the prepayment speed slowed from 41% CPR in the third quarter of 2003 as mortgage rates no longer tested historic lows."

MFA finances the acquisition of its MBS primarily by borrowing using repurchase agreements. At December 31, 2003, MFA's debt-to-equity ratio was 8.3:1 while its assets-to-equity ratio was approximately 9.4:1. Over time, MFA expects to maintain asset-to-equity ratio of less than 11:1.

MFA invests in adjustable-rate and hybrid MBS (collectively, "ARM-MBS"). Due to the fact that the assets MFA owns have interest rates that generally reset annually after their initial fixed terms, the coupon received on these assets will adjust over time as interest rates change. In measuring its assets-to-borrowings repricing gap (the "Repricing Gap"), MFA measures the difference between: (a) the weighted-average months until coupon adjustment or prepayment on its ARM-MBS portfolio assuming a CPR of 15%; and (b) the months remaining on its repurchase agreements applying the same CPR assumption. The CPR is applied in order to reflect, to some extent, the prepayment characteristics of interest-earning assets and interest-bearing liabilities. As of December 31, 2003, the weighted-average time to repricing or expected prepayment for MFA's ARM-MBS portfolio was approximately 18 months while the average term remaining on its repurchase agreements was 7 months, resulting in a Repricing Gap of 11 months.

MFA seeks to generate income from investment in high-quality ARM-MBS and other assets. At December 31, 2003, MFA had total assets of approximately \$4.6 billion. As of that date, approximately 99% of these assets consisted of MBS issued or guaranteed by an agency of the U.S. Government, such as Ginnie Mae, or

a federally chartered corporation, such as Fannie Mae or Freddie Mac, other MBS rated "AAA" by Standard & Poor's Corporation, MBS-related receivables and cash.

Stockholders interested in reinvesting their dividends or purchasing stock directly from MFA may do so through its Discount Waiver, Dividend Reinvestment and Stock Purchase Plan (the "Plan") by contacting Mellon Investor Services, the Plan administrator, at 1-866-249-2610 (toll free). For more information about the Plan, interested stockholders may also go to the website established for the Plan at www.melloninvestor.com or visit MFA's website at www.mfa-reit.com.

The Company will hold a conference call on Friday, February 6, 2004, at 10:00 a.m. EST. The number to call is (888) 273-9890 in the U.S. and Canada. International callers must dial (612) 332-0923. The replay will be available through Friday, February 13, 2004 at 11:59 p.m. EST, and can be accessed by dialing (800) 475-6701 in the U.S. and Canada or (320) 365-3844 internationally and entering access code: 720460. There will also be a web cast of the call on MFA's website at www.mfa-reit.com.

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 "anticipate," "estimate," "should," "expect," "believe," "intend" and 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. These forward-looking statements are subject to various risks and uncertainties, including, but not limited to, those relating to: changes in the prepayment rates on the mortgage loans securing MFA's MBS; changes in interest rates and the market value of MFA's MBS; MFA's ability to use borrowings to finance its assets; changes in government regulations affecting MFA's business; MFA's ability to maintain its qualification as a REIT for federal income tax purposes; 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 reports that MFA files from time to time with the SEC, 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 they are made and MFA does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements to reflect events or circumstances occurring after the date of such statements.

MFA Mortgage Investments, Inc.
Consolidated Balance Sheets

<TABLE>
<CAPTION>

| | At December 31, | |
|--|---------------------|---------------------|
| | 2003 | 2002 |
| (In Thousands, Except Share and Per Share Amounts) | | |
| <S> | <C> | <C> |
| Assets | | |
| Mortgage-backed securities | \$ 4,372,718 | \$ 3,485,319 |
| Cash and cash equivalents | 139,707 | 64,087 |
| Restricted cash | -- | 39 |
| Accrued interest receivable | 18,809 | 19,472 |
| Interest rate cap agreements | 276 | 1,108 |
| Equity interests in real estate investments | 2,802 | 3,806 |
| Real estate | 21,486 | 21,986 |
| Goodwill, net | 7,189 | 7,189 |
| Receivable under Discount Waiver, Direct Stock Purchase and Dividend Reinvestment Plan | 705 | -- |
| Prepaid and other assets | 1,238 | 853 |
| | <u>\$ 4,564,930</u> | <u>\$ 3,603,859</u> |
| | ===== | ===== |
| Liabilities | | |
| Repurchase agreements | \$ 4,024,376 | \$ 3,185,910 |
| Accrued interest payable | 7,239 | 14,299 |
| Mortgages payable on real estate | 16,161 | 16,337 |
| Dividends payable | 15,923 | 14,952 |
| MBS purchase payable | 15,010 | -- |
| Accrued expenses and other liabilities | 1,263 | 1,161 |
| | <u>4,079,972</u> | <u>3,232,659</u> |
| | ----- | ----- |
| Commitments and contingencies | -- | -- |
| Stockholders' Equity | | |
| Common stock, \$.01 par value; 375,000,000 shares authorized; | | |

| | | |
|---|--------------|--------------|
| 63,201,224 and 46,270,855 issued and outstanding for 2003 and 2002, respectively | 632 | 463 |
| Additional paid-in capital | 512,199 | 359,359 |
| Accumulated deficit | (15,764) | (12,417) |
| Accumulated other comprehensive (loss)/income | (12,109) | 23,795 |
| | ----- | ----- |
| | 484,958 | 371,200 |
| | ----- | ----- |
| | \$ 4,564,930 | \$ 3,603,859 |
| | ===== | ===== |

</TABLE>

MFA Mortgage Investments, Inc.
Consolidated Statements of Income

<TABLE>
<CAPTION>

| | For the Three Months Ended December 31, | | For the Year Ended December 31, | |
|---|---|-----------|------------------------------------|------------|
| | 2003 | 2002 | 2003 | 2002 |
| | ----- | | ----- | |
| (In Thousands, Except per Share Amounts) | (Unaudited) | | | |
| <S> | <C> | <C> | <C> | <C> |
| Interest and Dividend Income: | | | | |
| Mortgage-backed securities income | \$ 30,615 | \$ 32,780 | \$ 119,612 | \$ 126,238 |
| Corporate debt securities income | -- | -- | -- | 791 |
| Dividend income | -- | -- | -- | 39 |
| Interest income on temporary cash investments | 283 | 220 | 746 | 926 |
| | ----- | ----- | ----- | ----- |
| Total interest and dividend income | 30,898 | 33,000 | 120,358 | 127,994 |
| | ----- | ----- | ----- | ----- |
| Interest expense on repurchase agreements | 13,539 | 16,931 | 56,592 | 63,491 |
| | ----- | ----- | ----- | ----- |
| Net interest and dividend income | 17,359 | 16,069 | 63,766 | 64,503 |
| | ----- | ----- | ----- | ----- |
| Other Income/(Loss): | | | | |
| Income/(loss) from equity interests in real estate | (52) | (59) | (421) | 80 |
| Revenue from real estate operations | 719 | 685 | 2,663 | 685 |
| Net gain/(loss) on sale of securities | -- | 320 | (265) | 205 |
| Gain/(loss) on sale of real estate and equity investments in real estate | (4) | -- | 1,697 | -- |
| Other-than-temporary impairment of debt securities | -- | -- | -- | (3,474) |
| Other income | 2 | -- | 2 | -- |
| | ----- | ----- | ----- | ----- |
| Total other income/(loss) | 665 | 946 | 3,676 | (2,504) |
| | ----- | ----- | ----- | ----- |
| Operating and Other Expenses: | | | | |
| Compensation and benefits | 1,565 | 803 | 4,447 | 2,929 |
| Real estate operations expense | 469 | 185 | 1,767 | 185 |
| Mortgage interest on real estate | 301 | 304 | 1,102 | 304 |
| Other general and administrative | 355 | 683 | 2,278 | 2,487 |
| | ----- | ----- | ----- | ----- |
| Total operating and other expenses | 2,690 | 1,975 | 9,594 | 5,905 |
| | ----- | ----- | ----- | ----- |
| Net income | \$ 15,334 | \$ 15,040 | \$ 57,848 | \$ 56,094 |
| | ===== | ===== | ===== | ===== |
| Income Per Share: | | | | |
| Net income per share - basic | \$.25 | \$.33 | \$ 1.07 | \$ 1.35 |
| Weighted average shares outstanding - basic | 61,018 | 46,270 | 53,999 | 41,432 |
| Net income per share - diluted | \$.25 | \$.32 | \$ 1.07 | \$ 1.35 |
| Weighted average shares outstanding - diluted | 61,081 | 46,346 | 54,061 | 41,534 |

</TABLE>