

**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): **May 3, 2006**

MFA MORTGAGE INVESTMENTS, 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, 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)

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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

MFA Mortgage Investments, Inc. ("MFA") issued a press release, dated May 3, 2006, announcing its financial results for the quarter ended March 31, 2006, which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information referenced in this Current Report on Form 8-K (including Exhibit 99.1 referenced in Items 7.01 and 9.01 below) is being "furnished" under "Item 2.02. Results of Operations and Financial Condition" and "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. The information set forth in this Current Report on Form 8-K (including Exhibit 99.1 referenced in Items 7.01 and 9.01 below) 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.

ITEM 7.01. REGULATION FD DISCLOSURE.

As discussed in Item 2.02 above, MFA issued a press release, dated May 3, 2006, announcing its financial results for the quarter ended March 31, 2006, the text of which is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

99.1 Press Release, dated May 3, 2006, announcing MFA's financial results for the quarter ended March 31, 2006.

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/ Timothy W. Korth

Timothy W. Korth
General Counsel and Senior Vice President – Business
Development

Date: May 3, 2006

MFA

MORTGAGE INVESTMENTS, INC.

350 Park Avenue
New York, New York 10022



PRESS RELEASE

FOR IMMEDIATE RELEASE

May 3, 2006

NEW YORK METRO

CONTACT: MFA Investor Relations
800-892-7547
www.mfa-reit.com

NYSE: MFA

MFA Mortgage Investments, Inc.
Announces First Quarter 2006 Earnings Per Common Share of \$0.16

MFA Mortgage Investments, Inc. (NYSE: MFA) today reported net income of \$12.9 million, or \$0.16 per share of common stock, for the first quarter ended March 31, 2006. On April 3, 2006, MFA announced its first quarter dividend of \$0.05 per share of common stock. The dividend was paid on April 28, 2006 to stockholders of record as of April 17, 2006.

Stewart Zimmerman, MFA's Chairman of the Board, Chief Executive Officer and President, said, "Reported results for the first quarter of 2006 were very strong. Historically, first quarter earnings have been positively impacted by seasonally lower prepayment rates and by fewer days of interest expense in the 28-day month of February. The \$12.9 million of earnings, or \$0.16 per share of common stock, included a gain of \$4.7 million from the sale of real estate and net gains of \$1.6 million realized on the sale of MBS. Excluding the impact of these gains, earnings per share would have been \$0.08."

Mr. Zimmerman continued, "As previously indicated, increases in the target federal funds rate continue to increase the cost of MFA's liabilities at a more rapid pace than the yield on its assets, negatively impacting spreads. In the most recent FOMC minutes it was noted that, 'Most members thought that the end of the tightening process was likely to be near, and some expressed concerns about the dangers of tightening too much, given the lags in the effects of policy. However, members also recognized that in current circumstances, checking upside risks to inflation was important to sustaining good economic performance.'"

"We currently anticipate a 16th consecutive 25 basis point increase in the fed funds rate to 5.0% at the upcoming May 10, 2006 meeting of the FOMC. After this meeting, future Federal Reserve actions will be dependent upon the flow of new data regarding inflation and economic activity. Based on recent CPI data, it is difficult to rule out the possibility of additional tightening in 2006. As a result of the Federal Reserve's efforts to tighten monetary policy and

the fact that, in general, the yields on MFA's assets reset annually, but only after an initial fixed rate period, we currently project that MFA will approximately breakeven during the second quarter ignoring the impact of any potential asset sales."

Mr. Zimmerman continued, "In order to actively manage and reduce its exposure to rising interest rates, MFA has undertaken a number of important strategic steps to reposition its MBS portfolio. The balance sheet, which peaked at \$7.1 billion in assets in February 2005, has been reduced by asset sales and prepayments to \$4.7 billion as of March 31, 2006. Leverage as measured by debt-to-equity which had been 9.0X in the first quarter of 2005, has since been reduced to 6.0X as of March 31, 2006. As a result, MFA is positioned to take advantage of more attractive investment opportunities as they arise."

Mr. Zimmerman added, "MFA continues to focus on high quality, higher coupon hybrid and adjustable-rate MBS assets. At March 31, 2006, approximately 99% of MFA's assets consisted of 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 either adjustable-rate or hybrids, which have an initial fixed interest rate for a specified period of time and, thereafter, generally reset annually. The average coupon on MFA's adjustable-rate and hybrid MBS was 4.89% as of March 31, 2006. Approximately 64% of the MBS in MFA's portfolio have interest rates that contractually reprice within the next 12 months. Additionally, approximately 19% of the MBS in MFA's portfolio will contractually reprice after 12 months but within 36 months and 17% will contractually reprice after 36 months but within 60 months.

MFA takes into account both coupon resets and expected prepayments when measuring sensitivity of its hybrid and adjustable-rate MBS portfolio (collectively, "ARM-MBS") to changing interest rates. In measuring its assets-to-borrowing repricing gap (the "Repricing Gap"), MFA measures the difference between: (a) the weighted average months until coupon adjustment or projected prepayment on its ARM-MBS portfolio; and (b) the months remaining on its repurchase agreements applying the same projected prepayment rate and including the impact of interest rate swap agreements. Assuming prepayments were 25% Constant Prepayment Rate ("CPR"), the weighted average time to repricing or assumed prepayment for MFA's ARM-MBS portfolio, as of March 31, 2006, was approximately 10.0 months and the average term remaining on its repurchase agreements, including the impact of interest rate swaps, was approximately 3.7 months, resulting in a Repricing Gap of approximately 6.3 months. The prepayment speed on MFA's MBS portfolio averaged 24.4% CPR during the first quarter of 2006.

During the first quarter of 2006, the gross yield on MFA's interest-earning assets was approximately 4.86%, while the net yield on interest-earning assets was reduced to 4.05%, primarily due to the cost of premium amortization on MFA's MBS portfolio. The portfolio spread, which is the difference between MFA's interest-earning asset portfolio net yield of 4.05% and its 3.77% cost of funds, was 0.28% for the first quarter of 2006. MFA's costs for compensation and benefits and other general and administrative expense were \$2.7 million for the quarter ended March 31, 2006. As of March 31, 2006, book value per share of common stock was \$7.12.

On August 11, 2005, MFA implemented a stock repurchase program to repurchase up to 4,000,000 shares of its outstanding common stock. Through April 28, 2006, MFA had repurchased 3,191,200 shares of common stock at a weighted average cost per share of \$5.90. With only 808,800 shares of common stock remaining under the stock repurchase program as of May 2, 2006, MFA's Board of Directors has increased the size of the stock repurchase program, by an additional 3,191,200 shares, resetting the number of shares of common stock that MFA is authorized to repurchase at 4,000,000 shares. Subject to applicable securities laws, such repurchases will be made at times and in amounts as MFA deems appropriate and may be suspended or discontinued at any time.

MFA finances the acquisition of its MBS primarily through borrowing in the form of repurchase agreements. At March 31, 2006, MFA's debt-to-equity ratio was approximately 6.0X, while its assets-to-equity ratio was approximately 7.0X. MFA seeks to generate income from investment on a leveraged basis in high-quality ARM-MBS and other assets. At March 31, 2006, MFA's assets totaled approximately \$4.7 billion.

Stockholders interested in participating in MFA's Discount Waiver, Direct Stock Purchase and Dividend Reinvestment Plan (the "Plan") or receiving a Plan prospectus may do so 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 <http://www.melloninvestor.com> or visit MFA's website at <http://www.mfa-reit.com>.

MFA will hold a conference call on Wednesday, May 3, 2006, at 10:00 a.m. (New York City time) to discuss its first quarter 2006 financial results. The number to dial in order to listen to the conference call is (866) 835-8845 in the U.S. and Canada. International callers must dial (703) 639-1408. The replay will be available through Wednesday, May 10, 2006 at 11:59 p.m., and can be accessed by dialing (800) 475-6701 in the U.S. and Canada or (320) 365-3844 internationally and entering access code: 827873. The conference call will also be webcast over the internet and can be accessed at <http://www.mfa-reit.com> through the appropriate link on MFA's Investor Relations page or, alternatively, at <http://www.ccbn.com>. To listen to the call over the internet, go to the applicable website at least 15 minutes before the call to register and to download and install any needed audio software.

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 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 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

(In Thousands, Except Per Share Amounts)

Assets:

Mortgage-backed securities ("MBS"), at fair value (including pledged
MBS of \$4,198,147 and \$5,394,144 at March 31, 2006 and
December 31, 2005, respectively)

Cash and cash equivalents

Accrued interest receivable

Interest rate cap agreements, at fair value

Swap agreements, at fair value

Real estate

Goodwill

Prepaid and other assets

Total Assets

Liabilities:

Repurchase agreements

Accrued interest payable

Mortgages payable on real estate

Dividends payable

Accrued expenses and other liabilities

Total Liabilities

Stockholders' Equity:

Preferred stock, \$.01 par value; series A 8.50% cumulative redeemable;
5,000 shares authorized; 3,840 shares issued and
outstanding at March 31, 2006 and December 31, 2005 (\$96,000
aggregate liquidation preference)

Common stock, \$.01 par value; 370,000 shares authorized;
79,652 and 80,121 issued and outstanding at March 31, 2006
and December 31, 2005, respectively

Additional paid-in capital, in excess of par

Accumulated deficit

Accumulated other comprehensive loss

Total Stockholders' Equity

Total Liabilities and Stockholders' Equity

	March 31, 2006	December 31, 2005
	(Unaudited)	
	\$ 4,540,596	\$ 5,714,906
	74,944	64,301
	20,156	24,198
	2,364	2,402
	3,088	3,092
	20,748	29,398
	7,189	7,189
	1,763	1,431
	\$ 4,670,848	\$ 5,846,917
	\$ 3,953,000	\$ 5,099,532
	31,645	54,157
	16,477	22,552
	--	4,058
	6,597	5,516
	\$ 4,007,719	\$ 5,185,815
	38	38
	796	801
	768,020	770,789
	(39,392)	(52,315)
	(66,333)	(58,211)
	663,129	661,102
	\$ 4,670,848	\$ 5,846,917

MFA MORTGAGE INVESTMENTS, INC.
CONSOLIDATED STATEMENTS OF INCOME

	For the Three Months Ended March 31,	
	2006	2005
	(Unaudited)	
<i>(In Thousands, Except Per Share Amounts)</i>		
Interest Income:		
MBS income	\$ 53,329	\$ 60,942
Interest income on temporary cash investments	666	297
Total Interest Income	53,995	61,239
Interest Expense	42,785	39,766
Net Interest Income	11,210	21,473
Other Income:		
Gain on sale of MBS, net	1,597	--
Revenue from operations of real estate	694	648
Miscellaneous other, net	239	12
Total Other Income	2,530	660
Operating and Other Expense:		
Compensation and benefits	1,558	1,555
Real estate operating expense	473	476
Mortgage interest on real estate	297	300
Other general and administrative	1,117	959
Total Operating and Other Expense	3,445	3,290
Income before Discontinued Operations and Preferred Stock Dividends	10,295	18,843
Discontinued Operations:		
(Loss)/income from discontinued operations, net	(37)	38
Gain on sale of real estate, net of tax of \$1,820	4,705	--
Discontinued Operations, net	4,668	38
Income Before Preferred Stock Dividends	14,963	18,881
Less: Preferred Stock Dividends	2,040	2,040
Net Income Available to Common Stockholders	\$ 12,923	\$ 16,841
Earnings Per Share of Common Stock:		
Income from continuing operations - basic and diluted	\$ 0.10	\$ 0.20
Income from discontinued operations - basic and diluted	0.06	--
Earnings per share - basic and diluted	\$ 0.16	\$ 0.20
Weighted average shares outstanding - basic	79,950	82,243
Weighted average shares outstanding - diluted	79,973	82,285

Reconciliation of Non-GAAP Financial Measures

This press release contains a disclosure relating to MFA's earnings for the first quarter ended March 31, 2006, which may constitute a non-GAAP financial measure within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The table below presents the reconciliation of net income available to common stockholders to earnings excluding net capital gains. These capital gains include net gains on sales of MBS (on which the Company had previously recognized an impairment charge against during the quarter ended December 31, 2005) and a capital gain net of income taxes realized on the sale of a real estate investment, which is included in discontinued operations. As a REIT, MFA must distribute at least 90% of its taxable income, excluding net capital gains and losses. MFA's management believes that the disclosure of this financial measure is useful in enabling investors to better understand MFA's minimum dividend requirement relating to its REIT status. MFA's management further believes that this financial measure, when considered together with MFA's GAAP financial measures, provides information that is useful to investors in understanding period-over-period operating results. Management also believes that this financial measure enhances the ability of investors to analyze MFA's operating trends and to better understand its operating performance. This financial measure does not, however, take into account the effect of the gains realized by MFA in the first quarter of 2006 and, therefore, should not be used as a substitute in assessing MFA's results of operations and financial position. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. A reconciliation of MFA's earnings excluding capital gains for the three months ended March 31, 2006 with the most directly comparable financial measure calculated in accordance with GAAP is as follows:

	For the Three Months Ended March 31, 2006	
		(Per Share)
(In Thousands, Except per Share Amounts)		
Net Income Available to Common Stockholders	\$ 12,923	\$ 0.16
Less:		
Capital gains included in discontinued operations, net	(4,705)	(0.06)
Net gain on sales of MBS	(1,597)	(0.02)
Net Income Excluding GAAP Capital Gains, net	\$ 6,621	\$ 0.08
Weighted average shares outstanding - diluted	79,973	