

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 11, 2009

**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))
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#### **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 8.01. OTHER EVENTS.**

MFA is scheduled to make presentations at the UBS Global Financial Services Conference in New York, New York on Tuesday, May 12, 2009, and at the Eighth Annual JMP Securities Research Conference in San Francisco, California on Monday, May 18, 2009.

MFA is scheduled to present at the UBS Global Financial Services Conference, which is being held at The Waldorf=Astoria, 301 Park Avenue, New York, New York, at 2:50 p.m. (local time) on Tuesday, May 12, 2009. A live audio webcast of MFA's presentation will be available online at [http://cc.talkpoint.com/ubsx001/051209a\\_ke/?entity=24\\_XJKWOR7](http://cc.talkpoint.com/ubsx001/051209a_ke/?entity=24_XJKWOR7) at 2:50 p.m. (local time) on the day of the presentation and for a 90-day period following the presentation. The link will also be available on MFA's Investor Information page located on its website (www.mfa-reit.com) for a 90-day period following the presentation.

MFA is scheduled to present at the Eighth Annual JMP Securities Research Conference, which is being held at The Ritz-Carlton, 600 Stockton Street, San Francisco, California, at 10:00 a.m. (local time) on Monday, May 18, 2009. A live audio webcast of MFA's presentation will be available online at <http://www.wsw.com/webcast/jmp8/mfa/> at 10:00 a.m. (local time) on the day of the presentation and for a 90-day period following the presentation. The link will also be available on MFA's Investor Information page located on its website (www.mfa-reit.com) for a 90-day period following the presentation.

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

(c) Exhibits.

99.1 Slideshow Presentation of MFA Financial, Inc.

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May 2009

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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 the prepayment rates on the mortgage loans securing MFA’s MBS; MFA’s ability to borrow 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; 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 provides attractive returns through appropriately leveraged investments in *high-quality* hybrid and adjustable-rate mortgage-backed securities

**Short-term interest rates are exceptionally low**

| May 8, 2009      |              |
|------------------|--------------|
| Fed Funds Target | 0 - 0.25%    |
| 1-Month LIBOR    | 0.37%        |
| 1-MonthRepo      | 0.45 - 0.50% |
| 3-Month LIBOR    | 0.94%        |
| 3-Month Repo     | 0.60 - 0.65% |

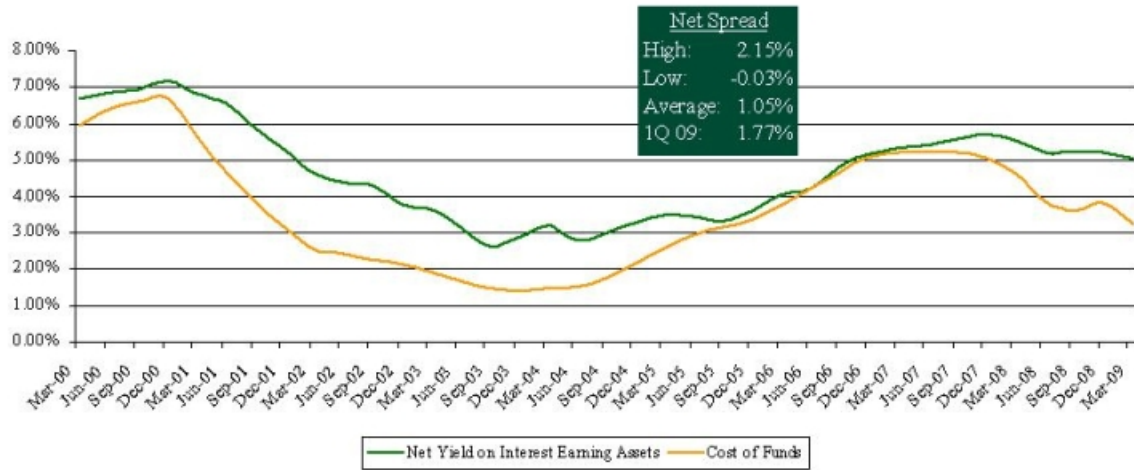
**Liquidity**

While repo remains available to MFA from multiple counterparties, the financial industry continues to be impacted by global recession

**Agency MBS**

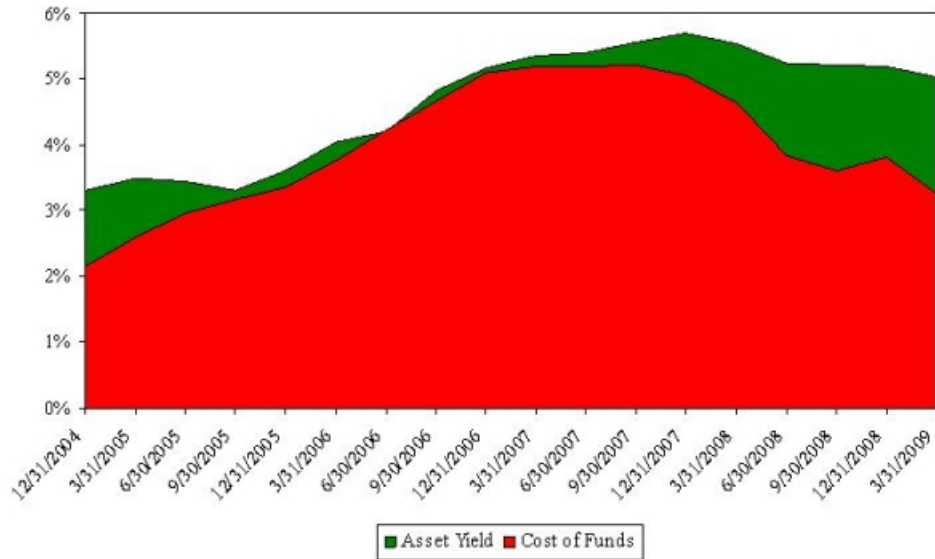
Spreads have tightened and prices have increased substantially due to \$1.25 trillion of additional Agency MBS purchasing power from the Federal Reserve

# MFA Portfolio Spread Remains Well Above Historic Average





While MFA Portfolio Yield Currently Remains Near 5.0%, the Cost of Funds is in a Downward Trend



MFA Quarterly Data

**Lower leverage and Increased liquidity**

**\*Leverage: Debt-to-Equity Multiple of 6.0:1**

**\*Liquidity: \$648 million consisting of**

\$406 million Cash

\$157 million Unpledged Agency MBS

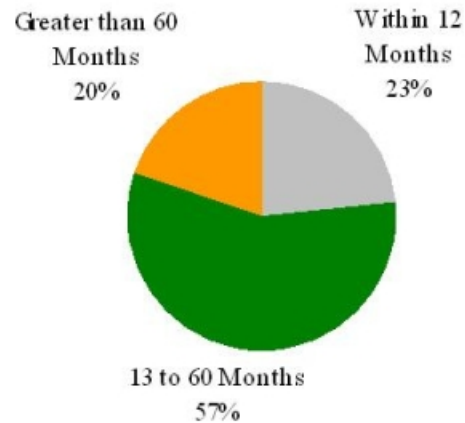
\$85 million Excess Collateral with  
Counterparties

**March 31, 2009 Financial Results**

|   |               |
|---|---------------|
| <b>March 31, 2009 Book Value:</b>             | <b>\$6.13</b> |
| <b>First Quarter 2009 ROE:</b>                | <b>16%</b>    |
| <b>First Quarter 2009 EPS:</b>                | <b>\$0.23</b> |
| <b>First Quarter 2009 Dividend Per Share:</b> | <b>\$0.22</b> |
| <b>Current Dividend Yield</b>                 | <b>15%</b>    |

## Strategy Built Around Hybrid and ARM MBS <sup>(1)</sup>

- ◆ After initial fixed term, coupons reset based on short-term interest rates
- ◆ Less price risk due to adjustability of coupon



Effective Duration: 0.24 <sup>(2)</sup>

(1) As of March 31, 2009 assuming a constant prepayment rate of 15%

(2) Includes impact of swaps

- ◆ In 2009, we have not purchased Agency MBS while the Federal Reserve implements its \$1.25 trillion purchase program.
- ◆ We are investing in senior most tranches of Non-Agency residential MBS at deeply discounted prices to generate loss-adjusted yields in the mid-to-high teens without leverage.
- ◆ Non-Agency RMBS benefit from potential increases in prepayments due to discount purchase price.

**FHASI 07-AR1 1A1 (Price = \$58)**

- 2007 Vintage Jumbo 5/1s
- 5.83% Coupon
- S&P/Fitch Ratings: AAA \*-/BBB \*-
- 749 Average FICO
- 7.99% Credit Enhancement

|                              | <b>Stressed Case</b> | <b>Base Case</b> | <b>Optimistic Case</b> |
|------------------------------|----------------------|------------------|------------------------|
| Yield                        | 9.0%                 | <b>16.4%</b>     | 25.1%                  |
| Voluntary Prepayment Rate    | 4% CPR               | <b>8% CPR</b>    | 15% CPR                |
| Default Rate                 | 16% CDR              | <b>12% CDR</b>   | 8% CDR                 |
| Loss Severity                | 65%                  | <b>55%</b>       | 45%                    |
| Total Collateral Liquidation | 78%                  | <b>58%</b>       | 33%                    |

Source: Intex

## Non-Agency Risk Adjusted Returns Currently Very Appealing



|   | <b>Incremental Acquisition of Senior MBS Assets</b>   | <b>Incremental Acquisition of Agency MBS Assets</b>                            |
|---|---|--|
| <b>Credit</b>                             | Structural Protection – Credit Enhancement<br>Discounted Price – Significant losses need to occur before an investor suffers a loss on deeply discounted investment | Guaranteed by Fannie Mae or Freddie Mac (currently under U.S. conservatorship) |
| <b>Asset Yield</b>                        | Mid-to-High Teens   | 3.00%  |
| <b>Leverage</b>                           | No  | Yes  |
| <b>ROE</b>                                | Mid-to-High Teens   | Mid-to-High Teens  |
| <b>Prepayments</b>                        | Increases Return  | Decreases Return   |
| <b>Qualifying REIT Asset</b>              | Yes   | Yes  |
| <b>Qualifying 1940 Act 55% Test Asset</b> | No  | Yes  |



- ◆ The majority of MFA's assets will continue to be Agency hybrid MBS
- ◆ MFR portfolio complements our Agency portfolio and reduces prepayment risk
- ◆ Strategically positioned portfolio to maintain appropriate leverage and liquidity in current environment
- ◆ MFA can generate attractive returns with less leverage



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MFA  
FINANCIAL, INC.