MFA FINANCIAL, INC.

Keefe, Bruyette & Woods
2016 Mortgage Finance Conference

Forward-looking statements

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Executive summary

- In this low interest rate environment, we continue to generate attractive returns from residential mortgage credit assets.

- In the first quarter we generated EPS and dividends per share of $0.20.

- MFA continued to acquire credit sensitive loans and 3-year step-up RPL/NPL securities in response to attractive investment opportunities.

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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	14.4%
10-Year	13.0%
5-Year	10.6%

[1] As of 3/31/16 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 assets continue to perform well. Legacy Non-Agency MBS Credit Reserve has been reduced by $23 million over the past 12 months.

   B. Acquire assets with less interest rate sensitivity

   - 73% of MFA's MBS are adjustable, hybrid or step-up
   - Net portfolio duration of 0.55

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

   - Permanent equity capital
   - Debt-to-Equity ratio of 3.4x is low enough to accommodate potential changes in marks.
   - MFA is able to invest while other investors may face concerns about capital outflows and potential mark-to-market losses.

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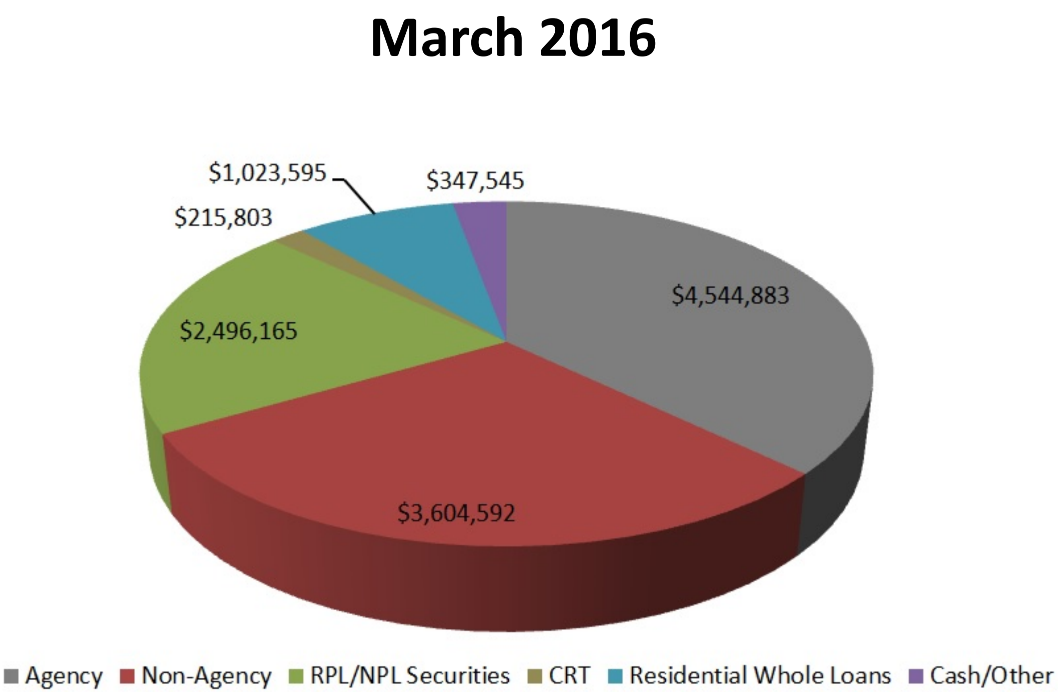
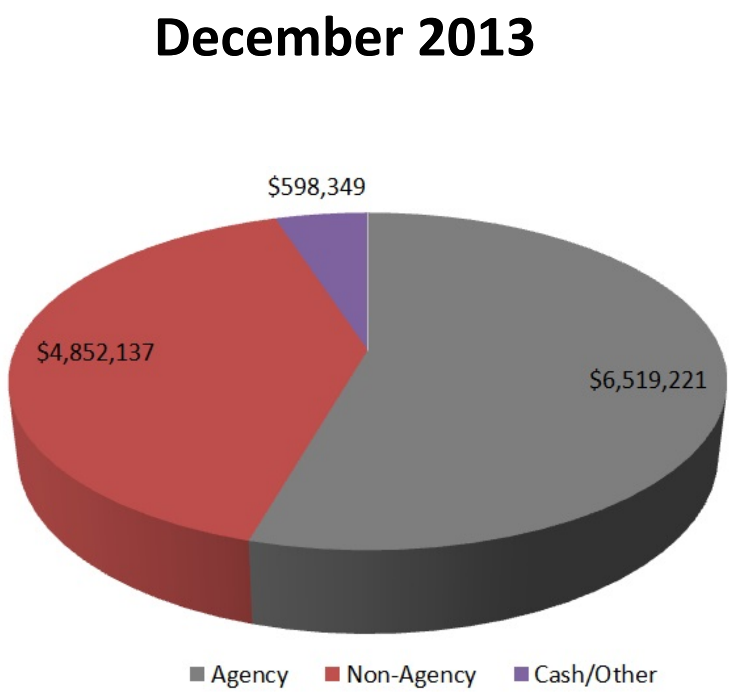
Continued evolution to more credit sensitive, less interest-rate sensitive assets





(Dollars in Thousands)

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First quarter investment flows

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

$ in Millions

	December 31, 2015	1st Quarter Runoff	1st Quarter Acquisitions	MTM and other changes	March 31, 2016	1st Quarter Change
Re-performing and Non-performing Loans	$895	$(26)	$161	$(6)	$1,024	$129
3 Year Step-up RPL/ NPL Securities	$2,626	$(435)*	$302	$3	$2,496	$(130)
Credit Risk Transfer Securities	$184	$—	$29	$3	$216	$32
Legacy Non-Agency MBS	$3,795	$(192)	$44	$(42)	$3,605	$(190)
Agency MBS	$4,752	$(212)	$—	$5	$4,545	$(207)

* Includes approximately $200 million of bonds redeemed late in March 2016.

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MFA's yields and spreads remain attractive

	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015
Yield on Interest Earning Assets	4.23%	4.15%	4.05%
Net Interest Rate Spread	2.18%	2.22%	2.24%
Debt/Equity Ratio	3.4x	3.4x	3.3x
EPS	$0.20	$0.19	$0.20

Yields and spreads by asset type

Quarter Ended March 31, 2016				
Asset	Yield/Return	Cost of Funds	Net Spread	Debt/Net Equity Ratio
Agency MBS	2.07%	(1.27)%	0.80%	8.1x
Non-Agency MBS	7.61%	(2.86)%	4.75%	2.2x
RPL/NPL MBS	3.97%	(2.07)%	1.90%	3.3x
RPL Whole Loans	6.00% (1)	(2.80)%	3.20%	0.7x
NPL Whole Loans	(2)	(3.34)%	(2)	2.0x

(1) Net of 53 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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Distributable income / Items expected to impact future taxable income

- As of March 31, 2016 MFA had undistributed REIT taxable income of $0.17 per share.

- Undistributed REIT taxable income at the end of the first quarter includes the impact of the unwind of a re-securitization financing structure which generated taxable income (though not GAAP income) of approximately $0.19 per share.

- In addition to the re-securitization unwind, settlement of the Countrywide litigation, which is expected to occur prior to the end of the second quarter, is estimated to generate taxable income of approximately $0.05 per share.

MFA's interest rate sensitivity remains below 1.0, as measured by Net Duration

Assets	Market Value (millions)	Average Coupon	Duration
Non-Agency ARMs (12 months or less MTR)	$2,509	3.03%	0.5
Non-Agency Hybrid (13-48 MTR)	$130	5.03%	1.0
NPL/RPL Securities	$2,496	3.78%	0.4
Non-Agency Fixed Rate	$1,181	5.81%	3.0
Residential Whole Loans	$1,040	4.42%	2.5
Agency ARMs (12 months or less MTR)	$1,721	2.67%	0.6
Agency ARMs (12-120 MTR)	$1,100	3.09%	1.4
Agency 15-Year Fixed Rate	$1,722	3.08%	2.9
Cash, Cash Equivalents & Principal Receivable	$271		0.0
TOTAL ASSETS	**$12,172**		1.32
Hedging Instruments	**Notional Amount**		**Duration**
Swaps (Less than 3 years)	$1,100		-1.7
Swaps (3-10 years)	$1,900		-4.2
TOTAL HEDGES	**$3,000**		**-3.3**
Net Duration			**0.55**

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Despite economic uncertainties, many positive fundamentals exist

- Strong fundamental support for residential mortgage credit
- Strong technical support for residential credit assets and home prices
- Sales of existing homes rose 5.5% in March 2016 to 5.3 million*
- Median existing single-family home prices are up 5.8% year-over-year (as of March 2016)*
- Fewer US homes in foreclosure (as % of homes with mortgages)
- Seriously delinquent (90+ days) US mortgages continue to decline
- Foreclosure inventory is down 23.9% year-over-year (as of February 2016) **

*National Association of Realtors

**CoreLogic

Continued growth in credit sensitive loan portfolio

- Re-performing and non-performing loan portfolio

$ in Millions

March 31, 2016	Dec 31, 2015	Sept 30, 2015	June 30, 2015	March 31, 2015
$1,024	$895	$777	$429	$387

- 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.) offers better NPV outcomes.
- MFA has obtained financing of $589.1 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.

First quarter RPL/NPL MBS holdings

- **Portfolio yields have increased**
  - 3.97% yield in Q1 2016 vs 3.70% yield in Q4 2015
  - Recent purchases have been at yields above 4.00%
  - Some deals have 24-month step-ups (vs. 36-month step-ups)

As of March 31, 2016	Fair Value (millions)	Net Coupon	Months to Step-Up	Current Credit Support	Original Credit Support	3-Month Average Bond CPR
Re-Performing MBS	$482	3.72%	15	47%	40%	14.2%
Non-Performing MBS	$2,014	3.79%	23	49%	48%	25.0%
Total RPL/NPL MBS	$2,496	3.78%	22	48%	47%	23.0%

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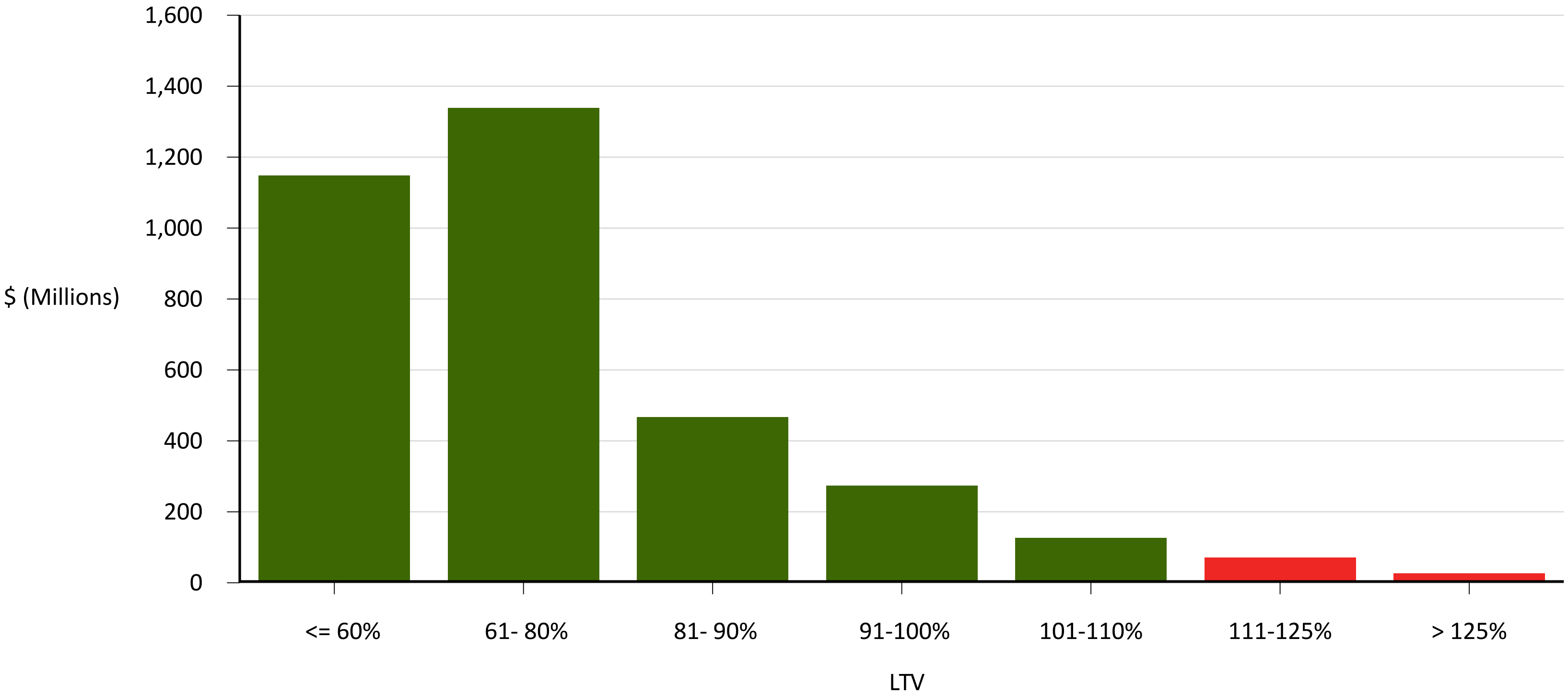
LTV breakdown of non-delinquent mortgage loans underlying MFA's Legacy Non-Agency MBS



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

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Summary

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

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