

July 28, 2009



## **MFA Financial, Inc. Announces Commencement of Public Offering of Common Stock**

NEW YORK, July 28 /PRNewswire-FirstCall/ -- MFA Financial, Inc. (NYSE: MFA) announced today it plans to make a public offering of 30,000,000 shares of its common stock. MFA intends to grant the underwriters a 30-day option to purchase up to an additional 4,500,000 shares of common stock to cover over-allotments. All of the shares will be offered by MFA. Morgan Stanley and Deutsche Bank Securities are acting as joint book-running managers for the offering, with Credit Suisse, JMP Securities, UBS Investment Bank, Cantor Fitzgerald & Co. and Keefe, Bruyette & Woods acting as co-managers.

The offering will be made under MFA's existing shelf registration statement filed with the Securities and Exchange Commission. MFA expects to use the net proceeds from this offering to acquire additional residential mortgage-backed securities ("MBS"), including senior most tranches of non-agency MBS, consistent with its investment policy and for working capital, which may include, among other things, the repayment of its repurchase agreements.

This press release is neither an offer to sell nor a solicitation of an offer to buy shares of common stock. The offering of these securities will be made only by means of a prospectus and a related prospectus supplement. When available, copies of the prospectus supplement and the accompanying prospectus may be obtained from: Morgan Stanley & Co. Incorporated, 180 Varick Street, New York, NY 10014, Attention: Prospectus Department or by e-mailing [prospectus@morganstanley.com](mailto:prospectus@morganstanley.com) and/or Deutsche Bank Securities Inc., Harborside Financial Center, 100 Plaza One, Jersey City, NJ 07311-3988, or by telephone toll free at 1-800-503-4611, or by email at [prospectusrequest@list.db.com](mailto:prospectusrequest@list.db.com), or from a Deutsche Bank Securities Sales Representative.

### **About MFA**

MFA is a real estate investment trust (REIT) primarily engaged in the business of investment in a portfolio of high-quality hybrid and adjustable-rate MBS.

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 "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or 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. 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 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. 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.

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