

March 8, 2011



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

NEW YORK, March 8, 2011 /PRNewswire/ -- MFA Financial, Inc. (NYSE: MFA) today announced that it has made a public offering of 65,000,000 shares of its common stock.

MFA has granted the underwriters a 30-day option to purchase up to an additional 9,750,000 shares of common stock. The underwriters have offered the common stock in one or more transactions in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices.

MFA expects to use the net proceeds of the offering to acquire additional mortgage-backed securities, consistent with its investment policy, and for working capital, which may include, among other things, the repayment of its repurchase agreements.

MFA expects to close the transaction on or about Friday, March 11, 2011, subject to the satisfaction of customary closing conditions.

Morgan Stanley and Deutsche Bank Securities are acting as joint book-running managers and JMP Securities and Sterne Agee are acting as co-managers.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the shares. An offering of the shares will be made only by means of a prospectus. The prospectus supplement and the accompanying prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

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 "view," "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 residential mortgage-backed securities (or 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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