

May 30, 2019



MFA Financial, Inc. Announces Pricing of Public Offering of Convertible Senior Notes

NEW YORK, May 30, 2019 /PRNewswire/ -- MFA Financial, Inc. (NYSE: MFA) (the "Company") announced today the pricing of an underwritten public offering of \$200 million aggregate principal amount of its 6.25% convertible senior notes due 2024 (the "Notes") at an issue price of 99.0%, plus accrued interest, if any, from June 3, 2019. The offering is expected to close on June 3, 2019 and is subject to customary closing conditions. The Company has granted the underwriters an option to purchase up to an additional \$30 million aggregate principal amount of the Notes to cover over-allotments.

The Company intends to add the net proceeds of the offering to its general corporate funds, which the Company may use for general working capital purposes, including to invest in additional residential mortgage-related assets, including but not limited to, residential whole loans, MBS, CRT securities and investments related to mortgage servicing rights, and for working capital, which may include, among other things, the repayment of amounts outstanding under its repurchase agreements.

The Notes will be senior unsecured obligations of the Company, pay interest semiannually in cash on June 15 and December 15 of each year at a rate of 6.25% per annum and will mature on June 15, 2024, unless earlier converted, redeemed or repurchased in accordance with their terms.

The Notes will be convertible at the option of the holders at any time until the close of business on the business day immediately preceding the maturity day into shares of the Company's common stock at an initial conversion rate of 125.7387 shares of the Company's common stock per \$1,000 principal amount of the Notes (equivalent to an initial conversion price of approximately \$7.95 per share), subject to customary adjustments in certain circumstances. The initial conversion price of the Notes represents a premium of approximately 10.0% to the \$7.23 per share closing price of the Company's common stock on May 29, 2019.

The Company will not have the right to redeem the Notes prior to maturity, except to the extent necessary to preserve its status as a real estate investment trust, or REIT, for U.S. federal income tax purposes, the Company may redeem all or part of the Notes at a cash redemption price equal to the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Holder of Notes may require the Company to purchase their Notes upon the occurrence of certain events that constitute a fundamental change under the indenture governing the Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and

unpaid interest to, but excluding, the date of purchase. In connection with certain corporate events, the Company will, under certain circumstances, increase the conversion rate for holders who elect to convert their Notes in connection with such corporate event.

Morgan Stanley, Goldman Sachs & Co. LLC, Barclays and Wells Fargo Securities will serve as joint book-running managers for the offering.

The Notes will be offered under the Company's existing shelf registration statement filed with the Securities and Exchange Commission. The offering of these Notes will be made only by means of a prospectus and a related prospectus supplement, a copy of which may be obtained by contacting:

Morgan Stanley & Co. LLC
180 Varick St., 2nd Floor, New York, New York 10014
Attn: Prospectus Department

or

Goldman Sachs & Co. LLC
200 West Street, New York, NY 10282
Attn: Prospectus Department

or

Barclays Capital Inc.
c/o Broadridge Financial Solutions
1155 Long Island Avenue
Edgewood, NY 11717
Barclaysprospectus@broadridge.com
[\(888\) 603-5847](tel:(888)603-5847)

or

Wells Fargo Securities, LLC
375 Park Avenue, 4th Floor, New York, New York 10152
Attention: Equity Syndicate Department, by telephone at 1-800-326-5897 or by email at cmclientsupport@wellsfargo.com

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes or any other securities, nor shall there be any sale of such Notes or any other securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About MFA Financial, Inc.

MFA Financial, Inc. is a real estate investment trust primarily engaged in the business of investing, on a leveraged basis, in residential mortgage assets, including residential mortgage-backed securities and residential whole loans.

Forward-Looking Statements

This press release contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Forward-looking statements involve numerous risks and uncertainties. The Company's actual results may differ from the Company's beliefs, expectations, estimates and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, or intentions. Forward-looking statements are based on the Company's beliefs, assumptions and expectations of the Company's future performance, taking into account information currently available to it. No assurance can be given that the offering discussed above will be consummated, or that the net proceeds of the offering will be used as indicated. Consummation of the offering and the application of the net proceeds of the offering are subject to numerous possible events, factors and conditions, many of which are beyond the control of the Company and not all of which are known to it, including, without limitation, market conditions and those described under the heading "Risk Factors" in the prospectus supplement relating to the offering and in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, which can be accessed at the Securities and Exchange Commission's website at www.sec.gov. 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 the Company. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Investor Contact: InvestorRelations@mfafinancial.com
MFA Investor Relations
212-207-6488

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