

MFA FINANCIAL, INC.  
Form 424B5  
August 02, 2018  
Table of Contents

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-214659**

**This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED AUGUST 2, 2018**

## **PROSPECTUS SUPPLEMENT**

**(To Prospectus Dated November 16, 2016)**

**50,000,000 Shares**

### **Common Stock**

We are offering for sale 50,000,000 shares of our common stock, par value \$0.01 per share. Our common stock is listed on the New York Stock Exchange, or the NYSE, under the symbol MFA. The last reported sale price of our common stock on the NYSE on August 1, 2018 was \$8.04 per share.

Our common stock is subject to certain restrictions on ownership designed to preserve our qualification as a real estate investment trust for federal income tax purposes. See Description of Common Stock and Preferred Stock Restrictions on Ownership and Transfer in the accompanying prospectus.

Investing in our common stock involves certain risks. Before buying any shares, you should read the discussion of material risks of investing in our common stock under the caption Risk Factors beginning on page S-5 of this prospectus supplement and beginning on page 6 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

We are selling to the underwriters the shares of common stock at a price of \$ per share, resulting in aggregate net proceeds to us of approximately \$ before expenses. The underwriters propose to offer the shares of common stock from time to time for sale in negotiated transactions or otherwise, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. Delivery of the shares of common stock is expected to be made on or about August , 2018.

We have also granted the underwriters an option to purchase up to an additional 7,500,000 shares of common stock from us at a price of \$ per share, for 30 days after the date of this prospectus supplement.

**Neither the Securities and Exchange Commission, or SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

*Joint Book-Running Managers*

**Morgan Stanley**

**Wells Fargo Securities**

**The date of this prospectus supplement is August , 2018**

Table of Contents

**TABLE OF CONTENTS**  
**PROSPECTUS SUPPLEMENT**

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-ii
<u>FORWARD-LOOKING STATEMENTS</u>	S-iii
<u>OUR COMPANY</u>	S-1
<u>THE OFFERING</u>	S-3
<u>RISK FACTORS</u>	S-5
<u>USE OF PROCEEDS</u>	S-7
<u>UNDERWRITING</u>	S-8
<u>LEGAL MATTERS</u>	S-12
<u>WHERE YOU CAN OBTAIN MORE INFORMATION</u>	S-12
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	S-12

**PROSPECTUS**

<u>ABOUT THIS PROSPECTUS</u>	1
<u>FORWARD-LOOKING STATEMENTS</u>	2
<u>MFA FINANCIAL, INC.</u>	4
<u>RISK FACTORS</u>	6
<u>RATIO OF EARNINGS TO FIXED CHARGES AND OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS</u>	7
<u>USE OF PROCEEDS</u>	8
<u>DESCRIPTION OF COMMON STOCK AND PREFERRED STOCK</u>	9
<u>DESCRIPTION OF DEPOSITARY SHARES</u>	13
<u>DESCRIPTION OF WARRANTS</u>	15
<u>CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS</u>	16
<u>DESCRIPTION OF DEBT SECURITIES</u>	21
<u>DESCRIPTION OF OTHER SECURITIES</u>	37
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	38
<u>PLAN OF DISTRIBUTION</u>	59
<u>LEGAL MATTERS</u>	61
<u>EXPERTS</u>	62
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	63
<u>INFORMATION WE FILE</u>	64

**You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any applicable free writing prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information.**

**We are not, and the underwriters are not, making an offer of the shares of common stock covered by this prospectus supplement and the accompanying prospectus in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any applicable free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, liquidity, results of operations and prospects may have**

**changed since those dates.**

S-i

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters relating to us and also adds to or updates information contained in the accompanying prospectus and the documents incorporated by reference herein and therein. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. This prospectus supplement may add to, update or change information in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement or the accompanying prospectus.

Any statement herein or in a document incorporated or deemed to be incorporated herein or in the accompanying prospectus by reference shall be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in any subsequently filed document, which also is incorporated or deemed to be incorporated by reference herein and therein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the common stock being offered and other information you should know before investing in these securities. All references to we, our, us or the company in this prospectus supplement and the accompanying prospectus mean MFA Financial, Inc.

You should rely only on the information contained in, or incorporated by reference into, this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We have not authorized anyone, and the underwriters are not authorized, to provide you with information that is different from that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, offering to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of this prospectus supplement or the accompanying prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of our common stock. Our business, financial condition, liquidity, results of operations, and prospects may have changed since those dates.

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**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus, including the information incorporated by reference herein and therein, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (or the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (or the Exchange Act). When used, statements which are not historical in nature, including those containing words such as will, believe, expect, anticipate, estimate, plan, continue, intend, should, could, would, may terms and similar expressions, or the negatives of these terms or similar expressions, are intended to identify forward-looking statements and, as such, may involve known and unknown risks, uncertainties and assumptions.

These forward-looking statements are subject to various risks and uncertainties, including, but not limited to, those relating to:

changes in interest rates and the market (i.e., fair) value of our residential mortgage backed securities (or MBS), residential whole loans, CRT securities and other assets;

changes in the prepayment rates on the mortgage loans securing our residential mortgage assets, an increase of which could result in a reduction of the yield on MBS in our portfolio and an increase of which could require us to reinvest the proceeds received by us as a result of such prepayments in MBS with lower coupons;

credit risks underlying our assets, including changes in the default rates and management's assumptions regarding default rates on the mortgage loans securing our MBS that are not guaranteed by any U.S. Government agency or any federally chartered corporation (or Non-Agency MBS) and relating to our residential whole loan portfolio;

our ability to borrow to finance our assets and the terms, including the cost, maturity and other terms, of any such borrowings;

implementation of or changes in government regulations or programs affecting our business;

our estimates regarding taxable income, the actual amount of which is dependent on a number of factors, including, but not limited to, changes in the amount of interest income and financing costs, the method elected by us to accrete the market discount on Non-Agency MBS and residential whole loans and the extent of prepayments, realized losses and changes in the composition of our residential MBS that are issued or guaranteed as to principal and/or interest by a federally chartered corporation (our Agency MBS) such as Fannie Mae or Freddie Mac, or an agency of the U.S. Government, such as Ginnie Mae, Non-Agency MBS and residential whole loan portfolios that may occur during the applicable tax period, including gain or loss on any MBS disposals and whole loan modification, foreclosure and liquidation;

the timing and amount of distributions to stockholders, which are declared and paid at the discretion of our board of directors and will depend on, among other things, our taxable income, our financial results and overall financial condition and liquidity, maintenance of our real estate investment trust ( REIT ) qualification and such other factors as our board of directors deems relevant; our ability to maintain our qualification as a REIT for federal income tax purposes;

S-iii

**Table of Contents**

our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended (or the Investment Company Act), including statements regarding the concept release issued by the SEC relating to interpretive issues under the Investment Company Act with respect to the status under the Investment Company Act of certain companies that are engaged in the business of acquiring mortgages and mortgage-related interests;

our ability to successfully implement our strategy to grow our residential whole loan portfolio, which is dependent on, among other things, the supply of loans offered for sale in the market;

expected returns on our investments in nonperforming loans (or NPLs), which are affected by, among other things, the length of time required to foreclose upon, sell, liquidate or otherwise reach a resolution of the property underlying the NPL, home price values, amounts advanced to carry the asset (e.g., taxes, insurance, maintenance expenses, etc. on the underlying property) and the amount ultimately realized upon resolution of the asset; and

risks associated with our investments in MSR related assets, including servicing, regulatory and economic risks, 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 identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and those discussed in subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, could cause our actual results to differ materially from those projected in any forward-looking statements we make. All forward-looking statements are based on beliefs, assumptions and expectations of our future performance, taking into account all information currently available. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. New risks and uncertainties arise over time and it is not possible to predict those factors or how they may affect us. Except as required by law, we are not obligated to, and are not undertaking to, update or revise any forward-looking statements.



**Table of Contents**

**SUMMARY**

*The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. Because this is a summary, it may not contain all of the information that is important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors and the documents incorporated by reference herein and therein before making an investment decision. Unless the context indicates or requires otherwise, the information in this prospectus supplement assumes the underwriters do not exercise their option to purchase additional shares.*

**OUR COMPANY**

We are an internally-managed REIT primarily engaged in the real estate finance business. We engage in our business through subsidiaries that invest, on a leveraged basis, in residential mortgage assets, including Non-Agency MBS, Agency MBS, residential whole loans and credit risk transfer (or CRT) securities. Our principal business objective is to deliver shareholder value through the generation of distributable income and through asset performance linked to residential mortgage credit fundamentals. We selectively invest in residential mortgage assets with a focus on credit analysis, projected prepayment rates, interest rate sensitivity and expected return.

At June 30, 2018, we had total assets of approximately \$10.6 billion, of which \$5.6 billion, or 52.7%, represented our MBS portfolio. At such date, our MBS portfolio was comprised of \$2.4 billion of Agency MBS and \$3.2 billion of Non-Agency MBS, which includes \$2.3 billion of Legacy Non-Agency MBS and \$907.9 million of MBS that are primarily structured with a contractual coupon step-up feature where the coupon increases up to 300 basis points at 36 months from issuance or sooner (or 3 Year Step-up securities). These 3 Year Step-up securities are primarily backed by securitized re-performing and non-performing loans. In addition, at June 30, 2018, we had approximately \$3.4 billion in residential whole loans acquired through interests in certain trusts established to acquire the loans, which represented approximately 32.0% of our total assets at June 30, 2018. Our remaining assets were primarily comprised of securities obtained and pledged as collateral, CRT securities, cash and cash equivalents (including restricted cash), real estate owned (or REO), MBS-related receivables, and derivative instruments.

In the current low interest rate environment, we expect to continue to seek investments in more credit sensitive, less interest rate sensitive residential mortgage assets, including residential whole loans, MBS, CRT securities and investments related to mortgage servicing rights. We believe that there will be select opportunities to invest in such assets at what we consider to be attractive prices. No assurances can be given as to the form of financing we will use for any such investments and we expect to consider a range of financing options based upon prevailing market conditions and our assessment of the availability and cost of capital for any such financings.

**Compliance with REIT Requirements and the Investment Company Act**

We have elected to be treated as a REIT for U.S. federal income tax purposes. In order to maintain our qualification as a REIT, we must comply with a number of requirements under U.S. federal income tax law that are discussed under the heading Material U.S. Federal Income Tax Considerations in the accompanying prospectus. To assist us in qualifying as a REIT, among other purposes, our charter generally limits any person or entity from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of our capital stock. See Description of Common Stock and Preferred Stock Restrictions on Ownership and Transfer in the accompanying prospectus.

S-1

**Table of Contents**

In addition, we intend to conduct our business at all times so as to maintain our exempt status under, and not to become regulated as an investment company for purposes of, the Investment Company Act.

**General Information**

We were incorporated in Maryland on July 24, 1997, and began operations on April 10, 1998. Our principal executive offices are located at 350 Park Avenue, 20th Floor, New York, New York 10022. Our telephone number is (212) 207-6400. Our common stock, our 7.50% Series B Cumulative Redeemable Preferred Stock and our 8.00% Senior Notes due 2042 are listed on the NYSE under the symbols MFA , MFA PrB and MFO , respectively. We maintain a website at [www.mfainancial.com](http://www.mfainancial.com). Information contained on our website is not, and should not be interpreted to be, part of this prospectus supplement and the accompanying prospectus.

S-2

**Table of Contents****THE OFFERING**

The terms of this offering of common stock are summarized below. For a more complete description of the terms of our common stock, see **Description of Common Stock and Preferred Stock** in the accompanying prospectus.

Issuer	MFA Financial, Inc., a Maryland corporation.
Securities offered by us	50,000,000 shares of common stock, \$0.01 par value per share. We have granted the underwriters an option to purchase up to an additional 7,500,000 shares of common stock.
Shares of common stock outstanding immediately prior to this offering	398,532,534 <sup>(1)</sup> ( <sup>2</sup> ) shares.
Shares of common stock outstanding upon completion of this offering	448,532,534 <sup>(1)</sup> ( <sup>2</sup> ) shares (456,032,534 shares if the underwriters exercise their option to purchase additional shares in full).
Use of proceeds	We estimate that the net proceeds that we will receive from this offering will be approximately \$                    million, after deducting our expenses, or approximately \$                    million, after deducting our expenses, if the underwriters' option to purchase additional shares is exercised in full. We intend to add the net proceeds from this offering to our general corporate funds, which we 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 our repurchase agreements. See <b>Use of Proceeds</b> .
Restrictions on ownership	Our charter contains restrictions on the ownership and transfer of our stock that are intended to assist us in complying with the requirements for qualification as a REIT. Among other things, our charter provides that, subject to certain exceptions, no person or entity may actually or beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Internal Revenue Code of 1986, as amended, more than 9.8% (in value or in number of shares, whichever is more restrictive) of the outstanding shares of our capital stock.

(1) Includes unvested restricted shares of common stock granted under our Equity Compensation Plan as of July 30, 2018.

(2) Excludes restricted stock units and unvested shares of common stock, which were granted prior to December 31, 2017, and remained outstanding at such date. In addition, the number of securities remaining available for issuance under our Equity Compensation Plan does not reflect time-based restricted stock units and

performance-based restricted stock units which were granted after December 31, 2017.

S-3

**Table of Contents**

	See Description of Common Stock and Preferred Stock Restrictions on Ownership and Transfer in the accompanying prospectus.
Risk factors	Investing in our common stock involves certain risks and the purchasers of our common stock may lose their entire investment. Before deciding to invest in our common stock, please carefully read the section entitled Risk Factors herein and the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2017 and our other periodic reports filed with the SEC and incorporated by reference into this prospectus supplement or the accompanying prospectus.
NYSE Symbol	MFA

**Table of Contents**

**RISK FACTORS**

An investment in our common stock involves risks. Before acquiring any shares of our common stock offered pursuant to this prospectus supplement, you should carefully consider the risks set forth under the caption "Risk Factors" in this prospectus supplement, in the accompanying prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated by reference herein. The risks and uncertainties described below and in other documents we have filed with the SEC are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If certain of the risks described in the risk factors incorporated by reference herein actually occur, our business, results of operations and financial condition could suffer. In that event, the trading prices of our common stock could decline, and you may lose all or part of your investment.

**Risks Relating to Our Common Stock and this Offering**

*The market price and trading volume of our shares of common stock may be volatile.*

The market price of shares of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our shares of common stock may fluctuate and cause significant price variations to occur. We cannot assure you that the market price of our shares of common stock will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our shares of common stock include:

actual or anticipated variations in our quarterly operating results or business prospects;

changes in our earnings estimates or publication of research reports about us or the real estate industry;

an inability to meet or exceed securities analysts' estimates or expectations;

increases in market interest rates;

hedging or arbitrage trading activity in our shares of common stock;

capital commitments;

changes in market valuations of similar companies;

changes in valuations of our assets;

adverse market reaction to any increased indebtedness we incur in the future;

additions or departures of management personnel;

actions by institutional shareholders, including large block sales at a discount;

speculation in the press or investment community;

yields on our common stock as compared to yields on other financial instruments;

changes in our dividend or distribution policy;

regulatory changes affecting our industry generally or our business;

S-5



**Table of Contents**

general market and economic conditions; and

future sales of our shares of common stock or securities convertible into, or exchangeable or exercisable for, our shares of common stock.

In addition, the stock market in general has experienced extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies like us. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance.

***We will have broad discretion as to the use of, and as to the timing of when we deploy, the net proceeds we receive from this offering.***

We will retain broad discretion to use the net proceeds from this offering for general working capital purposes, which may include the acquisition of additional residential mortgage-related assets and the repayment of indebtedness. See

Use of Proceeds. We may temporarily invest the net proceeds before use in interest-bearing, short-term, marketable investment grade securities or (interest or non-interest bearing) checking (or escrow) accounts or money market accounts that are consistent with our intention to maintain our qualification as a REIT, and no assurances can be given as to how quickly we will be able to deploy the net proceeds from this offering in our target assets. Our management may spend a portion or all of the net proceeds we receive from this offering in ways that our stockholders may not desire or that may not yield a favorable return.

**Table of Contents**

**USE OF PROCEEDS**

We intend to add the net proceeds from this offering to our general corporate funds, which we 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 our repurchase agreements.

S-7

**Table of Contents****UNDERWRITING**

Under the terms and subject to the conditions contained in an underwriting agreement dated August 1, 2018, we have agreed to sell to the underwriters named below, for whom Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC are acting as representatives, the following respective numbers of shares of common stock:

<b>Underwriter</b>	<b>Number of Shares</b>
Morgan Stanley & Co. LLC	
Wells Fargo Securities, LLC	
<b>Total</b>	<b>50,000,000</b>

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 7,500,000 additional shares at the price per share set forth on the cover of this prospectus supplement.

The underwriters propose to offer the shares of common stock for sale from time to time in one or more transactions (which may include block transactions), in negotiated transactions or otherwise, or a combination of those methods of sale, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt and acceptance by the underwriters and subject to the underwriters' right to reject any order in whole or in part. The underwriters may do so by selling the shares to or through broker/dealers, who may receive compensation in the form of underwriting discounts, concessions or commissions from the underwriters and/or the purchasers of the shares for whom they may act as agents or to whom they may sell as principal.

We estimate that our out-of-pocket expenses for this offering will be approximately \$350,000.

Subject to certain exceptions, we have agreed that we will not offer, sell, contract to sell, contract to purchase, pledge, register, grant any option to purchase, enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership in, or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC for a period of 60 days after the date of this prospectus supplement.

Our officers and directors have agreed that they will not offer, sell, contract to sell, contract to purchase, pledge, register, grant any option to purchase, enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership in, or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of shares of our common stock, whether any such



## **Table of Contents**

aforementioned transaction is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC for a period of 60 days after the date of this prospectus supplement.

The restrictions contained in the preceding two paragraphs will not apply to common stock sold hereunder, grants of restricted common stock pursuant to our Equity Compensation Plan, provided that such securities will not vest or become exercisable, as applicable, during the 60-day restricted period without the underwriters' prior written consent, the issuance of shares of common stock pursuant to a dividend reinvestment plan, or shares of common stock transferred as a bona fide gift or gifts.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

Shares of our common stock are listed on the NYSE under the symbol MFA.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Options to purchase additional shares of common stock relate to sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares sold by the underwriters is not greater than the number of shares that they may purchase in the option to purchase additional shares of common stock. In a naked short position, the number of shares involved is greater than the number of shares in the option. The underwriters may close out any covered short position by either exercising their option and/or purchasing shares in the open market.

Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through their option to purchase additional shares. If the underwriters sell more shares than could be covered by their option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering

transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE or otherwise and, if commenced, may be discontinued at any time.

S-9

## **Table of Contents**

A prospectus in electronic format will be made available on the websites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

The underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the shares of our common stock offered hereby. Any such short positions could adversely affect future trading prices of the shares of our common stock offered hereby.

### ***Notice to Prospective Investors in Hong Kong***

The securities may not be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the securities which are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) or any rules made under that Ordinance.

### ***Notice to Prospective Investors in Japan***

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable





**Table of Contents**

laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, Japanese Person shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

***Notice to Prospective Investors in Singapore***

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Non-CIS Securities may not be circulated or distributed, nor may the Non-CIS Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Non-CIS Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Non-CIS Securities pursuant to an offer made under Section 275 of the SFA except:
  - i. to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
  - ii. where no consideration is or will be given for the transfer;
  - iii. where the transfer is by operation of law;
  - iv. as specified in Section 276(7) of the SFA; or
  - v. as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

**Table of Contents**

**LEGAL MATTERS**

Certain legal matters in connection with this offering will be passed upon for us by Hunton Andrews Kurth LLP. Certain legal matters in connection with this offering will be passed upon for the underwriters by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York. Venable LLP will issue an opinion to us regarding certain matters of Maryland law, including the validity of the securities offered hereby. Hunton Andrews Kurth LLP and Skadden, Arps, Slate, Meagher & Flom LLP may rely as to certain matters of Maryland law upon the opinion of Venable LLP.

**WHERE YOU CAN OBTAIN MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy any reports, statements or other information on file at the SEC's public reference room located at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC filings are also available to the public from commercial document retrieval services. These filings are also available at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). You can also inspect copies of our public filings at the offices of the NYSE. For further information about obtaining copies of our public filings from the NYSE, please call (212) 656-5060.

We have filed with the SEC a shelf registration statement on Form S-3 under the Securities Act relating to the securities that may be offered by this prospectus supplement. This prospectus supplement is a part of that registration statement but does not contain all of the information in the registration statement. We have omitted parts of the registration statement in accordance with the rules and regulations of the SEC. For more detail about us and any securities that may be offered by this prospectus supplement, you may examine the registration statement on Form S-3 and the exhibits filed with it at the locations listed in the previous paragraph.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We incorporate information into this prospectus supplement by reference, which means that we disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, except to the extent superseded by information contained herein or by information contained in documents filed with or furnished to the SEC after the date of this prospectus supplement. This prospectus supplement and the accompanying prospectus incorporate by reference the documents set forth below that have been previously filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 2, 2018;

our Quarterly Report on Form 10-Q for the three months ended March 31, 2018, filed with the SEC on May 8, 2018;

our Quarterly Report on Form 10-Q for the three months ended June 30, 2018, filed with the SEC on August 2, 2018;

our Current Reports on Form 8-K, filed with the SEC April 2, 2018 and May 24, 2018;

portions of our Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 5, 2018 and incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2017; and

S-12

**Table of Contents**

the description of our common stock included in our Registration Statement on Form 8-A filed with the SEC on March 26, 1998, including all amendments and reports filed for the purpose of updating such description. We also incorporate by reference into this prospectus supplement and the accompanying prospectus additional documents that we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement until we have sold all of the securities to which this prospectus supplement and the accompanying prospectus relate or the offering is otherwise terminated; provided, however, that we are not incorporating any information furnished under either Item 2.02 or Item 7.01 of any Current Report on Form 8-K. These documents may include Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements. You may obtain copies of any of these filings through the SEC or through the SEC's website as described above.

We maintain a website at [www.mfafinancial.com](http://www.mfafinancial.com). Information on our website is not, and should not be interpreted to be, a part of this prospectus supplement or the accompanying prospectus.

**Table of Contents**

**MFA FINANCIAL, INC.**

**Common Stock**

**Preferred Stock**

**Depositary Shares**

**Warrants**

**Debt Securities**

**Rights**

**Units**

We may offer, issue and sell from time to time, together or separately:

shares of our common stock, par value \$0.01 per share, or our common stock;

shares of our preferred stock, including our convertible preferred stock, (which we may issue in one or more series), par value \$0.01 per share, or our preferred stock;

depositary shares representing shares of our preferred stock;

warrants entitling the holders to purchase our common stock, preferred stock, depositary shares, debt securities or units;

debt securities;

rights issuable to our stockholders to purchase shares of our common stock or preferred stock, to purchase warrants exercisable for shares of our common stock, shares of our preferred stock, depositary shares, debt securities or units, to purchase our debt securities, to purchase depositary shares or to purchase units consisting of two or more of the foregoing; or

units consisting of two or more of the foregoing.

We will determine when we sell securities, the amounts of securities we will sell and the prices and other terms on which we will sell them. We may sell securities to or through underwriters, through agents or directly to purchasers.

We will describe in a prospectus supplement, which we will deliver with this prospectus, the terms of particular securities which we offer in the future. We may describe the terms of those securities in a term sheet which will precede the prospectus supplement.

In each prospectus supplement, we will include the following information:

The names of the underwriters or agents, if any, through which we will sell the securities.

The proposed amount of securities, if any, which the underwriters will purchase.

The compensation, if any, of those underwriters or agents.

The public offering price of the securities.

Information about securities exchanges, electronic communications networks or automated quotation systems on which the securities will be listed or traded.

Any other material information about the offering and sale of the securities.

The New York Stock Exchange lists our common stock under the symbol **MFA**, our 7.50% Series B Cumulative Redeemable Preferred Stock under the symbol **MFA PrB** and our 8.00% Senior Notes due 2042 under the symbol **MFO**.

**Investing in our securities involves certain risks. Before buying any of our securities, you should read the risks referenced under the caption Risk Factors on page 6 of this prospectus**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**November 16, 2016**

Table of Contents

CONTENTS

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS</u>	1
<u>FORWARD-LOOKING STATEMENTS</u>	2
<u>MFA FINANCIAL, INC.</u>	4
<u>RISK FACTORS</u>	6
<u>RATIO OF EARNINGS TO FIXED CHARGES AND OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS</u>	7
<u>USE OF PROCEEDS</u>	8
<u>DESCRIPTION OF COMMON STOCK AND PREFERRED STOCK</u>	9
<u>DESCRIPTION OF DEPOSITARY SHARES</u>	13
<u>DESCRIPTION OF WARRANTS</u>	15
<u>CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS</u>	16
<u>DESCRIPTION OF DEBT SECURITIES</u>	21
<u>DESCRIPTION OF OTHER SECURITIES</u>	37
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	38
<u>PLAN OF DISTRIBUTION</u>	59
<u>LEGAL MATTERS</u>	61
<u>EXPERTS</u>	62
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	63
<u>INFORMATION WE FILE</u>	64

**Table of Contents**

**ABOUT THIS PROSPECTUS**