

MFA FINANCIAL, INC.
 Form 4
 January 18, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Yarad Stephen D.

(Last) (First) (Middle)

C/O MFA FINANCIAL, INC., 350
 PARK AVENUE, 20TH FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 MFA FINANCIAL, INC. [MFA]

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/13/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 ___X___ Officer (give title below) ___ Other (specify below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___X___ Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				Code	V	Amount	(A) or (D) Price		
Common Stock	01/13/2017		M ⁽¹⁾		10,000	A	\$ 0 (2)	58,386	D
Common Stock	01/13/2017		M ⁽³⁾		22,663	A	\$ 0 (2)	81,049	D
Common Stock	01/13/2017		F ⁽⁴⁾		15,679	D	\$ 7.83	65,370	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Phantom Shares	<u>(5)</u>	01/13/2017		<u>M(5)</u>		10,000	01/13/2017 01/13/2017	Common Stock	10,000
Phantom Shares	<u>(6)</u>	01/13/2017		<u>M(6)</u>		10,000 <u>(7) (8)</u>	01/13/2017 01/13/2017	Common Stock	10,000 <u>(7) (8)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Yarad Stephen D. C/O MFA FINANCIAL, INC. 350 PARK AVENUE, 20TH FLOOR NEW YORK, NY 10022			Chief Financial Officer	

Signatures

/s/ Stephen D. Yarad 01/18/2017

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares acquired pursuant to the settlement of time-based restricted stock units (i.e., phantom stock) granted to the Reporting Person in January 2014.
- (2) Each phantom share is the economic equivalent of one share of common stock of MFA Financial, Inc. Each phantom share was settled in one share of common stock of MFA Financial, Inc.
- (3) Shares acquired in connection with the settlement of performance-based restricted stock units (i.e., phantom stock) ("PRsUs") granted to the Reporting Person in January 2014 as discussed in Notes 6, 7 and 8 below. The number of shares reported includes 5,423 shares representing the settlement (in the form of additional shares of common stock) of dividend equivalents that accrued during the three-year performance period ended December 31, 2016 in respect of the PRsUs that vested and whose settlement is reported herein.
- (4)

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The reported disposition represents the surrender of shares to satisfy tax obligations arising from the settlement of phantom shares described in Notes 1 and 3 above.

- (5) Settlement of time-based restricted stock units (i.e., phantom stock) granted to the Reporting Person in January 2014. Each phantom share is the economic equivalent of one share of common stock of MFA Financial, Inc. Each phantom share was settled in one share of common stock of MFA Financial, Inc.

- (6) Settlement of performance-based restricted stock units (i.e., phantom stock) ("PRsUs") granted to the Reporting Person in January 2014. Each phantom share is the economic equivalent of one share of common stock of MFA Financial, Inc. Each phantom share was settled in one share of common stock of MFA Financial, Inc.

- (7) The number of PRsUs reported in Table II represents the target number of PRsUs that were granted to the reporting person in January 2014. Per the terms of the award agreement governing the PRsUs, the number of underlying shares of MFA common stock that the recipient ultimately became entitled to receive at the time of vesting ranged from 0% to 200% of the target number of PRsUs granted, subject to the achievement of a pre-established performance metric. The vesting of these PRsUs was based on MFA's total stockholder return for the three years ended December 31, 2016. The Compensation Committee of the Board of Directors of MFA Financial, Inc. has confirmed and certified that the PRsUs vested at a level above target, as reflected in Table I above (see Note 3).

- (8) In addition, per the terms of the award agreement governing the PRsUs, the number of PRsUs that vested was adjusted to reflect the value of any dividends paid on MFA's common stock during the performance period in respect of the number of PRsUs that ultimately vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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