

MFA FINANCIAL, INC.
DIRECTOR INDEPENDENCE STANDARDS

A director serving on MFA's Board of Directors who satisfies all of the following criteria shall be presumed to be independent. Any MFA director that does not currently, or during the past three years, satisfy such criteria shall not be deemed independent.

- Neither the director, nor any of his or her Immediate Family Members, has a material relationship with MFA (either directly or as a partner, shareholder or officer of an organization that has a relationship with MFA).
- MFA has not employed the director or employed (except in a non-officer capacity) any of his or her Immediate Family Members.
- (a) The director is not a current partner or employee of a firm that is MFA's internal or external auditor; (b) no Immediate Family Member of the director is a current partner of such a firm; (c) no Immediate Family Member of the director is a current employee of such a firm and personally works on MFA's audit; and (d) neither the director nor his or her Immediate Family Member was a partner or employee of such a firm and personally worked on MFA's audit.
- Neither the director, nor any of his or her Immediate Family Members, has been part of an "interlocking directorate" in which an executive officer of MFA serves on the compensation (or equivalent) committee of another company that employs the director or an Immediate Family Member of the director as an executive officer.
- The director is not an executive officer or an employee, nor is an Immediate Family Member an executive officer, of a company that has made payments to, or received payments from, MFA for property or services in an amount in any single fiscal year, exceeding the greater of \$1 million or 2% of such other company's consolidated gross revenues.
- Neither the director, nor any of his or her Immediate Family Members, has received, during any twelve-month period, more than \$120,000 in direct compensation from MFA, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service). Compensation received by an Immediate Family Member for service as an employee of MFA (other than as an executive officer) need not be considered in determining whether the director is independent.
- The director is not an executive officer, employee or director of a foundation, university or other non-profit organization to which MFA gives directly, or indirectly through the provision of services, an amount in any fiscal year exceeding the greater than \$1 million or 2% of such organization's consolidated gross revenues.

For purposes of establishing director independence, "material relationships" can include commercial, banking, consulting, legal, accounting, charitable and family relationships with MFA and will be determined, on a case-by-case basis, by MFA's Board of Directors. A director is an "affiliate" of MFA or its subsidiaries if such director serves as a director, executive officer, partner, member, principal or designee of an entity that, directly or indirectly, controls, or is controlled by, or is under common control with, MFA or its subsidiaries. An "Immediate Family Member" includes a person's spouse, parents, step-parents, children, step-children, siblings,

mother- and father-in-law, son- and daughter-in-law, brother- and sister-in-law and anyone (other than domestic employees) who shares such person's home. Immediate Family Members include persons related by blood, marriage or adoption. References to "MFA" in the foregoing criteria shall be deemed to include MFA and its subsidiaries.

Reaffirmed: December 10, 2008
Revised and Effective: March 22, 2011