

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: August 11, 1998

DYNEX CAPITAL, INC.  
(Exact Name of Registrant as Specified in Charter)

Virginia (State or Other Jurisdiction of Incorporation)	1-9819 (Commission File Number)	52-1549373 (IRS Employer Identification No.)
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10900 Nuckols Road, 3rd Floor, Glen Allen, Virginia (Address of Principal Executive Offices)	23060 (Zip Code)
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(804) 217-5800  
(Registrant's telephone number, including area code)

Item 7. Exhibits

(c). Exhibits

16.1 Letter from KPMG Peat Marwick LLP dated August 7, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 11, 1998

DYNEX CAPITAL, INC.

By: /s/ Lynn K. Geurin

Lynn K. Geurin  
Executive Vice President and  
Chief Financial Officer

Exhibit Index

Exhibit

16.1 Letter from KPMG Peat Marwick LLP dated August 7, 1998

August 7, 1998

Securities and Exchange Commission  
Washington, DC 20549

Ladies and Gentlemen:

We were previously principal accountants for Dynex Capital, Inc. and under the date of February 4, 1998, we reported on the consolidated financial statements of Dynex Capital, Inc. and subsidiaries as of and for the years ended December 31, 1997 and 1996. On July 21, 1998, our appointment as principal accountants was terminated. We have read Dynex Capital, Inc.'s statements included under item four of its Form 8-K dated July 21, 1998 and we agree with such statements, except that we are not in a position to agree or disagree with Dynex Capital, Inc.'s statement that the change was approved by the audit committee of the board of directors.

Very truly yours,

KPMG PEAT MARWICK LLP