

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 3) *

Dynex Capital, Inc.
(Name of Issuer)

Common Stock, \$0.01 par value per share
(Title of Class Securities)

26817Q506
(CUSIP Number)

Ernest C. Garcia II
2575 E. Camelback Road, Suite 700
Phoenix, Arizona 85016
(602) 778-5001
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

December 28, 1999
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. / /

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1

COVER PAGES

CUSIP NO. 26817Q506 13D, Amendment No. 3 PAGE 2 OF 4 PAGES

- | | | |
|---|--|--------------------|
| 1 | NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
Verde Reinsurance Company, Ltd.
66-0558988 | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* | (a) /X/
(b) / / |
| 3 | SEC USE ONLY | |
| 4 | SOURCE OF FUNDS*
WC | |
| 5 | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) or 2(e) | / / |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION
Island of Nevis | |

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER	0
	8	SHARED VOTING POWER	14,000
	9	SOLE DISPOSITIVE POWER	0

10	SHARED DISPOSITIVE POWER	14,000
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	14,000
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	.12%
14	TYPE OF REPORTING PERSON* CO	

* See Instructions

2

CUSIP NO. 26817Q506 13D, Amendment No. 3 PAGE 3 OF 4 PAGES

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Verde Investments, Inc. 86-0706842	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) /X/ (b) / /
3	SEC USE ONLY	
4	SOURCE OF FUNDS* WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)	/ /
6	CITIZENSHIP OR PLACE OF ORGANIZATION ARIZONA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER	0
	8 SHARED VOTING POWER	1,007,050
	9 SOLE DISPOSITIVE POWER	0
	10 SHARED DISPOSITIVE POWER	1,007,050
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	1,007,050
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	8.78%
14	TYPE OF REPORTING PERSON* CO	

* See Instructions

3

CUSIP NO. 26817Q506 13D, Amendment No. 3 PAGE 4 OF 4 PAGES

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Ernest C. Garcia II	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) /X/ (b) / /

3	SEC USE ONLY		
4	SOURCE OF FUNDS* PF		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)	/ /	
6	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.A.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER	0
	8	SHARED VOTING POWER	1,021,050
	9	SOLE DISPOSITIVE POWER	0
	10	SHARED DISPOSITIVE POWER	1,021,050
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		1,021,050
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		8.9%
14	TYPE OF REPORTING PERSON* IN		

* See Instructions

4

ITEM 1. SECURITY AND ISSUER.

<TABLE>	
<S>	<C>
Title of Class of Equity Security:	Common Stock, \$0.01 par value per share
Name of Issuer:	Dynex Capital, Inc. ("Dynex")
Address of Principal Office:	10900 Nuckols Road, 3rd Floor Glen Allen, Virginia 23060
</TABLE>	

ITEM 2. IDENTITY AND BACKGROUND.

(a) NAME OF PERSON FILING:

A. Verde Reinsurance Company, Ltd., a corporation of the Island of Nevis ("Verde Reinsurance")

B. Verde Investments, Inc., an Arizona corporation ("Verde Investments")

C. Ernest C. Garcia II ("Garcia") (Verde Reinsurance, Verde Investments and Garcia collectively, the "Reporting Persons")

This Schedule 13D, Amendment No. 3 is jointly filed pursuant to Rule 13d-1(k)(1) promulgated by the Securities and Exchange Commission ("SEC") under Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Act") by: (i) Verde Reinsurance, by virtue of its indirect beneficial ownership of Common Stock of Dynex by virtue of its ownership of convertible preferred stock of Dynex; (ii) Verde Investments, by virtue of its direct beneficial ownership of Common Stock of Dynex and (iii) Garcia, by virtue of his indirect beneficial ownership of Common Stock of Dynex via his sole ownership of all of the common stock of Verde Reinsurance and Verde Investments. This Schedule 13D, Amendment No. 3 is being filed (i) to reflect the fact that since the filing of the Schedule 13D, Amendment No. 2, the Reporting Persons have acquired beneficial ownership of additional shares of the outstanding Common Stock of Dynex as described in Item 5(c) below, (ii) to disclose that Verde Reinsurance has transferred all Common Stock of Dynex held by it to Verde Investments, (iii) to correct a previous miscalculation with respect to the cost of shares acquired in Item 3 of the Schedule 13D, and (iv) to reflect certain new addresses for the filing parties.

Certain information required by this Item 2 concerning the directors and executive officers of Verde Reinsurance and Verde Investments is set forth on Schedule 1 attached hereto, which is incorporated herein by reference.

The Reporting Persons may be deemed to constitute a "group" for purposes of Section 13(d) (3) of the Act.

(b) RESIDENCE OR BUSINESS ADDRESS:

The new business address of each of Verde Reinsurance, Verde Investments, and Ernest C. Garcia II is 2575 East Camelback Road, Suite 700, Phoenix, Arizona 85016.

5

(c) PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND THE NAME, PRINCIPAL BUSINESS AND ADDRESS OF CORPORATION IN WHICH EMPLOYMENT IS CONDUCTED:

No change from original Schedule 13D except see revised Schedule 1 attached hereto.

(d) WHETHER DURING THE LAST FIVE YEARS, SUCH PERSON HAS BEEN CONVICTED IN A CRIMINAL PROCEEDING (EXCLUDING TRAFFIC VIOLATIONS OR SIMILAR MISDEMEANORS) AND, IF SO, GIVE THE DATES, NATURE OF CONVICTION, NAME AND LOCATION OF COURT, ANY PENALTY IMPOSED, OR OTHER DISPOSITION OF THE CASE:

No change from original Schedule 13D.

(e) WHETHER DURING THE LAST FIVE YEARS, SUCH PERSON WAS A PARTY TO A CIVIL PROCEEDING OF A JUDICIAL OR ADMINISTRATIVE BODY OF COMPETENT JURISDICTION AND AS A RESULT OF SUCH PROCEEDING WAS OR IS SUBJECT TO A JUDGMENT, DECREE OR FINAL ORDER ENJOINING FUTURE VIOLATIONS OF, OR PROHIBITING OR MANDATING ACTIVITIES SUBJECT TO, FEDERAL OR STATE SECURITIES LAWS OR FINDING ANY VIOLATION WITH RESPECT TO SUCH LAWS; AND, IF SO, IDENTIFY AND DESCRIBE SUCH PROCEEDINGS AND SUMMARIZE THE TERMS OF SUCH JUDGMENT, DECREE OR FINAL ORDER:

No change from original Schedule 13D.

(f) CITIZENSHIP:

No change from original Schedule 13D.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

To date, working capital of Verde Reinsurance and Verde Investments has been used to purchase the Dynex securities at an approximate total cost (with commissions and fees) of \$307,118 and \$6,961,742, respectively. No borrowings or other types of consideration other than cash has been used to date for these purchases. If and when future purchases of Dynex securities are made, the Reporting Persons may use a variety of sources of funds; however, the Reporting Persons have no present plan, arrangement, or understanding in connection with sources of funds for future purchases of the securities.

ITEM 4. PURPOSE OF TRANSACTION.

No change from original Schedule 13D.

6

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) AGGREGATE NUMBER AND PERCENTAGE OF SECURITIES BENEFICIALLY OWNED:

Verde Reinsurance is the indirect beneficial owner of 14,000 shares of Common Stock that may be acquired by Verde Reinsurance upon the conversion of shares of preferred stock of Dynex held by Verde Reinsurance, representing approximately .12% of Dynex's Common Stock. Verde Investments is the direct beneficial owner of 1,007,050 shares of Common Stock, representing approximately 8.78% of Dynex's Common Stock. Mr. Garcia is the indirect beneficial owner of 1,021,050 shares of Common Stock owned by Verde Reinsurance and Verde Investments, representing approximately 8.9% of Dynex's Common Stock, which amount includes 14,000 shares of Common Stock that may be acquired by Verde Reinsurance upon the conversion of shares of preferred stock of Dynex held by Verde Reinsurance. By virtue of the relationship between Mr. Garcia and Verde Reinsurance and Verde Investments described in Item 2, Mr. Garcia may be deemed to possess indirect beneficial ownership of the shares of Common Stock beneficially owned by Verde Reinsurance and Verde Investments. Ownership percentages of Common Stock is based upon the common shares outstanding per Dynex's Form 10-Q Report for the

Quarter ended September 30, 1999 (11,443,840 shares of Common Stock outstanding at September 30, 1999, reflecting a one-for-four reverse Common Stock split effective August 2, 1999), plus the 14,000 shares of Common Stock into which the Dynex preferred stock held by Verde Reinsurance is convertible.

(b) NUMBER OF SHARES AS TO WHICH SUCH PERSON HAS VOTING AND DISPOSITIVE POWER:

A. Verde Reinsurance:

- (i) Sole power to vote or to direct the vote -- 0
- (ii) Shared power to vote or to direct the vote - 14,000
- (iii) Sole power to dispose or to direct the disposition -- 0
- (iv) Shared power to dispose or to direct the disposition - 14,000

B. Verde Investments:

- (i) Sole power to vote or to direct the vote -- 0
- (ii) Shared power to vote or to direct the vote - 1,007,050
- (iii) Sole power to dispose or to direct the disposition -- 0

7

- (iv) Shared power to dispose or to direct the disposition - 1,007,050

C. Ernest C. Garcia II

- (i) Sole power to vote or to direct the vote -- 0
- (ii) Shared power to vote or to direct the vote - 1,021,050
- (iii) Sole power to dispose or to direct the disposition -- 0
- (iv) Shared power to dispose or to direct the disposition - 1,021,050

(c) TRANSACTIONS EFFECTED DURING THE PAST 60 DAYS OR SINCE THE MOST RECENT FILING ON SCHEDULE 13D, WHICHEVER IS LESS:

8

<TABLE>

<CAPTION>

REPORTING PERSON	DATE OF PURCHASE	AMOUNT OF SECURITIES PURCHASED (#)	PRICE PER SHARE (\$)
Verde Reinsurance Company, Ltd. (1)	1/3/00	32,500	6.9712

</TABLE>

(1) As described above, these shares have been transferred to Verde Investment.

(d) NO OTHER PERSON IS KNOWN TO HAVE THE RIGHT TO RECEIVE OR THE POWER TO DIRECT THE RECEIPT OF DIVIDENDS FROM, OR THE PROCEEDS FROM THE SALE OF, SUCH SECURITIES.

(e) NOT APPLICABLE.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

No change from original Schedule 13D.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit 99.1: Agreement re Joint Filing of Schedule 13D, Amendment No. 3

9
SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

<TABLE>

<S> Dated: March 23, 2000	<C> VERDE REINSURANCE COMPANY, LTD., a corporation of the Island of Nevis
------------------------------	---

By:	/s/Ernest C. Garcia II ----- Ernest C. Garcia II
Its:	President

Dated: March 23, 2000	VERDE INVESTMENTS, INC., an Arizona corporation
-----------------------	--

By:	/s/Ernest C. Garcia II ----- Ernest C. Garcia II
Its:	President

Dated: March 23, 2000	ERNEST C. GARCIA II
-----------------------	---------------------

By:	/s/Ernest C. Garcia II ----- Ernest C. Garcia II, as an Individual
-----	--

</TABLE>

10
SCHEDULE 1 TO SCHEDULE 13D

EXECUTIVE OFFICERS AND DIRECTORS
INFORMATION FOR VERDE REINSURANCE COMPANY, LTD.

Ernest C. Garcia II	Director, President and Sole Shareholder
Steven P. Johnson	Director and Secretary

- (1) Each person is a citizen of the United States. Each person's principal office and principal business address is the same as that listed under Item 2(b) of Schedule 13D.
- (2) In addition to the listed positions, Mr. Johnson is the Secretary and sole Director of Cygnet Dealer Finance, Inc., an entity engaged in financing automobile dealers. Cygnet Dealer Finance's address is 3010 East Camelback Road, Suite 100, Phoenix, Arizona 85016.

EXECUTIVE OFFICERS AND DIRECTORS
INFORMATION FOR VERDE INVESTMENTS, INC.

Ernest C. Garcia II	Director, President and Sole Shareholder
Steven P. Johnson	Vice President/General Counsel/Secretary
Randall Andrus	Vice President/Real Estate
Nancy V. Young	Treasurer

- (1) Each person is a citizen of the United States. Each person's principal

office and principal business address is the same as that listed under Item 2(b) of Schedule 13D.

- (2) In addition to the listed positions, Mr. Johnson is the Secretary and sole Director of Cygnet Dealer Finance, Inc., an entity engaged in financing automobile dealers. Cygnet Dealer Finance's address is 3010 East Camelback Road, Suite 100, Phoenix, Arizona 85016.

11
EXHIBIT INDEX

<TABLE> <CAPTION> EXHIBIT NO.	DESCRIPTION
<S> Exhibit 99.1: </TABLE>	<C> Agreement re Joint Filing of Schedule 13D, Amendment No. 3

EXHIBIT 99.1

AGREEMENT RE JOINT FILING OF SCHEDULE 13D, AMENDMENT NO. 3

Each of the undersigned hereby agrees:

1. Each of them is individually eligible to use the Schedule 13D, Amendment No. 3 to which this Exhibit is attached, and such Schedule 13D, Amendment No. 3 is filed on behalf of each of them; and

2. Each of them is responsible for the timely filing of such Schedule 13D, Amendment No. 3 and any further amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; but none of them is responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate.

<TABLE>

<CAPTION>

<S>

Dated: March 23, 2000

<C>

VERDE REINSURANCE COMPANY, LTD., a
corporation of the Island of Nevis

By: /s/Ernest C. Garcia II

Ernest C. Garcia II
Its: President

Dated: March 23, 2000

VERDE INVESTMENTS, INC., an Arizona corporation

By: /s/Ernest C. Garcia II

Ernest C. Garcia II
Its: President

Dated: March 23, 2000

ERNEST C. GARCIA II

By: /s/Ernest C. Garcia II

Ernest C. Garcia II, as an Individual

</TABLE>