

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 1)\*

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  
2525 E. Camelback Road, Suite 1150  
Phoenix, Arizona 85016  
(602) 522-3200  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

November 24, 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).

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COVER PAGES

CUSIP NO. 26817Q506      13D, Amendment No. 1      PAGE   2   OF   4   PAGES

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER	0
	8	SHARED VOTING POWER	561,600
	9	SOLE DISPOSITIVE POWER	0

10	SHARED DISPOSITIVE POWER	561,600
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	561,600
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	4.9%
14	TYPE OF REPORTING PERSON*	
	CO	

\* See Instructions

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CUSIP NO. 26817Q506      13D, Amendment No. 1      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      152,200
	9	SOLE DISPOSITIVE POWER      0
	10	SHARED DISPOSITIVE POWER      152,200
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON      152,200	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*      / /	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)      1.3%	
14	TYPE OF REPORTING PERSON* CO	

\* See Instructions

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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	713,800
	9	SOLE DISPOSITIVE POWER	0
	10	SHARED DISPOSITIVE POWER	713,800
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		713,800
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/	/
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		6.23%
14	TYPE OF REPORTING PERSON* IN		

\* See Instructions

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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. 1 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 direct beneficial ownership of Common Stock of Dynex; (ii) Verde Investments, by virtue of its direct beneficial ownership of Common Stock of Dynex and indirect beneficial ownership by virtue of its ownership of convertible preferred 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. 1 is being filed to reflect the fact that since the filing of the original Schedule 13D, the Reporting Persons have acquired beneficial ownership of an additional 1% of the outstanding common stock of Dynex.

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:

No change from original Schedule 13D.

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(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.

(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 \$3,615,881 and \$1,555,571, 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.

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### ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

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

Verde Reinsurance is the direct beneficial owner of 561,600 shares of Common Stock, representing approximately 4.9% of Dynex's Common Stock, which amount includes 8,350 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. Verde Investments is the direct beneficial owner of 152,200 shares of Common Stock, representing approximately 1.3% of Dynex's Common Stock. Mr. Garcia is the indirect beneficial owner of 713,800 shares of Common Stock owned by Verde Reinsurance and Verde Investments, representing approximately 6.23% of Dynex's Common Stock, which amount includes 8,350 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 8,350 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 - 561,600
- (iii) Sole power to dispose or to direct the disposition -- 0
- (iv) Shared power to dispose or to direct the disposition - 561,600

B. Verde Investments:

- (i) Sole power to vote or to direct the vote -- 0
- (ii) Shared power to vote or to direct the vote - 152,200
- (iii) Sole power to dispose or to direct the disposition -- 0

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- (iv) Shared power to dispose or to direct the disposition - 152,200

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 - 713,800
- (iii) Sole power to dispose or to direct the disposition -- 0
- (iv) Shared power to dispose or to direct the disposition - 713,800

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

<TABLE> <CAPTION>			
REPORTING PERSON	DATE OF PURCHASE	AMOUNT OF SECURITIES PURCHASED (#)	PRICE PER SHARE (\$)
<S> Verde Reinsurance Company, Ltd.	<C> 11/1/99	<C> 8,000	<C> 6.25
Verde Reinsurance Company, Ltd.	11/2/99	3,400	6.25
Verde Reinsurance Company, Ltd.	11/3/99	1,000	6.25
Verde Reinsurance Company, Ltd.	11/4/99	2,700	6.3125
Verde Reinsurance Company, Ltd.	11/5/99	16,200	6.2407
Verde Reinsurance Company, Ltd.	11/8/99	2,000	6.00
Verde Reinsurance Company, Ltd.	11/16/99	20,000	7.1094
Verde Reinsurance Company, Ltd.	11/17/99	11,900	6.75
Verde Reinsurance Company, Ltd.	11/18/99	14,200	6.6945
Verde Reinsurance Company, Ltd.	11/19/99	8,500	6.6750

Verde Reinsurance Company, Ltd.	11/22/99	5,400	6.7310
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</TABLE>

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<TABLE>  
<CAPTION>

REPORTING PERSON	DATE OF PURCHASE	AMOUNT OF SECURITIES PURCHASED (#)	PRICE PER SHARE (\$)
<S> Verde Reinsurance Company, Ltd.	<C> 11/23/99	<C> 17,700	<C> 6.7309
Verde Reinsurance Company, Ltd.	11/24/99	9,900	6.6673

</TABLE>

(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. 1

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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: November 30, 1999	<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: November 30, 1999	VERDE INVESTMENTS, INC., an Arizona corporation
--------------------------	---

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

Dated: November 30, 1999	ERNEST C. GARCIA II
--------------------------	---------------------

By: /s/Ernest C. Garcia II

-----  
Ernest C. Garcia II, as an Individual

</TABLE>

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SCHEDULE 1 TO SCHEDULE 13D

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

No change from original Schedule 13D.

EXECUTIVE OFFICERS AND DIRECTORS  
INFORMATION FOR VERDE INVESTMENTS, INC.

No change from original Schedule 13D.

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EXHIBIT INDEX

<TABLE>

<CAPTION>

EXHIBIT NO.

DESCRIPTION

<S>

Exhibit 99.1:

</TABLE>

<C>

Agreement re Joint Filing of Schedule 13D, Amendment No. 1

EXHIBIT 99.1

AGREEMENT RE JOINT FILING OF SCHEDULE 13D, AMENDMENT NO. 1

Each of the undersigned hereby agrees:

1. Each of them is individually eligible to use the Schedule 13D, Amendment No. 1 to which this Exhibit is attached, and such Schedule 13D, Amendment No. 1 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. 1 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: November 30, 1999

<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: November 30, 1999

VERDE INVESTMENTS, INC., an Arizona corporation

By: /s/Ernest C. Garcia II

Ernest C. Garcia II  
Its: President

Dated: November 30, 1999

ERNEST C. GARCIA II

By: /s/Ernest C. Garcia II

Ernest C. Garcia II, as an Individual

</TABLE>