SEC Form 4

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person[*] AKIN THOMAS B	2. Issuer Name **and** Ticker or Trading Symbol DYNEX CAPITAL INC [DX]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
(Last) (First) (Middle) C/O DYNEX CAPITAL, INC. 4551 COX ROAD, SUITE 300	3. Date of Earliest Transaction (Month/Day/Year) 01/09/2006	X Director 10% Owner Officer (give title below) Other (specify below)
(Street) GLEN ALLEN VA 23060 (City) (State) (Zip)	4. If Amendment, Date of Original Filed (Month/Day/Year)	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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Series D Preferred Stock[1]	$10	01/09/2006		J[2]			80,749	08/08/1988[3]	08/08/1988[3]	Common Stock	80,749	$10	237,274	D	
Series D Preferred Stock[1]	$10	01/09/2006		J[2]			115,373	08/08/1988[3]	08/08/1988[3]	Common Stock	115,373	$10	346,964	I	By Talkot Crossover Fund

Explanation of Responses:

1. The full name of the Series D Preferred Stock is "Series D 9.50% Cumulative Convertible Preferred Stock."

2. The reported securities were disposed of in a mandatory redemption by the Issuer, pursuant to the terms of the designation of the preferred stock in the Issuer's Articles of Incorporation, at a price equal to their stated issue price of $10.00 per share.

3. The Series D Preferred Stock is immediately exercisable and has no expiration date.

Stephen J. Benedetti, Attorney-In-Fact	03/07/2006
** Signature of Reporting Person	Date

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

* 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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.