

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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* <u>FELMAN LEON A</u> (Last) (First) (Middle) <u>C/O DYNEX CAPITAL, INC.</u> <u>4551 COX ROAD, SUITE 300</u> (Street) <u>GLEN ALLEN VA 23060</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>DYNEX CAPITAL INC [DX]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>03/12/2008</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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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⁾	(3)	03/12/2008		P	3,200	08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾	Common Stock 3,200	\$10.1	3,200	D	
Series D Preferred Stock ⁽¹⁾	(3)					08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾	Common Stock 777		777	I	For Leon A. Felman IRA
Series D Preferred Stock ⁽¹⁾	(3)					08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾	Common Stock 10,848		10,848	I	For Leon A. Felman IRA Rollover
Series D Preferred Stock ⁽¹⁾	(3)					08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾	Common Stock 30,826		30,826	I	For Homebaker Brand Profit Sharing Plan
Series D Preferred Stock ⁽¹⁾	(3)					08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾	Common Stock 9,614		9,614	I	For Leon A. Felman Keogh Profit Sharing Plan
Series D Preferred Stock ⁽¹⁾	(3)					08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾	Common Stock 11,840		11,840	I	For The Felman Family Trust dated 4/28/99
Series D Preferred Stock ⁽¹⁾	(3)					08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾	Common Stock 2,555		2,555	I	For HLF Corporation
Series D Preferred Stock ⁽¹⁾	(3)					08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾	Common Stock 626		626	I	For Harriet Felman IRA

Explanation of Responses:

1. The full name of the Series D Preferred Stock is "Series D 9.50% Cumulative Convertible Preferred Stock."
 2. The Series D Preferred Stock is immediately exercisable and has no expiration date.
 3. The conversion is on a one for one basis for the underlying security.

Stephen J. Benedetti, Attorney-In-Fact 03/14/2008

** 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.