

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

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

☐ Form 3 Holdings Reported.

☒ Form 4 Transactions Reported.

ANNUAL 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

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| | | | | | | |
|---|--|--|---|--|---|--|
| 1. Name and Address of Reporting Person* <u>AKIN THOMAS B</u> <hr/> (Last) (First) (Middle) <u>2400 BRIDGEWAY # 200</u> <u>SUITE 200</u> <hr/> (Street) <u>SAUSALITO CA 94965</u> <hr/> (City) (State) (Zip) | | | 2. Issuer Name and Ticker or Trading Symbol <u>DYNEX CAPITAL INC [DX]</u> <hr/> 3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <u>12/31/2007</u> <hr/> 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 <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>CEO and Chairman of the Board</u> <hr/> 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 | |
|---|--|--|---|--|---|--|

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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|--------|--|--|---|
| | | | | Amount | (A) or (D) | Price | | | |
| Common Stock | 06/13/2006 | | P4 | 1,000 | A | \$6.75 | 622,541 ⁽⁴⁾ | D | |
| Common Stock | 06/14/2006 | | P4 | 600 | A | \$6.75 | 623,141 ⁽⁴⁾ | D | |
| Common Stock | 12/31/2007 | | P4 | 9,500 | A | \$8.59 | 632,938 | I | By Talkot Fund |
| Common Stock | | | | | | | 11,446 | I | By Hochster Trust |

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) |
|--|--|--------------------------------------|--|--------------------------------|--|--------|--|---------------------------|---|----------------------------|--|--|---|--|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Series D Preferred Stock ⁽¹⁾ | (3) | 06/28/2006 | | 4P | 100 | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 100 | \$10.2 | 219,339 ⁽⁵⁾ | D | |
| Series D Preferred Stock ⁽¹⁾ | (3) | 12/12/2007 | | 4S | | 2,600 | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 2,600 | \$10.2038 | 216,739 ⁽⁵⁾ | D | |
| Series D Preferred Stock ⁽¹⁾ | \$0 ⁽³⁾⁽⁶⁾ | 12/31/2007 | | 4J ⁽⁶⁾ | | 20,000 | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 20,000 | \$0 ⁽⁶⁾ | 0 ⁽⁶⁾ | I | By Andrews Trust |
| Series D Preferred Stock ⁽¹⁾ | \$0 ⁽³⁾ | 03/06/2006 | | 4P | 2,500 | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 17,242 | \$10.244 | 17,242 | I | By Hochster Trust |
| Series D Preferred Stock ⁽¹⁾ | \$0 ⁽³⁾ | 06/28/2006 | | 4P | 100 | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 17,342 | \$10.2 | 17,342 | I | By Hochster Trust |
| Series D Preferred Stock ⁽¹⁾ | (3) | | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 360,064 | | 360,064 | I | By Talkot 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 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.

4. The total holdings of common stock held directly by Mr. Akin is reduced by 31,632 shares which were inadvertently included in Mr. Akin's direct holdings. Mr. Akin does not have any beneficial interest or voting control, directly or indirectly, in these shares. In addition, the total was reduced was 11,446 shares held indirectly by the Hochster Trust, which were inadvertently included in Mr. Akin's total direct holdings. The holdings of the Hochster Trust are now being reported on a separate line item as indirect holdings of Mr. Akin.

5. The total holdings of this security is reduced by 13,193 shares which were inadvertently included in Mr. Akin's direct holdings. These shares are owned Mr. Akin's father-in-law and Mr. Akin does not have any beneficial interest in or voting control over, directly or indirectly, in these shares. In addition, the total is also reduced by 7,342 shares which were inadvertently included in Mr. Akin's direct holdings, but are owned by the Hochster Trust. These shares are now included on a separate line item for indirect holdings.

6. Mr. Akin no longer manages the Trust and has no beneficial interest in the shares.

Thomas B. Akin

04/01/2008

** 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.