

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13G
Under the Securities Exchange Act of 1934

Dynex Capital

(Name of Issuer)

Common

(Title of Class of Securities)

26817Q100

(CUSIP Number)

- (1) Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

WALLACE R. WEITZ & COMPANY

47-0654095

- (2) Check the Appropriate Box if a Member (a) / /
of a Group (See Instructions) (b) /X/

- (3) SEC Use Only

- (4) Citizenship or Place of Organization
STATE OF NEBRASKA

Number of Shares (5) Sole Voting Power
Beneficially 2,809,650

Owned by (6) Shared Voting Power
Each Reporting Person With: NONE

(7) Sole Dispositive Power
2,809,650

(8) Shared Dispositive Power
NONE

- (9) Aggregate Amount Beneficially Owned by Each Reporting Person
2,809,650

- (10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See
Instructions) / /

- (11) Percent of Class Represented by Amount in Row (9)
6.11%

- (12) Type of Reporting Person (See Instructions)
IA

SCHEDULE 13G

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ITEM 1.

(a) Name of Issuer
DYNEX CAPITAL

(b) Address of Issuer's Principal Executive Offices
SUITE 300
10900 NUCKOLS ROAD
GLEN ALLEN, VIRGINIA 23060

ITEM 2.

(a) Name of Person Filing
WALLACE R. WEITZ & COMPANY

(b) Address of Principal Business Office or, if none, Residence
1125 SOUTH 103RD STREET, SUITE 600
OMAHA, NEBRASKA 68124-6008

(c) Citizenship
STATE OF NEBRASKA

(d) Title of Class of Securities
COMMON

(e) CUSIP Number
26817Q100

ITEM 3. If this statement is filed pursuant to Rules 13d-1(b), or 23-d(b),
check whether the person filing is a:

/X/ INVESTMENT ADVISER REGISTERED UNDER SECTION 203 OF THE
INVESTMENT ADVISER ACT OF 1940

ITEM 4. OWNERSHIP

Provide the following information regarding the aggregate number and
percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:
2,809,650

(b) Percent of class:
6.11%

(c) Number of shares as to which the person has:
(i) Sole power to vote or to direct the vote
2,809,650

(ii) Shared power to vote or to direct the vote
NONE

(iii) Sole power to dispose or to direct the disposition of
2,809,650

(iv) Shared power to dispose or to direct the disposition of
NONE

ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and
belief, the securities referred to above were acquired in the
ordinary course of business and were not acquired for the
purpose of and do not make the effect of changing or influencing
the control of such issuer of the securities and were not
acquired and are not held in connection with or as a participant
in any transaction having such purposes or effect.

/s/ Wallace R. Weitz

Wallace R. Weitz, President

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.

Date: 2/10/99 /s/ Wallace R. Weitz

Wallace R. Weitz, President