

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20459

SCHEDULE TO-I/A

TENDER OFFER STATEMENT  
UNDER SECTION 14(d)(1) OR 13(e)(1) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. 1)

DYNEX CAPITAL, INC.  
(NAME OF SUBJECT COMPANY (ISSUER))

DYNEX CAPITAL, INC. (OFFEROR)  
(NAME OF FILING PERSON (IDENTIFYING STATUS AS OFFEROR, ISSUER OR OTHER PERSON))

SERIES A PREFERRED STOCK, PAR VALUE \$0.01 PER SHARE  
SERIES B PREFERRED STOCK, PAR VALUE \$0.01 PER SHARE  
SERIES C PREFERRED STOCK, PAR VALUE \$0.01 PER SHARE  
(TITLE OF CLASS OF SECURITIES)

(26817Q 20 9)  
(CUSIP NUMBER OF SERIES A PREFERRED STOCK)  
(26817Q 30 8)  
(CUSIP NUMBER OF SERIES B PREFERRED STOCK)  
(26817Q 40 7)  
(CUSIP NUMBER OF SERIES C PREFERRED STOCK)

THOMAS H. POTTS, PRESIDENT  
DYNEX CAPITAL, INC.  
4551 COX ROAD, SUITE 300  
GLEN ALLEN, VIRGINIA 23060  
(804) 217-5800

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO  
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF FILING PERSON  
FILING THE STATEMENT)

COPY TO:  
ELIZABETH R. HUGHES, ESQUIRE  
VENABLE, BAETJER & HOWARD, LLP  
2010 CORPORATE RIDGE, SUITE 400  
MCLEAN, VA 22102  
(703) 760-1649

CALCULATION OF FILING FEE

TRANSACTION VALUATION:                      AMOUNT OF FILING FEE:  
\*\$15,081,566                                  .....\*\*\$3,016

\*CALCULATED SOLELY FOR THE PURPOSE OF DETERMINING THE AMOUNT OF FILING FEE,  
ASSUMING THE PURCHASE OF 212,817 SHARES OF SERIES A PREFERRED STOCK AT THE  
TENDER OFFER PRICE OF \$16.80 PER SHARE, THE PURCHASE OF 297,746 SHARES OF SERIES  
B PREFERRED STOCK AT THE TENDER OFFER PRICE OF \$17.15 PER SHARE, AND THE  
PURCHASE OF 304,757 SHARES OF SERIES C PREFERRED STOCK AT THE TENDER OFFER PRICE  
OF \$21.00 PER SHARE.

\*\*THIS AMOUNT WAS PREVIOUSLY PAID IN CONNECTION WITH THE ORIGINAL FILING OF THIS  
SCHEDULE TO ON SEPTEMBER 6, 2001.

[ ] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2)  
and identify the filing with which the offsetting fee was previously paid.  
Identify the previous filing by registration statement number, or the form  
or schedule and the date of its filing.

Amount Previously Paid: \$3,016                      Form or Registration No.: 005-41043  
Filing Party: Dynex Capital, Inc.                      Date Filed: September 6, 2001

[ ] Check the box if the filing relates solely to preliminary communications  
made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the  
statement relates:

[ ] third-party tender offer subject to Rule14d-1.

[X] issuer tender offer subject to Rule 13e-4.

[ ] going-private transaction subject to Rule13e-3.

[ ] amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: [ ]

This Amendment No.1 amends and supplements the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission on September 6, 2001, relating to the offer by Dynex Capital, Inc. to purchase shares of its Series A preferred stock, Series B preferred stock, Series C preferred stock all upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 6, 2001 and the related Letters of Transmittal. This Amendment No. 1 to the Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) of the Securities Exchange Act of 1934, as amended. Copies of the Offer to Purchase and the related Letter of Transmittal were previously filed with the Schedule TO as Exhibits (a)(1)(A), (a)(1)(B)(i), (a)(1)(B)(ii) and (a)(1)(B)(iii). The information in the Offer to Purchase and the related Letter of Transmittal, including all schedules and annexes thereto, are hereby expressly incorporated herein by reference in response to Items 1 through 11 of Schedule TO, except that such information is hereby amended and supplemented to the extent specifically provided herein.

Item 4. Terms of the Transaction.

Item 4 of the Schedule TO is hereby amended and supplemented as follows:

The words "is for general information only and" are deleted from the second sentence of Section 12 ("Federal Income Tax Consequences")

The last paragraph of Section 12 is deleted in its entirety and replaced with the following:

BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, EACH STOCKHOLDER SHOULD CONSULT HIS OWN TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO HIM OF THE SALE OF HIS PREFERRED STOCK PURSUANT TO THE OFFER, INCLUDING THE

APPLICABILITY OF CONSTRUCTIVE OWNERSHIP RULES, THE APPLICABILITY OF ANY STATE, LOCAL OR FOREIGN INCOME OR OTHER TAX LAWS, CHANGES IN APPLICABLE TAX LAWS, AND ANY PENDING OR PROPOSED LEGISLATION.

Item 11. Additional Information

Item 11 of the Schedule TO is hereby amended and supplemented as follows:

The first paragraph of Section 10 is deleted in its entirety.

The last sentence of the fourth to the last paragraph of Section 10 is deleted in its entirety and replaced with the following:

On September 18, 2001, ACA filed a renewed motion to enjoin this Offer. A court date to hear arguments on ACA's renewed motion has not been set.

SIGNATURE

After due 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.

DYNEX CAPITAL, INC.

By: /s/ Thomas H. Potts

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Thomas H. Potts  
President

Dated: September 24, 2001

INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
(a) (1) (A)	Offer to Purchase dated September 6, 2001.*
(a) (1) (B) (i)	Series A Preferred Stock Letter of Transmittal.*
(a) (1) (B) (ii)	Series B Preferred Stock Letter of Transmittal.*
(a) (1) (B) (iii)	Series C Preferred Stock Letter of Transmittal.*
(a) (1) (C)	Notice of Guaranteed Delivery.*
(a) (1) (D)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees September 6, 2001.*

- (a) (1) (E) Letter to Clients from Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees dated September 6, 2001.\*
- (a) (1) (F) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.\*
- (a) (1) (G) Press Release (incorporated by reference to Dynex Capital, Inc. Schedule TO filed with the Securities and Exchange Commission on September 6, 2001).\*
- (a) (1) (H) Press release dated September 24, 2001.
- (a) (2) - (5) Not applicable.\*
- (b) Not applicable.\*
- (d) Not applicable.\*
- (e) Not applicable.\*
- (g) Not Applicable.\*

\* Previously filed on Schedule TO

PRESS RELEASE

FOR IMMEDIATE RELEASE  
September 24, 2001

CONTACT: Kathy Fern  
804-217-5800

DYNEX CAPITAL, INC.  
TO CONTINUE CASH TENDER OFFERS  
FOR SHARES OF ITS PREFERRED STOCK

Dynex Capital, Inc. (NYSE: DX) announced that it will continue its tender offers to purchase for cash, shares of its Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock and waive its right to terminate the offers as a result of the terrorist attacks in New York and Washington D.C. on September 11, 2001, the subsequent closing of the stock markets and significant decline in overall market stock prices. As provided in the Tender Offer Statement, the events of September 11, 2001 triggered the right by Dynex to terminate the offers. Dynex has decided to waive such right as it applies to those events; however, Dynex could terminate the offer due to other reasons, as described in the Tender Offer Statement. Under the offers, the Company will purchase up to 212,817 of its Series A Preferred Stock for a cash purchase price of \$16.80 per share, up to 297,746 of its Series B Preferred Stock for a cash purchase price of \$17.15 per share, and up to 304,758 of its Series C Preferred Stock for a cash purchase price of \$21.00 per share.

The three tender offers extend to all outstanding shares of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, and will only be made pursuant to offering materials distributed on or about September 7, 2001. It is expected that each of the tender offers will expire on Thursday, October 4, 2001 at 5:00 p.m., New York City time, unless extended.

The Company also announced that ACA Financial Guaranty Corporation (ACA) has filed a motion to enjoin the Company from completing the tender offer, among other things. The court has not yet set a date to hear the motion.

The Company's Board of Directors is not making any recommendation to its preferred shareholders as to whether or not they should tender any preferred shares pursuant to the offers. The Company's directors and executive officers have agreed not to participate in the tender offers.

This press release is for information purposes only and is not an offer to buy or the solicitation of an offer to sell any shares of the Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock of Dynex. The solicitation of offers to buy shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock of Dynex will only be made pursuant to the Tender Offer Statement (including an Offer to Purchase, the related Letters of Transmittal and other offer documents), which has been delivered to all of the holders of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, at no expense to them. The Tender Offer Statement, as amended, (including the Offer to Purchase, the related Letters of Transmittal and all other offer documents filed with the Commission) is also available for no charge at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). The Tender Offer Statement, as amended, (including an Offer to Purchase, the related Letters of Transmittal and other offer documents) contains important information that should be read carefully before any decision is made with respect to any of the tender offers.

Dynex Capital, Inc. is a financial services company that elects to be treated as a real estate investment trust (REIT) for federal income tax purposes.

Note: This document contains "forward-looking statements" (within the meaning of the Private Securities Litigation Act of 1995) that inherently involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of unforeseen external factors. As discussed in the Company's filings with the SEC, these factors may include, but are not limited to, changes in general economic conditions, disruptions in the capital markets, the availability of funds from the Company's lenders to finance future loans, fluctuations in interest rates, increases in costs and other general competitive factors.