

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>AKIN THOMAS B</u> (Last) (First) (Middle) <u>C/O DYNEX CAPITAL, INC.</u> <u>4991 LAKE BROOK DRIVE, SUITE 100</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>10/15/2010</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 <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman and CEO</u> 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			
Common Stock	10/15/2010		J ⁽¹⁾		179,617	A	\$0 ⁽¹⁾	804,706	D	
Common Stock	10/15/2010		J ⁽¹⁾		17,342	A	\$0 ⁽¹⁾	28,788	I	By Hochster Trust
Common Stock	10/15/2010		J ⁽¹⁾		361,064	A	\$0 ⁽¹⁾	1,304,083	I	By Talkot Fund

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 ⁽²⁾	(1)	10/15/2010		J ⁽¹⁾			179,617 ⁽³⁾	(1)	(1)	Common Stock	179,617 ⁽³⁾	\$0 ⁽¹⁾	0	D	
Series D Preferred Stock ⁽²⁾	(1)	10/15/2010		J ⁽¹⁾			17,342	(1)	(1)	Common Stock	17,342	\$0 ⁽¹⁾	0	I	By Hochster Trust
Series D Preferred Stock ⁽²⁾	(1)	10/15/2010		J ⁽¹⁾			361,064	(1)	(1)	Common Stock	361,064	\$0 ⁽¹⁾	0	I	By Talkot Fund

Explanation of Responses:

1. On October 15, 2010, Dynex Capital, Inc. redeemed all of its Series D Preferred Stock in exchange for shares of its common stock at a one-for-one redemption ratio, in accordance with the terms of the Series D Preferred Stock. Before such redemption, the Series D Preferred Stock was convertible into common stock at any time on a one-for-one basis, with no expiration date.
2. The full name of the Series D Preferred Stock is "Series D 9.50% Cumulative Convertible Preferred Stock."
3. Reflects a reduction of 30,844 shares of Series D Preferred Stock in which the reporting person no longer has a reportable beneficial ownership interest. Such shares, which were previously reported in the reporting person's direct holdings, are owned by the reporting person's adult children who no longer reside in his household.

Remarks:

Alison G. Griffin, as attorney-in-
fact for Thomas B. Akin 10/19/2010

** 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.