

**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>Childress Jeffrey L</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>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;"><b>Controller</b></p>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/12/2006</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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 <sup>(1)</sup>	02/04/2008		A		4,000	A	\$0	4,000	D	
Common Stock <sup>(2)</sup>	03/15/2010		A		2,259	A	\$0	6,259	D	

**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
Stock Appreciation Rights <sup>(3)</sup>	\$6.61	01/12/2006		A		10,000		(3)	12/31/2012	Common Stock	10,000	\$0	10,000	D	
Series D Preferred Stock <sup>(4)</sup>	(5)	11/29/2006		P		500		(5)	(5)	Common Stock	500	\$10.25	500	D	
Stock Appreciation Rights <sup>(6)</sup>	\$7.06	01/03/2007		A		10,000		(6)	12/31/2013	Common Stock	10,000	\$0	10,000	D	

**Explanation of Responses:**

- Restricted shares of common stock vest in equal installments on February 4, 2009, 2010, 2011 and 2012.
- Reflects shares of common stock issued to the reporting person under the company's ROAE Bonus Program for 2009 performance.
- The stock appreciation rights vested in equal installments on January 12, 2007, 2008, 2009 and 2010.
- The full name of the Series D Preferred Stock is "Series D 9.50% Cumulative Convertible Preferred Stock."
- The Series D Preferred Stock is convertible into common stock at any time on a one-for-one basis and has no expiration date.
- The stock appreciation rights vest in equal installments on January 3, 2008, 2009, 2010 and 2011.

**Remarks:**

Stephen J. Benedetti, as attorney-in-fact for Jeffrey L. Childress 03/31/2010  
 \*\* 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.

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