

DYNEX CAPITAL INC  
 Form 4  
 May 15, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Osborne Daniel K

(Last) (First) (Middle)

C/O DYNEX CAPITAL, INC., 4551  
 COX ROAD, SUITE 300

(Street)

GLEN ALLEN, VA 23060

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 DYNEX CAPITAL INC [DX]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 05/14/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount		
				Code	V		
					Amount		
				(D)	Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Series D Preferred Stock <sup>(1)</sup>	\$ 10	05/14/2007		P			1,000		08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Common Stock	1,000
Series D Preferred Stock <sup>(1)</sup>	\$ 10	05/14/2007		P			100		08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Common Stock	100
Series D Preferred Stock <sup>(1)</sup>	\$ 10	05/14/2007		P			9,000		08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Common Stock	9,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Osborne Daniel K C/O DYNEX CAPITAL, INC. 4551 COX ROAD, SUITE 300 GLEN ALLEN, VA 23060	X			

## Signatures

Stephen J. Benedetti, Attorney-In-Fact	05/15/2007
__Signature of Reporting Person	Date

## Explanation of Responses:

- \* 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).
- (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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.