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# Section 1: 8-K (ANWORTH MORTGAGE ASSET CORPORATION 8-K)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

## FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

December 31, 2019  
Date of Report (Date of earliest event reported)

### ANWORTH MORTGAGE ASSET CORPORATION.

(Exact Name of Registrant as Specified in its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

001-13709  
(Commission File Number)

52-2059785  
(IRS Employer Identification No.)

1299 Ocean Avenue, Second Floor, Santa Monica, California  
(Address of Principal Executive Offices)

90401  
(Zip Code)

(310) 255-4493  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933, as amended, or Rule 12b-2 of the Exchange Act.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 3.03 Material Modification to Rights of Security Holders.**

On December 31, 2019, Anworth Mortgage Asset Corporation (“Anworth”) announced that in accordance with the terms of Anworth’s 6.25% Series B Cumulative Convertible Preferred Stock (the “Series B Preferred Stock”), the conversion rate of the Series B Preferred Stock has increased from 5.5379 shares of Anworth’s common stock to 5.5992 shares of its common stock effective January 1, 2020.

As previously announced on December 17, 2019, the Board of Directors of Anworth declared a quarterly common stock dividend of \$0.09 per share, which is payable on January 29, 2020 to holders of record of Anworth’s common stock as of the close of business on December 31, 2019. When Anworth pays a cash dividend during any quarterly fiscal period to its holders of common stock in an amount that results in an annualized common stock dividend yield greater than 6.25% (the dividend yield on the Series B Preferred Stock), the conversion rate on the Series B Preferred Stock is adjusted based on a formula specified in the Articles Supplementary Establishing and Fixing the Rights and Preferences of the Series B Preferred Stock. As a result of this dividend, the conversion rate of the Series B Preferred Stock has increased from 5.5379 shares of Anworth’s common stock to 5.5992 shares of its common stock effective January 1, 2020.

**Item 8.01 Other Events.**

On December 31, 2019, Anworth issued a press release (the “Press Release”) announcing that in accordance with the terms of Anworth’s 6.25% Series B Cumulative Convertible Preferred Stock (“Series B Preferred Stock”), the conversion rate of the Series B Preferred Stock has increased from 5.5379 shares of Anworth’s common stock to 5.5992 shares of its common stock effective January 1, 2020.

A copy of the Press Release is filed as Exhibit 99.1 to this Current Report on Form 8-K.

As discussed therein, the Press Release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act and, as such, may involve known and unknown risks, uncertainties and assumptions. These forward-looking statements relate to Anworth’s current expectations and are subject to the limitations and qualifications set forth in the press release as well as in Anworth’s other documents filed with the U.S. Securities and Exchange Commission, including, without limitation, that actual events and/or results may differ materially from those projected in such forward-looking statements.

**Item 9.01 Financial Statements and Exhibits.**

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Not Applicable.
- (d) Exhibits.

Exhibit 99.1 Press Release dated December 31, 2019 announcing an increase to the conversion rate of Anworth's 6.25% Series B Cumulative Convertible Preferred Stock effective January 1, 2020.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ANWORTH MORTGAGE ASSET CORPORATION

Date: December 31, 2019

By: Charles J. Siegel  
Chief Financial Officer

## EXHIBIT INDEX

<u>Exhibit #</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Press Release dated December 31, 2019 announcing an increase to the conversion rate of Anworth's 6.25% Series B Cumulative Convertible Preferred Stock effective January 1, 2020.</a>

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## **Section 2: EX-99.1 (EXHIBIT 99.1)**

**Exhibit 99.1**

### **Anworth Announces Increase to Series B Preferred Stock Conversion Rate**

SANTA MONICA, Calif.--(BUSINESS WIRE)--December 31, 2019--Anworth Mortgage Asset Corporation (NYSE: ANH) announced that in accordance with the terms of Anworth's 6.25% Series B Cumulative Convertible Preferred Stock, or Series B Preferred Stock, the conversion rate of the Series B Preferred Stock has increased from 5.5379 shares of Anworth's common stock to 5.5992 shares of its common stock effective January 1, 2020.

As previously announced on December 17, 2019, Anworth's Board of Directors declared a quarterly common stock dividend of \$0.09 per share, which is payable on January 29, 2020 to holders of record of common stock as of the close of business on December 31, 2019. When Anworth pays a cash dividend during any quarterly fiscal period to its common stockholders in an amount that results in an annualized common stock dividend yield greater than 6.25% (the dividend yield on the Series B Preferred Stock), the conversion rate on the Series B Preferred Stock is adjusted based on a formula specified in the Articles Supplementary Establishing and Fixing the Rights and Preferences of the Series B Preferred Stock (and also available on the "Series B Pfd. Stock Conversion" page of Anworth's web site at <http://www.anworth.com>). As a result of this dividend, the conversion rate has increased from 5.5379 shares of Anworth's common stock to 5.5992 shares of its common stock effective January 1, 2020.

#### **About Anworth Mortgage Asset Corporation**

We are an externally-managed mortgage real estate investment trust ("REIT"). We invest primarily in mortgage-backed securities that are either rated "investment grade" or are guaranteed by federally sponsored enterprises, such as Fannie Mae or Freddie Mac. We seek to generate income for distribution to our shareholders primarily based on the difference between the yield on our mortgage assets and the cost of our borrowings. We are managed by Anworth Management LLC (our "Manager"), pursuant to a management agreement. Our Manager is subject to the supervision and direction of our Board and is responsible for (i) the selection, purchase, and sale of our investment portfolio; (ii) our financing and hedging activities; and (iii) providing us with portfolio management, administrative, and other services and activities relating to our assets and operations as may be appropriate. Our common stock is traded on the New York Stock Exchange under the symbol "ANH." Anworth Mortgage Asset Corporation is a component of the Russell 2000® Index.

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## **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

This news release may contain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based upon our current expectations and speak only as of the date hereof. Forward-looking statements, which are based on various assumptions (some of which are beyond our control) may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as "may," "will," "believe," "expect," "anticipate," "assume," "estimate," "intend," "continue," or other similar terms or variations on those terms or the negative of those terms. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of various factors and uncertainties, including but not limited to, changes in interest rates; changes in the market value of our mortgage-backed securities; changes in the yield curve; the availability of mortgage-backed securities for purchase; increases in the prepayment rates on the mortgage loans securing our mortgage-backed securities; our ability to use borrowings to finance our assets and, if available, the terms of any financing; risks associated with investing in mortgage-related assets; changes in business conditions and the general economy, including the consequences of actions by the U.S. government and other foreign governments to address various financial and economic issues and our ability to respond to and comply with such actions and changes; implementation of or changes in government regulations affecting our business; our ability to maintain our qualification as a real estate investment trust for federal income tax purposes; our ability to maintain an exemption from the Investment Company Act of 1940, as amended; risks associated with our home rental business; and the Manager's ability to manage our growth. Our Annual Report on Form 10-K and other SEC filings discuss the most significant risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

## **Contacts**

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