

SECURITIES AND EXCHANGE COMMISSION

FORM 5

Annual statement of changes in beneficial ownership of securities

Filing Date: **2009-01-26** | Period of Report: **2008-12-31**

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ISSUER

ANWORTH MORTGAGE ASSET CORP

CIK: **1047884** | IRS No.: **522059785** | State of Incorporation: **MD** | Fiscal Year End: **1231**
SIC: **6798** Real estate investment trusts

Mailing Address
1299 OCEAN AVENUE
SUITE 250
SANTA MONICA CA 90401

Business Address
1299 OCEAN AVENUE
SUITE 250
SANTA MONICA CA 90401
310-255-4493

REPORTING OWNER

BAINES HEATHER U

CIK: **1209604**
Type: **5** | Act: **34** | File No.: **001-13709** | Film No.: **09546358**

Mailing Address
1299 OCEAN AVE.
SUITE 250
SANTA MONICA CA 90401

FORM 5

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).

Form 3 Holdings Reported

Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person BAINES HEATHER U			2. Issuer Name and Ticker or Trading Symbol ANWORTH MORTGAGE ASSET CORP [ANH]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Executive Vice President		
(Last)	(First)	(Middle)	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2008					
C/O ANWORTH MORTGAGE ASSET CORPORATION, 1299 OCEAN AVENUE, SECOND FLOOR			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Reporting (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
(Street) SANTA MONICA, CA 90401								
(City)	(State)	(Zip)						

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	12/31/2008 ⁽¹⁾		J ⁽¹⁾	10,088	A	\$ ⁽¹⁾	904,016 ⁽²⁾	D	
Common Stock							62,500 ⁽³⁾	I	By spouse
Common Stock							33,700 ⁽⁴⁾	I	By spouse

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 of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date					
Stock Option	\$9.45						01/21/2002	01/21/2012	Common Stock	43,780	43,780	D	

(right to buy)														
Stock Option (right to buy)	\$11.2					10/04/2002	10/04/2012	Common Stock	21,000		64,780	D		
Stock Option (right to buy)	\$13.8					05/01/2003	05/01/2013	Common Stock	27,600		92,380	D		
Stock Option (right to buy)	\$12.47					04/20/2004	04/20/2009	Common Stock	21,000		113,380	D		
Stock Option (right to buy)	\$9.45					01/21/2002	01/21/2012	Common Stock	29,725		143,105	I	By spouse	
Stock Option (right to buy)	\$11.2					10/04/2002	10/04/2012	Common Stock	90,000		233,105	I	By spouse	
Stock Option (right to buy)	\$13.8					05/01/2003	05/01/2013	Common Stock	99,500		332,605	I	By spouse	
Stock Option (right to buy)	\$12.47					04/20/2004	04/20/2009	Common Stock	90,000		422,605	I	By spouse	

Explanation of Responses:

1. These shares were acquired under Anworth Mortgage Asset Corporation's Dividend Reinvestment and Stock Purchase Plan, in exempt transactions pursuant to Rule 16a-11, at the then current market prices during calendar year 2008.
2. Ms. Baines is married to Lloyd McAdams, Chairman, President and Chief Executive Officer of Anworth Mortgage Asset Corporation. Ms. Baines owns 41,500 shares individually. The balance of these shares are owned as community property with Mr. McAdams.
3. Mr. McAdams owns 62,500 shares in which Ms. Baines has no beneficial interests.
4. Shares held by the McAdams Foundation, of which Mr. McAdams is a director.

Signatures

/s/ Heather U. Baines

** Signature of Reporting Person

01/26/2009

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.