

Item 1.01 Entry into a Material Definitive Agreement.

On March 6, 2017, Western Asset Mortgage Capital Corporation (the “Company”) entered into an Equity Distribution Agreement (the “Agreement”) with Western Asset Management Company and JMP Securities LLC, as placement agent (the “Placement Agent”). Under the terms of the Agreement, the Company may offer and sell up to \$100,000,000 aggregate offering price of shares of its common stock (the “Shares”), par value \$0.01 per share (“Common Stock”), from time to time to or through the Placement Agent, acting as agent and/or principal.

Sales of the Shares, if any, may be made in any method permitted by law deemed to be an “at the market” as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended (the “Securities Act”), including sales made directly on or through the New York Stock Exchange or on any other existing trading market for the Company’s Common Stock. Under the Agreement, the Placement Agent (at the Company’s election) will use commercially reasonable efforts consistent with its normal sales and trading practices to sell the Shares as directed by the Company. The compensation payable to the Placement Agent for sales of Shares pursuant to the Agreement will be up to 2.0% of the gross sales price for any Shares sold through it as placement agent under the Agreement.

Shares sold under the Agreement, if any, will be issued pursuant to the Company’s shelf registration statement on Form S-3 (No. 333-194775) (the “Registration Statement”), including the prospectus, dated March 24, 2014, and the prospectus supplement, dated March 7, 2017, as the same may be amended or supplemented.

The offering of Shares pursuant to the Agreement will terminate upon the earlier of (1) the sale of all the Shares subject to the Agreement or (2) the termination of the Agreement by the Placement Agent or the Company upon 1 day’s notice.

On March 7, 2017, Skadden, Arps, Slate, Meagher & Flom LLP delivered an opinion (the “Opinion”) to the Company in connection with the Company’s sale from time to time to or through the Placement Agent of up to \$100,000,000 aggregate offering price of the Shares pursuant to the Agreement. The Opinion is being filed herewith, and thereby automatically incorporated by reference into the Registration Statement, in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

(d) Exhibits.

Exhibit
No.

Description

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|------|---|
| 1.1 | Equity Distribution Agreement, dated March 6, 2017, among Western Asset Mortgage Capital Corporation, Western Asset Management Company and JMP Securities LLC |
| 5.1 | Opinion of Skadden, Arps, Slate, Meagher & Flom LLP |
| 23.1 | Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1 hereto) |

SIGNATURE

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.

WESTERN ASSET
MORTGAGE CAPITAL
CORPORATION

By: /s/ Adam C. E. Wright
Adam C. E. Wright
Assistant Secretary

Date: March 9, 2017

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