

**MERIT SECURITIES CORPORATION  
SERIES 11**

|                  |                 |
|------------------|-----------------|
| ISSUE DATE:      | 5/28/1998       |
| UNDERWRITER:     | LEHMAN BROTHERS |
| MASTER SERVICER: | Dynex           |
| TRUSTEE:         | JPMorgan Chase  |
| COLLATERAL TYPE: | ARM / FIXED     |

|                         |                 |
|-------------------------|-----------------|
| REPORTING MONTH:        | Feb-07          |
| PRICING SPEED:          | 18% CPR         |
| CLOSING COLLATERAL BAL: | \$1,591,150,815 |
| CURRENT COLLATERAL BAL: | \$151,861,840   |
| PAYMENT FREQUENCY:      | Monthly/28th    |

**SUMMARY OF STRUCTURE**

| Class      | CUSIP     | Current Coupon | Orig. Avg Life | Original Balance | Current Factor | Current Balance  | Credit Rating |
|------------|-----------|----------------|----------------|------------------|----------------|------------------|---------------|
| Class 2-A3 | 589962DD8 | 0.000%         | 6.0            | 166,560,000      | 0.00000000     | \$0.00           | AAA, Aaa      |
| Class 3-A1 | 589962DE6 | 5.940%         | 4.0            | 262,000,000      | 0.56510899     | \$111,925,592.65 | AAA, Aaa      |
| Class B1   | 589962DF3 | 6.520%         | 9.2            | 59,600,000       | 0.00000000     | \$0.00           | AA, Aa2       |
| Class B2   | 589962DQ1 | 6.820%         | 11.9           | 34,500,000       | 0.50263415     | \$17,340,878.13  | A, A2         |
| Class B3   | 589962DH9 | 7.570%         | 13.8           | 20,000,000       | 1.00000000     | \$20,000,000.00  | B, Baa2       |

| Collateral Information |           |          |
|------------------------|-----------|----------|
|                        | Issuance  | Current  |
| WAC                    | 8.25%     | 8.27%    |
| WAM                    | 308.5     | 220.1    |
| Avg Original LTV       | 78.92%    | 86.65%   |
| Avg Balance            | \$142,116 | \$42,482 |
| Number of Loans        | 10,358    | 3613     |

| Loan Purpose (1) |          |         |
|------------------|----------|---------|
|                  | Issuance | Current |
| Purchase         | 52.26%   | 87.85%  |
| Cash-out Refi    | 24.28%   | 5.60%   |
| Refinance        | 23.45%   | 6.55%   |

| Type of Dwelling Unit (1) |          |         |
|---------------------------|----------|---------|
|                           | Issuance | Current |
| Single Family Detached    | 90.93%   | 12.45%  |
| Manufactured Housing      | 13.89%   | 83.79%  |
| Planned Unit Development  | 9.61%    | 0.53%   |
| Low Rise Condominium      | 3.09%    | 1.70%   |
| Single Family Attached    | 3.95%    | 1.18%   |
| Condominium               | 2.12%    | 0.13%   |
| 2-4 Single Family         | 0.69%    | 0.00%   |
| High Rise Condominium     | 0.11%    | 0.20%   |
| Townhouse                 | 0.02%    | 0.00%   |

| Geographic Distribution (1) |          |         |
|-----------------------------|----------|---------|
|                             | Issuance | Current |
| CA                          | 74.12%   | 12.33%  |
| TX                          | 6.25%    | 20.71%  |
| WA                          | 3.67%    | 1.56%   |
| SC                          | 2.08%    | 13.44%  |
| GA                          | 1.72%    | 9.70%   |
| NC                          | 1.39%    | 8.25%   |
| OTHER                       | 10.76%   | 34.01%  |

| Original LTV Distribution (1) |          |         |
|-------------------------------|----------|---------|
|                               | Issuance | Current |
| <= 50%                        | 2.67%    | 1.30%   |
| 50.01% - 60.00%               | 3.81%    | 1.11%   |
| 60.01% - 70.00%               | 8.92%    | 2.61%   |
| 70.01% - 80.00%               | 37.45%   | 11.86%  |
| 80.01% - 90.00%               | 30.78%   | 33.19%  |
| >= 90.01%                     | 16.38%   | 49.62%  |

| Gross Margin for ARMS (1) |          |         |
|---------------------------|----------|---------|
|                           | Issuance | Current |
| 225-274 BP                | 0.14%    | 0.00%   |
| 275-324 BP                | 97.51%   | 91.70%  |
| 325-374 BP                | 1.39%    | 4.52%   |
| 375-424 BP                | 0.64%    | 1.50%   |
| 425-474 BP                | 0.30%    | 0.00%   |
| 575 BP +                  | 0.29%    | 2.27%   |
| WA Gross Margin           | 2.83%    | 2.95%   |

| Loan Type (1)                       |          |         |
|-------------------------------------|----------|---------|
|                                     | Issuance | Current |
| FIXED                               | 20.66%   | 83.50%  |
| 6mo LIBOR ARM                       | 44.85%   | 14.10%  |
| 1yr CMTARM                          | 34.49%   | 2.40%   |
| WA Months to rate reset (ARMS only) |          | 3.23    |

| Current Delinquency Information (Direct Loans) |         |             |        |
|--|---------|-------------|--------|
|  | # Loans | Balance     | % Pool |
| 30+ Days                                       | 74      | \$2,791,173 | 1.84%  |
| 60+ Days                                       | 27      | \$802,211   | 0.53%  |
| 90+ Days                                       | 15      | \$493,720   | 0.33%  |
| Foreclosure                                    | 24      | \$1,020,172 | 0.67%  |
| REO  | 20      | \$908,225   | 0.60%  |
| Totals   | 160     | \$6,015,501 | 3.96%  |

| Credit Loss Coverage   |             |            |
|------------------------|-------------|------------|
|                        | Balance     | Coverage % |
| Over Collateralization | \$2,595,369 | 1.71%      |

| Current Delinquency Information (Indirect Loans) |         |             |        |
|--|---------|-------------|--------|
|  | # Loans | Balance     | % Pool |
| 30+ Days   | 8       | \$1,119,871 | 0.74%  |
| 60+ Days   | 1       | \$199,723   | 0.13%  |
| 90+ Days   | 2       | \$414,503   | 0.27%  |
| Foreclosure                                      | 2       | \$439,535   | 0.29%  |
| REO  | 0       | \$0         | 0.00%  |
| Totals   | 13      | \$2,173,632 | 1.43%  |

(1) Percentages reflect distribution by loan balance.