

**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:	May-06
PRICING SPEED:	18% CPR
CLOSING COLLATERAL BAL:	\$1,591,150,815
CURRENT COLLATERAL BAL:	\$171,205,927
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	5.620%	4.0	262,000,000	0.60849867	\$120,519,361.53	AAA, Aaa
Class B1	589962DF3	6.200%	9.2	59,600,000	0.00000000	\$0.00	AA, Aa2
Class B2	589962DQ1	6.500%	11.9	34,500,000	0.76256930	\$26,308,640.92	A, A2
Class B3	589962DH9	7.250%	13.8	20,000,000	1.00000000	\$20,000,000.00	B, Baa2

Collateral Information		
	Issuance	Current
WAC	8.25%	8.10%
WAM	308.5	226.7
Avg Original LTV	78.92%	86.28%
Avg Balance	\$142,116	\$44,411
Number of Loans	10,358	3855

Loan Purpose (1)		
	Issuance	Current
Purchase	52.26%	85.79%
Cash-out Refi	24.28%	6.72%
Refinance	23.45%	7.50%

Type of Dwelling Unit (1)		
	Issuance	Current
Single Family Detached	90.93%	15.53%
Manufactured Housing	13.89%	80.69%
Planned Unit Development	9.61%	0.49%
Low Rise Condominium	3.09%	1.89%
Single Family Attached	3.95%	1.09%
Condominium	2.12%	0.12%
2-4 Single Family	0.69%	0.00%
High Rise Condominium	0.11%	0.19%
Townhouse	0.02%	0.00%

Geographic Distribution (1)		
	Issuance	Current
CA	74.12%	14.44%
TX	6.25%	20.38%
WA	3.67%	2.13%
SC	2.08%	12.78%
GA	1.72%	9.15%
NC	1.39%	7.91%
OTHER	10.76%	33.21%

Original LTV Distribution (1)		
	Issuance	Current
<= 50%	2.67%	1.21%
50.01% - 60.00%	3.81%	1.12%
60.01% - 70.00%	8.92%	3.76%
70.01% - 80.00%	37.45%	12.69%
80.01% - 90.00%	30.78%	32.57%
>= 90.01%	16.38%	48.36%

Gross Margin for ARMS (1)		
	Issuance	Current
225-274 BP	0.14%	0.00%
275-324 BP	97.51%	93.07%
325-374 BP	1.39%	3.79%
375-424 BP	0.64%	1.15%
425-474 BP	0.30%	0.00%
575 BP +	0.29%	1.98%
WA Gross Margin	2.83%	2.93%

Loan Type (1)		
	Issuance	Current
FIXED	20.66%	80.38%
6mo LIBOR ARM	44.85%	15.81%
1yr CMTARM	34.49%	3.82%
WA Months to rate reset (ARMS only)		3.72

Current Delinquency Information (Direct Loans)			
	# Loans	Balance	% Pool
30+ Days	88	\$3,206,320	1.87%
60+ Days	24	\$930,442	0.54%
90+ Days	14	\$551,675	0.32%
Foreclosure	23	\$1,027,067	0.60%
REO	18	\$728,686	0.43%
Totals	167	\$6,444,190	3.76%

Credit Loss Coverage		
	Balance	Coverage %
Over Collateralization	\$4,377,924	2.56%

Current Delinquency Information (Indirect Loans)			
	# Loans	Balance	% Pool
30+ Days	9	\$1,454,321	0.85%
60+ Days	2	\$270,565	0.16%
90+ Days	1	\$67,585	0.04%
Foreclosure	1	\$288,679	0.17%
REO	0	\$0	0.00%
Totals	13	\$2,081,151	1.22%

(1) Percentages reflect distribution by loan balance.