

**MERIT SECURITIES CORPORATION
SERIES 12-1**

ISSUE DATE:	3/29/1999
UNDERWRITER:	LEHMAN BROTHERS
MASTER SERVICER:	Dynex
TRUSTEE:	JPMorgan Chase
COLLATERAL TYPE:	ARM / FIXED

REPORTING MONTH:	Jan-06
PRICING SPEED:	200% MHP
CLOSING COLLATERAL BAL:	\$360,878,017
CURRENT COLLATERAL BAL:	\$175,434,281
PAYMENT FREQUENCY:	Monthly/28th

SUMMARY OF STRUCTURE

Class	CUSIP	Current Coupon	Orig. Avg Life	Original Balance	Current Factor	Current Balance	Credit Rating
Class A-3	589962CM9	6.950%	4.60	132,523,000	0.71909731	\$95,296,933.37	AAA, Baa2
Class M-1	589962CN7	7.630%	5.00	32,000,000	1.00000000	\$32,000,000.00	BBB-, Ca
Class M2	589962CP2	8.350%	5.00	24,889,000	1.00000000	\$24,889,000.00	B, C
Class B1	589962CQ0	9.980%	5.00	17,778,000	1.00000000	\$17,778,000.00	CC, C

Collateral Information		
	Issuance	Current
WAC	8.52%	8.16%
WAM	309.4	241.4
Avg Original LTV	86.40%	86.64%
Avg Balance	\$44,449	\$40,704
Number of Loans	8,119	4310

Loan Purpose (1)		
	Issuance	Current
Purchase	89.38%	91.71%
Cash-out Refi	0.00%	0.00%
Refinance	10.62%	8.29%

Type of Dwelling Unit (1)		
	Issuance	Current
Manufactured Housing	100.00%	100.00%

Geographic Distribution (1)		
	Issuance	Current
TX	16.41%	16.56%
NC	14.78%	16.92%
MI	10.68%	8.36%
SC	10.19%	11.64%
OTHER	47.94%	46.52%

Original LTV Distribution (1)		
	Issuance	Current
<= 50%	0.94%	0.48%
50.01% - 60.00%	1.32%	0.89%
60.01% - 70.00%	3.41%	3.17%
70.01% - 80.00%	13.88%	14.43%
80.01% - 90.00%	50.32%	53.28%
>= 90.01%	30.12%	27.75%

Gross Margin for ARMS (1)		
	Issuance	Current
580-580 BP	100.00%	100.00%
WA Gross Margin	5.80%	5.80%

Loan Type (1)		
	Issuance	Current
FIXED	98.20%	99.08%
6mo LIBOR ARM	1.80%	0.92%

Current Delinquency Information (Direct Loans)			
	# Loans	Balance	% Pool
30+ Days	104	\$4,102,393	2.34%
60+ Days	28	\$1,260,562	0.72%
90+ Days	41	\$1,773,511	1.01%
Foreclosure	53	\$2,351,277	1.34%
REO	34	\$1,698,577	0.97%
Totals	260	\$11,186,321	6.38%

Credit Loss Coverage		
	Balance	Coverage %
Over Collateralization	\$5,470,348	3.12%

(1) Percentages reflect distribution by loan balance.