

**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-07
PRICING SPEED:	200% MHP
CLOSING COLLATERAL BAL:	\$360,878,017
CURRENT COLLATERAL BAL:	\$154,450,379
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	0.60639955	\$80,361,887.17	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	0.87852135	\$15,618,352.57	CC, C

Collateral Information		
	Issuance	Current
WAC	8.52%	8.14%
WAM	309.4	231.2
Avg Original LTV	86.40%	86.66%
Avg Balance	\$44,449	\$39,910
Number of Loans	8,119	3870

Loan Purpose (1)		
	Issuance	Current
Purchase	89.38%	91.88%
Cash-out Refi	0.00%	0.00%
Refinance	10.62%	8.12%

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

Geographic Distribution (1)		
	Issuance	Current
TX	16.41%	16.78%
NC	14.78%	17.03%
MI	10.68%	8.12%
SC	10.19%	11.78%
OTHER	47.94%	46.29%

Original LTV Distribution (1)		
	Issuance	Current
<= 50%	0.94%	0.44%
50.01% - 60.00%	1.32%	0.85%
60.01% - 70.00%	3.41%	3.14%
70.01% - 80.00%	13.88%	14.54%
80.01% - 90.00%	50.32%	53.80%
>= 90.01%	30.12%	27.22%

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%	99.17%
6mo LIBOR ARM	1.80%	0.83%

Current Delinquency Information (Direct Loans)			
	# Loans	Balance	% Pool
30+ Days	97	\$3,933,557	2.55%
60+ Days	22	\$716,450	0.46%
90+ Days	19	\$766,557	0.50%
Foreclosure	28	\$1,216,409	0.79%
REO	26	\$994,972	0.64%
Totals	192	\$7,627,945	4.94%

Credit Loss Coverage		
	Balance	Coverage %
Over Collateralization	\$1,581,139	1.02%

(1) Percentages reflect distribution by loan balance.