

**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-10 |
| PRICING SPEED: | 200% MHP |
| CLOSING COLLATERAL BAL: | \$360,878,017 |
| CURRENT COLLATERAL BAL: | \$113,617,307 |
| 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 | 0.37669789 | \$49,921,133.86 | AAA, Baa2 |
| Class M-1 | 589962CN7 | 7.630% | 5.00 | 32,000,000 | 1.00000000 | \$32,000,000.00 | BB+, 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 | 0.32319270 | \$5,745,719.78 | C, C |

| Collateral Information | | |
|------------------------|----------|----------|
| | Issuance | Current |
| WAC | 8.52% | 8.03% |
| WAM | 309.4 | 202.0 |
| Avg Original LTV | 86.40% | 86.81% |
| Avg Balance | \$44,449 | \$37,522 |
| Number of Loans | 8,119 | 3028 |

| Loan Purpose (1) | | |
|------------------|----------|---------|
| | Issuance | Current |
| Purchase | 89.38% | 93.07% |
| Cash-out Refi | 0.00% | 0.00% |
| Refinance | 10.62% | 6.93% |

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

| Geographic Distribution (1) | | |
|-----------------------------|----------|---------|
| | Issuance | Current |
| TX | 16.41% | 16.62% |
| NC | 14.78% | 17.92% |
| MI | 10.68% | 7.14% |
| SC | 10.19% | 12.32% |
| OTHER | 47.94% | 46.00% |

| Original LTV Distribution (1) | | |
|-------------------------------|----------|---------|
| | Issuance | Current |
| <= 50% | 0.94% | 0.35% |
| 50.01% - 60.00% | 1.32% | 0.77% |
| 60.01% - 70.00% | 3.41% | 2.91% |
| 70.01% - 80.00% | 13.88% | 14.66% |
| 80.01% - 90.00% | 50.32% | 54.52% |
| >= 90.01% | 30.12% | 26.79% |

| 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% | 99.30% |
| 6mo LIBOR ARM | 1.80% | 0.70% |

| Current Delinquency Information (Direct Loans) | | | |
|--|---------|-------------|--------|
| | # Loans | Balance | % Pool |
| 30+ Days | 38 | \$1,235,375 | 1.09% |
| 60+ Days | 8 | \$269,762 | 0.24% |
| 90+ Days | 13 | \$416,175 | 0.37% |
| Foreclosure | 16 | \$724,880 | 0.64% |
| REO | 18 | \$706,430 | 0.62% |
| Totals | 93 | \$3,352,621 | 2.96% |

| Credit Loss Coverage | | |
|------------------------|-------------|------------|
| | Balance | Coverage % |
| Over Collateralization | \$1,061,453 | 0.93% |

(1) Percentages reflect distribution by loan balance.