

**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:	May-10
PRICING SPEED:	200% MHP
CLOSING COLLATERAL BAL:	\$360,878,017
CURRENT COLLATERAL BAL:	\$109,534,200
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	0.35346115	\$46,841,731.34	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	0.26944615	\$4,790,213.72	C, C

Collateral Information		
	Issuance	Current
WAC	8.52%	8.02%
WAM	309.4	198.7
Avg Original LTV	86.40%	86.81%
Avg Balance	\$44,449	\$37,193
Number of Loans	8,119	2945

Loan Purpose (1)		
	Issuance	Current
Purchase	89.38%	93.04%
Cash-out Refi	0.00%	0.00%
Refinance	10.62%	6.96%

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

Geographic Distribution (1)		
	Issuance	Current
TX	16.41%	16.63%
NC	14.78%	17.91%
MI	10.68%	6.95%
SC	10.19%	12.39%
OTHER	47.94%	46.12%

Original LTV Distribution (1)		
	Issuance	Current
<= 50%	0.94%	0.36%
50.01% - 60.00%	1.32%	0.75%
60.01% - 70.00%	3.41%	2.96%
70.01% - 80.00%	13.88%	14.68%
80.01% - 90.00%	50.32%	54.44%
>= 90.01%	30.12%	26.82%

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%	99.29%
6mo LIBOR ARM	1.80%	0.71%

Current Delinquency Information (Direct Loans)			
	# Loans	Balance	% Pool
30+ Days	32	\$1,122,604	1.02%
60+ Days	10	\$357,217	0.33%
90+ Days	7	\$250,226	0.23%
Foreclosure	17	\$804,441	0.73%
REO	13	\$603,955	0.55%
Totals	79	\$3,138,443	2.86%

Credit Loss Coverage		
	Balance	Coverage %
Over Collateralization	\$1,013,255	0.93%

(1) Percentages reflect distribution by loan balance.