

MERIT SECURITIES CORPORATION

Monthly Payment Report

Payment Statement

MERIT 7

Payment Date: 28-Jan-99

Reporting Month: December

Class	Class Interest Rate	Beginning Balance	Interest Accrual	Interest Payment	Principal Payment	Total Distribution	Applied Losses	Ending Balance
Class A-1	6.144380%	\$111,702,539.20	\$571,952.37	\$571,952.37	\$8,762,599.77	\$9,334,552.14	\$0.00	\$102,939,939.43
Class A-2	15.000000%	\$45,500,000.00	\$568,750.00	\$568,750.00	\$0.00	\$568,750.00	\$0.00	\$45,500,000.00
Class A-3	7.000000%	\$10,461,089.87	\$61,023.02	\$61,023.02	\$1,435,977.25	\$1,497,000.27	\$0.00	\$9,025,112.63
Class A-4	7.500000%	\$7,000,000.00	\$43,750.00	\$43,750.00	\$0.00	\$43,750.00	\$0.00	\$7,000,000.00
Class A-5	6.664380%	\$4,382,252.60	\$24,337.50	\$24,337.50	\$134,464.47	\$158,801.97	\$0.00	\$4,247,788.13
		\$179,045,881.67	\$1,269,812.89	\$1,269,812.89	\$10,333,041.49	\$11,602,854.38	\$0.00	\$168,712,840.19

Class	CUSIP	Priority	PrincipalType	Interest Type
Class A-1	589962AT6	Senior	Sequential	Floater
Class A-2	589962AU3	Senior	Sequential	Floater
Class A-3	589962AV1	Senior	Sequential	Fixed
Class A-4	589962AW	Senior	Sequential	Fixed
Class A-5	589962AX7	Senior	Sequential	Floater

MERIT SECURITIES CORPORATION

Payments per Bond Denomination

MERIT 7

Payment Date: 28-Jan-99

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Class	Original Balance	Original Pct Pool	Integral Denomination	Record Date	Interest Accrual Factor	Interest Payment Factor	Principal Payment Factor	Ending Balance	Remaining Principal Factor
Class A-1	\$435,000,000.00	78.06%	\$1,000.00	31-Dec-98	1.31483303	1.31483303	20.14390752	\$102,939,939.43	0.23664354
Class A-2	\$45,500,000.00	8.17%	\$1,000.00	31-Dec-98	12.50000000	12.50000000	0.00000000	\$45,500,000.00	1.00000000
Class A-3	\$26,300,000.00	4.72%	\$1,000.00	31-Dec-98	2.32026692	2.32026692	54.59989544	\$9,025,112.63	0.34316018
Class A-4	\$7,000,000.00	1.26%	\$1,000.00	31-Dec-98	6.25000000	6.25000000	0.00000000	\$7,000,000.00	1.00000000
Class A-5	\$14,750,000.00	2.65%	\$1,000.00	31-Dec-98	1.65000000	1.65000000	9.11623525	\$4,247,788.13	0.28798564
\$528,550,000.00								\$168,712,840.19	

MERIT SECURITIES CORPORATION

Funds Account Activity Report

MERIT 7

Payment Date: 28-Jan-99

Report Date: December

Collateral Proceeds Account

Beginning Balance \$0.00

Deposits

Interest Net of Servicing Fee \$1,462,102.40

Principal \$11,358,425.16

Deposits From Reserve Fund \$0.00

Other Deposits \$0.00

Total Deposit \$12,820,527.56

Withdrawals

Interest Payments \$1,269,812.89

Principal Payments \$10,333,041.49

Surplus \$1,199,395.96

MBIA Fee \$18,277.22

Discount Principal Reserve \$0.00

Total Withdrawals \$12,820,527.56

Ending Balance \$0.00

Note: "Principal" and Interest Net of Servicing Fee" includes Advances on Delinquencies

MERIT SECURITIES CORPORATION

Credit Enhancement Summary

MERIT 7

Payment Date: 28-Jan-99

Reporting Month #Error#

Reserve Funds and Subordination

Type	Initial Coverage		Beginning Coverage		Adjustments ¹	Losses	Insured Balance	Ending Coverage	
	%	\$	%	\$	\$	\$	\$	%	\$
Pool Over Collateralization Amount	5.15%	\$28,702,601.63	10.30%	\$20,559,337.58	(\$1,025,383.67)	161,130.57	\$188,085,663.56	10.30%	\$19,372,823.34

Surplus Summary

Class	Total Distribution
Surplus	\$1,199,395.96

Delinquency Statistics

	<u># of Loans</u>	<u>Current Balance</u>	<u>% of Current Balance</u>
30+ Days	78	\$10,082,505	5.36%
60+ Days	22	\$2,447,749	1.30%
90+ Days	31	\$5,218,745	2.77%
Foreclosure	63	\$8,166,631	4.34%
REO	33	\$4,381,038	2.33%
Totals	227	\$30,296,668	16.11%

Advances on Delinquencies \$204,451.86

Non-Recoverable Advances on Delinquencies \$0.00

1) Release of funds in excess of Target Overcollateralization Amount. See Indenture, Prospectus and their respective Supplements for complete details