

MERIT Securities Corporation

Funds Account Activity Summary

MERIT Series 12-2

Payment Date: 28-Jan-02
Reporting Month: Dec-01

Collateral Proceeds Account

Beginning Balance \$0.00

Deposits

Interest Net of Servicing Fee	\$2,513,298.70
Principal	\$15,496,879.44
Deposits from Reserve Fund	\$793.58
Other Deposits	\$0.00
Total Deposits	\$18,010,971.72

Withdrawals

Interest Payments	\$840,546.88
Principal Payment	\$14,492,727.89
Surplus	\$2,645,212.11
Collateralized Reserve Fund	\$32,484.84
Total Withdrawals	\$18,010,971.72
Ending Balance	\$0.00

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

MERIT Securities Corporation

Credit Enhancement Summary

MERIT Series 12-2

Payment Date: 28-Jan-02
Reporting Month: Dec-01

Type	Purpose	Initial Coverage		Beginning Period Coverage		Adjustments(1)	Losses	Ending Collateral Balance	Ending Period Coverage	
		%	\$	%	\$				%	\$
Credit Enhancement		3.14%	33,922,914.00	6.28%	25,153,074.99	(972,460.29)	793.58	\$385,028,998.79	6.28%	24,179,821.12

Type	Beginning Balance	Current Deposits	Withdrawals for Losses	Adjustment	Ending Reserve Balance
Collateralized Reserve Fund (Included in above coverage amount)	0.00	32,484.84	793.58	0.00	\$31,691.26

Surplus Summary

Class	Total Distribution
Surplus	\$2,645,212.11

Delinquency Statistics

UNDERLYING LOANS*

	# of Loans	% of Underlying Loans	
		Current Balance	Current Balance
30 Days	52	\$6,944,482	4.78%
60 Days	22	\$3,096,000	2.13%
90 + days	32	\$5,180,119	3.56%
F/C	25	\$3,959,003	2.72%
REO	7	\$1,384,547	0.95%
	138	\$20,564,151	14.15%

DIRECTLY HELD LOANS**

	# of Loans	% of Directly Held Loans	
		Current Balance	Current Balance
30 Days	60	\$8,956,416	3.75%
60 Days	13	\$1,135,207	0.48%
90 + days	49	\$5,049,718	2.12%
F/C	32	\$4,384,746	1.84%
REO	13	\$1,457,463	0.61%
	167	\$20,983,550	8.80%

*Covered by various Pool Insurance policies

** Not covered by Pool Insurance policy

(1) Adjustment equates to principal released to maintain the Target Over Collateralization Amount