

MERIT SECURITIES CORPORATION
MERIT Series 12-2

Closing Date :	3/26/99
Underwriter :	Lehman Brothers
Master Servicer :	Dynex
Trustee :	Chase Bank of Texas
Collateral Type :	ARM / FIXED

Reporting Month :	Dec-01
Pricing Speed :	35% CPR
Closing Collateral Balance :	\$1,081,624,914
Current Collateral Balance :	\$385,029,293
Payment Frequency :	Monthly/ 28th

SUMMARY OF STRUCTURE

Class	Cusip	Priority	Current Coupon	Original Avg Life	Original Balance	Current Factor	Current Balance	Credit Rating
2A-1	589962CE7	Senior	0.000%	0.4	\$290,000,000	0.00000000	\$0	AAA, AAA
2A-2	589962CF4	Senior	2.526%	2.4	\$690,369,000	0.42520473	\$293,548,164	AAA, AAA
2B-1	589962CJ6	Subordinate	5.426%	8.0	\$13,467,000	1.00000000	\$13,467,000	BBB, BBB
2M-1	589962CG2	Subordinate	2.726%	5.9	\$26,933,000	1.00000000	\$26,933,000	AA, AA
2M-2	589962CH0	Subordinate	3.126%	6.9	\$26,933,000	1.00000000	\$26,933,000	A, A

Type of Dwelling Unit (1)		
	Issuance	Current
Single Family Detached	76.16 %	74.04 %
Single Family Attached	11.05 %	11.95 %
Low Rise Condominium	3.89 %	3.36 %
Cooperative	3.36 %	5.38 %
Planned Unit Development	1.86 %	1.70 %
Condominium	1.65 %	1.75 %
High Rise Condominium	0.43 %	0.35 %
2-4 Single Family	0.38 %	0.27 %
Townhouse	0.35 %	0.30 %
Deminimus PUD	0.27 %	0.36 %
Manufactured Housing	0.25 %	0.36 %
Land Only	0.05 %	0.13 %

Loan Purpose (1)		
	Issuance	Current
Purchase	42.41 %	41.00 %
Refinance	28.84 %	27.60 %
Cash-out Refinance	28.44 %	31.37 %

Geographic Distribution (1)		
	Issuance	Current
CA	44.52 %	37.99 %
NY	7.64 %	10.30 %
MD	5.54 %	6.90 %
FL	5.10 %	4.76 %
Other	37.21 %	40.05 %

Collateral Information		
	Issuance	Current
WAC	8.54 %	8.05 %
WAM	290.7	257.9
Avg Original LTV	74.16 %	72.65 %
Avg Balance	\$180,599	\$166,047
Number of Loans	5970	2318

Gross Margin For Arms (1)		
	Issuance	Current
-88--39BP	0.51 %	0.74 %
-38-11 BP	10.88 %	13.88 %
162-211 BP	9.78 %	14.03 %
212-261 BP	6.62 %	9.62 %
262-311 BP	42.31 %	36.30 %
312-361 BP	15.21 %	12.50 %
362-411 BP	5.67 %	5.07 %
412-461 BP	0.93 %	0.81 %
462-511 BP	1.18 %	0.86 %
512-561 BP	2.27 %	2.11 %
562-611 BP	2.18 %	2.04 %
612-661 BP	1.20 %	0.81 %
662-711 BP	0.88 %	0.68 %
712-761 BP	0.32 %	0.47 %
762-811 BP	0.03 %	0.06 %
812-861 BP	0.00 %	0.00 %
862+ BP	0.00 %	0.00 %
WA Gross Margin	2.76 %	2.57 %
WA Net Margin	2.76 %	2.57 %

Original LTV Distribution (1)		
	Issuance	Current
<= 50.00%	8.47 %	10.38 %
50.01% - 60.00%	6.17 %	8.12 %
60.01% - 70.00%	17.04 %	17.32 %
70.01% - 80.00%	40.26 %	40.82 %
80.01% - 90.00%	16.68 %	14.92 %
>= 90.01%	11.06 %	8.40 %

Arm Adjustment Information (2) - First Twelve Reset Dates			
Reset Date	Balance	% Balance	GWAC
2/1/02	\$47,213,063	12.26%	8.11 %
3/1/02	\$38,853,292	10.09%	7.58 %
4/1/02	\$37,581,654	9.76%	7.75 %
5/1/02	\$48,466,093	12.59%	7.49 %
6/1/02	\$41,153,887	10.69%	6.99 %
7/1/02	\$43,267,774	11.24%	7.67 %
8/1/02	\$3,117,925	0.81%	7.35 %
9/1/02	\$4,728,102	1.23%	6.98 %
10/1/02	\$8,406,336	2.18%	7.18 %
11/1/02	\$5,721,438	1.49%	7.39 %
12/1/02	\$8,206,566	2.13%	7.08 %
1/1/03	\$7,524,768	1.95%	9.12 %
WA Months to roll (ARM Loans only)	4.4		

Current Delinquency Information for Direct Loans				
Label Name	#Loans	%Pool	Balance	%Pool
30+ Days	60	2.59 %	\$8,956,416	2.33 %
60+ Days	13	0.56 %	\$1,135,207	0.29 %
90+ Days	49	2.11 %	\$5,049,718	1.31 %
Foreclosure	32	1.38 %	\$4,384,746	1.14 %
REO	13	0.56 %	\$1,457,463	0.38 %
Totals	167	7.20 %	\$20,983,550	5.45 %

Current Delinquency Information for Indirect Loans				
Label Name	#Loans	%Pool	Balance	%Pool
30+ Days	52	2.24 %	\$6,944,482	1.80 %
60+ Days	22	0.95 %	\$3,096,000	0.80 %
90+ Days	32	1.38 %	\$5,180,119	1.35 %
Foreclosure	25	1.08 %	\$3,959,003	1.03 %
REO	7	0.30 %	\$1,384,547	0.36 %
Totals	138	5.95 %	\$20,564,150	5.34 %

Credit Loss Coverage				
	Issuance	Cover %	Current	Cover %
Over Collateralization	\$33,922,914	3.14 %	\$25,120,590	6.52 %

Approximate CPR Prepayment Information				
1 MONTH	3 MONTH	6 MONTH	12 MONTH	LIFE
49 %	46 %	46 %	44 %	39 %

(1) Percentages reflect distribution by loan balance .

(2) Approximately 23 % of the mortgage loans are fixed rate with a WA Gross rate of 9.34%