

MERIT SECURITIES CORPORATION

Monthly Payment Report

Payment Statement

**MERIT Series 4**

Payment Date: 28-Jan-02

Reporting Month: December

| Class     | Class Interest Rate | Beginning Balance      | Interest Accrual    | Interest Payment    | Principal Payment     | Total Distribution    | Applied Losses | Ending Balance         |
|-----------|---------------------|------------------------|---------------------|---------------------|-----------------------|-----------------------|----------------|------------------------|
| Merit4 A1 | 0.000000%           | \$0.00                 | \$0.00              | \$0.00              | \$0.00                | \$0.00                | \$0.00         | \$0.00                 |
| Merit4 A2 | 8.314380%           | \$24,610,438.82        | \$170,517.03        | \$170,517.03        | \$1,168,071.63        | \$1,338,588.66        | \$0.00         | \$23,442,367.19        |
|           |                     | <b>\$24,610,438.82</b> | <b>\$170,517.03</b> | <b>\$170,517.03</b> | <b>\$1,168,071.63</b> | <b>\$1,338,588.66</b> | <b>\$0.00</b>  | <b>\$23,442,367.19</b> |

| Class     | CUSIP     | Priority | PrincipalType | Interest Type |
|-----------|-----------|----------|---------------|---------------|
| Merit4 A1 | 589962AJ8 | Senior   | Sequential    | Floater       |
| Merit4 A2 | 589962AK5 | Senior   | Sequential    | Floater       |

MERIT SECURITIES CORPORATION

Payments per Bond Denomination

**MERIT Series 4**

Payment Date: 28-Jan-02

Reporting Month: December

| Class     | Original Balance        | Original Pct Pool | Integral Denomination | Record Date | Interest Accrual Factor | Interest Payment Factor | Principal Payment Factor | Ending Balance         | Remaining Principal Factor |
|-----------|-------------------------|-------------------|-----------------------|-------------|-------------------------|-------------------------|--------------------------|------------------------|----------------------------|
| Merit4 A1 | \$326,920,000.00        | 84.50%            | \$1,000.00            | 31-Dec-01   | 0.00000000              | 0.00000000              | 0.00000000               | \$0.00                 | 0.00000000                 |
| Merit4 A2 | \$42,573,000.00         | 11.00%            | \$1,000.00            | 31-Dec-01   | 4.00528574              | 4.00528574              | 27.43691142              | \$23,442,367.19        | 0.55063931                 |
|           | <b>\$369,493,000.00</b> |                   |                       |             |                         |                         |                          | <b>\$23,442,367.19</b> |                            |

MERIT SECURITIES CORPORATION

**Funds Account Activity Report**

**MERIT Series 4**

**Payment Date: 28-Jan-02**

**Report Date: December**

**Collateral Proceeds Account**

Beginning Balance \$0.00

**Deposits**

Interest Net of Servicing Fee \$243,297.70  
 Principal \$1,168,559.72  
 Deposits From Reserve Fund \$0.00  
 Other Deposits \$0.00

**Total Deposit \$1,411,857.42**

**Withdrawals**

Interest Payments \$170,517.03  
 Principal Payments \$1,168,071.63  
 Surplus \$69,264.31  
 FSA Fee \$3,516.36  
 Discount Principal Reserve \$488.09

**Total Withdrawals \$1,411,857.42**

Ending Balance \$0.00

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

**MERIT SECURITIES CORPORATION**

Credit Enhancement Summary

**MERIT Series 4**

Payment Date: 28-Jan-02  
 Reporting Month: December

Reserve Funds and Subordination

| Type                               | Initial Coverage |                 | Beginning Coverage |                 | Adjustments | Losses | Insured Balance | Ending Coverage |                 |
|------------------------------------|------------------|-----------------|--------------------|-----------------|-------------|--------|-----------------|-----------------|-----------------|
|                                    | %                | \$              | %                  | \$              |             |        |                 | %               | \$              |
| Pool Over Collateralization Amount | 4.50%            | \$17,411,678.00 | 29.10%             | \$10,070,257.59 |             |        | \$33,438,682.08 | 30.12%          | \$10,070,257.59 |

|                                                                           | Beginning Balance | Current Deposits | Adjustments | Losses | Ending DPR Balance |
|---------------------------------------------------------------------------|-------------------|------------------|-------------|--------|--------------------|
| Discount Principal Reserve Account<br>(Included in above coverage amount) | \$73,454.89       | \$488.09         | \$0.00      |        | \$73,942.98        |

Insurance Policies

| Type             | Initial Coverage |                | Beginning Coverage |                | Adjustments | Losses | Insured Balance | Ending Coverage |                |
|------------------|------------------|----------------|--------------------|----------------|-------------|--------|-----------------|-----------------|----------------|
|                  | %                | \$             | %                  | \$             |             |        |                 | %               | \$             |
| Insurance Policy | 25.00%           | \$2,987,981.88 | 328.19%            | \$2,987,981.88 |             |        | \$693,611.41    | 430.79%         | \$2,987,981.88 |

Surplus Summary

| Class   | Total Distribution |
|---------|--------------------|
| Surplus | \$69,264.31        |

Delinquency Statistics

|             | # of Loans | Current Balance | % of Current Balance |
|-------------|------------|-----------------|----------------------|
| 30+ Days    | 20         | \$2,625,230     | 7.85%                |
| 60+ Days    | 7          | \$941,082       | 2.81%                |
| 90+ Days    | 9          | \$1,293,930     | 3.87%                |
| Foreclosure | 13         | \$2,197,913     | 6.57%                |
| REO         | 5          | \$1,089,963     | 3.26%                |
| Totals      | 54         | \$8,148,118     | 24.37%               |

Advances on Delinquencies \$73,173.00  
 Non-Recoverable Advances on Delinquencies \$0.00