

MERIT Securities Corporation

Funds Account Activity Summary

MERIT Series 12-2

Payment Date: 28-Feb-02

Reporting Month Jan-02

Collateral Proceeds Account

Beginning Balance \$0.00

Deposits

Interest Net of Servicing Fee \$2,353,400.94

Principal \$38,723,924.66

Deposits from Reserve Fund \$15,744.95

Other Deposits \$0.00

Total Deposits \$41,093,070.55

Withdrawals

Interest Payments \$780,074.22

Principal Payment \$36,265,296.01

Surplus \$3,990,433.02

Collateralized Reserve Fund \$57,267.30

Total Withdrawals \$41,093,070.55

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-Feb-02

Reporting Month Jan-02

| 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% | 24,179,821.12 | (2,417,106.30) | 15,744.95 | \$346,289,329.18 | 6.28% | 21,746,969.87 |

| Type | Beginning Balance | Current Deposits | Withdrawals for Losses | Adjustment | Ending Reserve Balance |
|--|-------------------|------------------|------------------------|------------|------------------------|
| Collateralized Reserve Fund (Included in above coverage amount) | 31,691.26 | 57,267.30 | 15,744.95 | 0.00 | \$73,213.61 |

Surplus Summary

| Class | Total Distribution |
|---------|--------------------|
| Surplus | \$3,990,433.02 |

Delinquency Statistics

| | # of Loans | % of Underlying Loans | |
|-----------|------------|-----------------------|-----------------|
| | | Current Balance | Current Balance |
| 30 Days | 51 | \$7,616,543 | 6.42% |
| 60 Days | 17 | \$2,308,034 | 1.95% |
| 90 + days | 31 | \$4,847,274 | 4.09% |
| F/C | 26 | \$3,488,186 | 2.94% |
| REO | 7 | \$1,493,701 | 1.26% |
| | 132 | \$19,753,738 | 16.65% |

| | # of Loans | % of Directly Held Loans | |
|-----------|------------|--------------------------|-----------------|
| | | Current Balance | Current Balance |
| 30 Days | 45 | \$7,702,281 | 3.40% |
| 60 Days | 25 | \$2,709,708 | 1.20% |
| 90 + days | 47 | \$5,174,040 | 2.28% |
| F/C | 26 | \$3,694,665 | 1.63% |
| REO | 17 | \$1,796,260 | 0.79% |
| | 160 | \$21,076,954 | 9.30% |

*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