

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 :	Jan-02
Pricing Speed :	35% CPR
Closing Collateral Balance :	\$1,081,624,914
Current Collateral Balance :	\$346,289,623
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	2.370%	2.4	\$690,369,000	0.37267442	\$257,282,868	AAA, AAA
2B-1	589962CJ6	Subordinate	5.770%	8.0	\$13,467,000	1.00000000	\$13,467,000	BBB, BBB
2M-1	589962CG2	Subordinate	2.570%	5.9	\$26,933,000	1.00000000	\$26,933,000	AA, AA
2M-2	589962CH0	Subordinate	3.470%	6.9	\$26,933,000	1.00000000	\$26,933,000	A, A

Type of Dwelling Unit (1)		
	Issuance	Current
Single Family Detached	76.16 %	72.70 %
Single Family Attached	11.05 %	12.85 %
Low Rise Condominium	3.89 %	3.54 %
Cooperative	3.36 %	5.96 %
Planned Unit Development	1.86 %	1.78 %
Condominium	1.65 %	1.54 %
High Rise Condominium	0.43 %	0.34 %
2-4 Single Family	0.38 %	0.23 %
Townhouse	0.35 %	0.13 %
Deminimus PUD	0.27 %	0.37 %
Manufactured Housing	0.25 %	0.38 %
Land Only	0.05 %	0.14 %

Loan Purpose (1)		
	Issuance	Current
Purchase	42.41 %	42.07 %
Refinance	28.84 %	27.10 %
Cash-out Refinance	28.44 %	30.79 %

Geographic Distribution (1)		
	Issuance	Current
CA	44.52 %	35.61 %
NY	7.64 %	10.91 %
MD	5.54 %	7.31 %
FL	5.10 %	4.76 %
Other	37.21 %	41.40 %

Collateral Information		
	Issuance	Current
WAC	8.54 %	7.86 %
WAM	290.7	257.2
Avg Original LTV	74.16 %	72.61 %
Avg Balance	\$180,599	\$160,996
Number of Loans	5970	2150

Gross Margin For Arms (1)		
	Issuance	Current
-88--39BP	0.51 %	0.82 %
-38-11 BP	10.88 %	14.86 %
162-211 BP	9.78 %	15.15 %
212-261 BP	6.62 %	10.38 %
262-311 BP	42.31 %	31.66 %
312-361 BP	15.21 %	13.30 %
362-411 BP	5.67 %	5.43 %
412-461 BP	0.93 %	0.91 %
462-511 BP	1.18 %	0.78 %
512-561 BP	2.27 %	2.33 %
562-611 BP	2.18 %	2.13 %
612-661 BP	1.20 %	0.89 %
662-711 BP	0.88 %	0.77 %
712-761 BP	0.32 %	0.53 %
762-811 BP	0.03 %	0.07 %
812-861 BP	0.00 %	0.00 %
862+ BP	0.00 %	0.00 %
WA Gross Margin	2.76 %	2.55 %
WA Net Margin	2.76 %	2.55 %

Original LTV Distribution (1)		
	Issuance	Current
<= 50.00%	8.47 %	9.93 %
50.01% - 60.00%	6.17 %	8.66 %
60.01% - 70.00%	17.04 %	18.10 %
70.01% - 80.00%	40.26 %	39.89 %
80.01% - 90.00%	16.68 %	14.77 %
>= 90.01%	11.06 %	8.60 %

Arm Adjustment Information (2) - First Twelve Reset Dates			
Reset Date	Balance	% Balance	GWAC
3/1/02	\$37,351,297	10.79%	7.45 %
4/1/02	\$34,000,133	9.82%	7.76 %
5/1/02	\$45,210,934	13.06%	7.39 %
6/1/02	\$37,312,758	10.78%	6.95 %
7/1/02	\$39,778,038	11.49%	6.80 %
8/1/02	\$37,387,430	10.80%	7.68 %
9/1/02	\$3,209,456	0.93%	7.00 %
10/1/02	\$7,046,271	2.03%	7.24 %
11/1/02	\$4,644,599	1.34%	7.44 %
12/1/02	\$6,516,372	1.88%	7.17 %
1/1/03	\$5,070,986	1.46%	7.43 %
2/1/03	\$4,553,301	1.31%	8.56 %
WA Months to roll (ARM Loans only)	4.3		

Current Delinquency Information for Direct Loans				
Label Name	#Loans	%Pool	Balance	%Pool
30+ Days	45	2.09 %	\$7,702,281	2.23 %
60+ Days	25	1.16 %	\$2,709,708	0.78 %
90+ Days	47	2.19 %	\$5,174,040	1.49 %
Foreclosure	26	1.21 %	\$3,694,665	1.07 %
REO	17	0.79 %	\$1,796,260	0.52 %
Totals	160	7.44 %	\$21,076,954	6.09 %

Current Delinquency Information for Indirect Loans				
Label Name	#Loans	%Pool	Balance	%Pool
30+ Days	51	2.37 %	\$7,616,543	2.20 %
60+ Days	17	0.79 %	\$2,308,034	0.67 %
90+ Days	31	1.44 %	\$4,847,274	1.40 %
Foreclosure	26	1.21 %	\$3,488,186	1.01 %
REO	7	0.33 %	\$1,493,701	0.43 %
Totals	132	6.14 %	\$19,753,738	5.71 %

Credit Loss Coverage				
	Issuance	Cover %	Current	Cover %
Over Collateralization	\$33,922,914	3.14 %	\$24,090,863	6.96 %

Approximate CPR Prepayment Information				
1 MONTH	3 MONTH	6 MONTH	12 MONTH	LIFE
56 %	50 %	47 %	47 %	39 %

(1) Percentages reflect distribution by loan balance .

(2) Approximately 24 % of the mortgage loans are fixed rate with a WA Gross rate of 9.36%