

MERIT SECURITIES CORPORATION
MERIT Series 11

| | |
|-------------------|---------------------|
| Closing Date : | 5/28/98 |
| Underwriter : | Lehman Brothers |
| Master Servicer : | Dynex |
| Trustee : | Chase Bank of Texas |
| Collateral Type : | ARM / FIXED |

| | |
|------------------------------|-----------------|
| Reporting Month : | Dec-03 |
| Pricing Speed : | 125% MHP |
| Closing Collateral Balance : | \$1,591,150,815 |
| Current Collateral Balance : | \$256,921,699 |
| Payment Frequency : | Monthly/ 28 th |

SUMMARY OF STRUCTURE

| Class | Cusip | Priority | Current Coupon | Original Avg Life | Original Balance | Current Factor | Current Balance | Credit Rating |
|-------|-----------|-------------|----------------|-------------------|------------------|----------------|-----------------|---------------|
| 1-A1 | 589962BQ1 | Senior | 6.580% | 1.0 | \$262,000,000 | 0.00000000 | \$0 | AAA, AAA |
| 1-A2 | 589962DC0 | Senior | 0.000% | 4.2 | \$238,000,000 | 0.00000000 | \$0 | AAA, AAA |
| 2-A1 | 589962BS7 | Senior | 0.000% | 0.9 | \$300,000,000 | 0.00000000 | \$0 | AAA, AAA |
| 2-A2 | 589962BT5 | Senior | 0.000% | 2.9 | \$200,000,000 | 0.00000000 | \$0 | AAA, AAA |
| 2-A3 | 589962DD8 | Senior | 0.450% | 6.0 | \$166,560,000 | 0.11743263 | \$19,559,578 | AAA, AAA |
| 3-A1 | 589962DE6 | Senior | 0.310% | 4.0 | \$258,173,000 | 0.60177493 | \$155,362,039 | AAA, AAA |
| B1 | 589962DF3 | Subordinate | 0.700% | 9.2 | \$59,600,000 | 0.22995855 | \$13,705,529 | AA, AA |
| B2 | 589962DG1 | Subordinate | 1.000% | 11.9 | \$34,500,000 | 1.00000000 | \$34,500,000 | A, A |
| B3 | 589962DH9 | Subordinate | 1.750% | 13.8 | \$20,000,000 | 1.00000000 | \$20,000,000 | BBB, BBB |

Type of Dwelling Unit (1)

| | Issuance | Current |
|--------------------------|----------|---------|
| Single Family Detached | 68.12 % | 23.50 % |
| Manufactured Housing | 13.89 % | 71.54 % |
| Planned Unit Development | 9.61 % | 1.06 % |
| Low Rise Condominium | 3.09 % | 1.90 % |
| Single Family Attached | 2.34 % | 1.21 % |
| Condominium | 2.12 % | 0.29 % |
| 2-4 Single Family | 0.69 % | 0.25 % |
| High Rise Condominium | 0.11 % | 0.15 % |
| Townhouse | 0.02 % | 0.10 % |

Loan Purpose (1)

| | Issuance | Current |
|--------------------|----------|---------|
| Purchase | 52.26% | 79.99% |
| Cash-out Refinance | 24.28% | 10.43% |
| Refinance | 23.45% | 9.58% |

Geographic Distribution (1)

| | Issuance | Current |
|-------|----------|---------|
| CA | 74.12% | 21.72% |
| TX | 6.25% | 19.72% |
| WA | 3.67% | 2.23% |
| SC | 2.08% | 10.57% |
| GA | 1.72% | 7.89% |
| NC | 1.39% | 6.64% |
| Other | 10.76% | 31.22% |

Collateral Information

| | Issuance | Current |
|------------------|-----------|----------|
| WAC | 8.25% | 7.39% |
| WAM | 308.5 | 248.5 |
| Avg Original LTV | 78.92% | 85.53% |
| Avg Balance | \$142,116 | \$50,239 |
| Number of Loans | 10358 | 5114 |

Gross Margin For Arms (1)

| | Issuance | Current |
|-----------------|----------|---------|
| 225-249BP | 0.05% | 0.00% |
| 250-274 BP | 0.09% | 0.14% |
| 275-299 BP | 83.16% | 73.20% |
| 300-324 BP | 14.35% | 20.05% |
| 325-349 BP | 0.80% | 3.01% |
| 350-374 BP | 0.59% | 0.98% |
| 375-399 BP | 0.51% | 0.91% |
| 400-424 BP | 0.13% | 0.28% |
| 425-449 BP | 0.01% | 0.00% |
| 450-474 BP | 0.02% | 0.05% |
| 575+ BP | 0.29% | 1.39% |
| WA Gross Margin | 2.83% | 2.91% |

Original LTV Distribution (1)

| | Issuance | Current |
|-----------------|----------|---------|
| <= 50.00% | 2.67% | 1.19% |
| 50.01% - 60.00% | 3.81% | 1.37% |
| 60.01% - 70.00% | 8.92% | 4.76% |
| 70.01% - 80.00% | 37.45% | 14.18% |
| 80.01% - 90.00% | 30.78% | 33.39% |
| >= 90.01% | 16.38% | 44.92% |

Arm Adjustment Information (2) - First Twelve Reset Dates

| Reset Date | Balance | % Balance | GWAC |
|------------------------------------|--------------|-----------|---------|
| 2/1/04 | \$15,486,234 | 6.03% | 5.34 % |
| 2/10/04 | \$38,428 | 0.01% | 9.70 % |
| 2/20/04 | \$119,093 | 0.05% | 9.12 % |
| 3/1/04 | \$14,559,244 | 5.67% | 4.89 % |
| 3/15/04 | \$43,058 | 0.02% | 10.25 % |
| 3/20/04 | \$37,192 | 0.01% | 10.25 % |
| 4/1/04 | \$13,033,531 | 5.07% | 4.80 % |
| 4/5/04 | \$68,520 | 0.03% | 9.41 % |
| 4/20/04 | \$85,025 | 0.03% | 9.85 % |
| 5/1/04 | \$9,743,407 | 3.79% | 4.51 % |
| 5/20/04 | \$36,878 | 0.01% | 9.75 % |
| 6/1/04 | \$8,606,665 | 3.35% | 4.75 % |
| WA Months to roll (ARM Loans only) | 3.3 | | |

Current Delinquency Information for Direct Loans

| Label Name | #Loans | %Pool | Balance | %Pool |
|-------------|--------|--------|--------------|--------|
| 30+ Days | 130 | 2.54 % | \$6,236,744 | 2.43 % |
| 60+ Days | 38 | 0.74 % | \$1,471,797 | 0.57 % |
| 90+ Days | 33 | 0.65 % | \$1,304,981 | 0.51 % |
| Foreclosure | 37 | 0.72 % | \$1,528,067 | 0.59 % |
| REO | 44 | 0.86 % | \$1,731,404 | 0.67 % |
| Totals | 282 | 5.51 % | \$12,272,991 | 4.78 % |

Current Delinquency Information for Indirect Loans

| Label Name | #Loans | %Pool | Balance | %Pool |
|-------------|--------|--------|-------------|--------|
| 30+ Days | 17 | 0.33 % | \$2,011,402 | 0.78 % |
| 60+ Days | 5 | 0.10 % | \$919,330 | 0.36 % |
| 90+ Days | 10 | 0.20 % | \$1,754,269 | 0.68 % |
| Foreclosure | 2 | 0.04 % | \$544,803 | 0.21 % |
| REO | 0 | 0.00 % | \$0 | 0.00 % |
| Totals | 34 | 0.66 % | \$5,229,804 | 2.04 % |

| Credit Loss Coverage | | | | |
|--|---------|---------|----------|------|
| Issuance | Cover % | Current | Cover % | |
| Approximate CPR Prepayment Information | | | | |
| 1 MONTH | 3 MONTH | 6 MONTH | 12 MONTH | LIFE |
| 23 % | 22 % | 23 % | 23 % | 30 % |

(1) Percentages reflect distribution by loan balance .

(2) Approximately 71 % of the mortgage loans are fixed rate with a WA Gross rate of 8.39%