

NovaStar Mortgage Funding Trust Series 2003-2

Statement to Certificateholders

August 25, 2003

DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A_1	1,000,000,000.00	996,927,455.20	8,789,585.68	1,206,143.76	9,995,729.44	0.00	0.00	988,137,869.52
A_2	320,000,000.00	318,840,891.46	2,588,658.95	395,362.71	2,984,021.66	0.00	0.00	316,252,232.51
M_1	63,750,000.00	63,750,000.00	0.00	101,557.29	101,557.29	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	133,364.58	133,364.58	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	43,270.83	43,270.83	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	54,895.83	54,895.83	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	63,937.50	63,937.50	0.00	0.00	15,000,000.00
P	100.00	100.00	0.00	87,292.99	87,292.99	0.00	0.00	100.00
TOTALS	1,481,250,100.00	1,477,018,446.66	11,378,244.63	2,085,825.49	13,464,070.12	0.00	0.00	1,465,640,202.03
X_1	1,500,000,100.00	1,495,768,447.91	0.00	5,398,234.10	5,398,234.10	0.00	0.00	1,484,390,203.28
X_2	400,502,570.00	400,502,570.00	0.00	0.00	0.00	0.00	0.00	0.00
O	18,750,001.00	18,750,001.24	0.00	0.00	0.00	0.00	0.00	18,750,001.24

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
A_1	66987WAP2	996.92745520	8.78958568	1.20614376	9.99572944	988.13786952	A_1	1.405000 %
A_2	66987WAQ0	996.37778581	8.08955922	1.23550847	9.32506769	988.28822659	A_2	1.440000 %
M_1	66987WAR8	1,000.00000000	0.00000000	1.59305553	1.59305553	1,000.00000000	M_1	1.850000 %
M_2	66987WAS6	1,000.00000000	0.00000000	2.54027771	2.54027771	1,000.00000000	M_2	2.950000 %
M_3	66987WAT4	1,000.00000000	0.00000000	2.88472200	2.88472200	1,000.00000000	M_3	3.350000 %
B_1	66987WAU1	1,000.00000000	0.00000000	3.65972200	3.65972200	1,000.00000000	B_1	4.250000 %
B_2	66987WAV9	1,000.00000000	0.00000000	4.26250000	4.26250000	1,000.00000000	B_2	4.950000 %
P	66987XCL7	1,000.00000000	0.00000000	*****	*****	1,000.00000000	P	0.000000 %
TOTALS		997.14318781	7.68151484	1.40815213	9.08966698	989.46167297		
X_1	66987XCM5	997.17889879	0.00000000	3.59882249	3.59882249	989.59340288	X_1	4.191101 %
X_2	66987XCM5	1,000.00000000	0.00000000	0.00000000	0.00000000	0.00000000	X_2	0.000000 %
O	66987XCN3	1,000.00001280	0.00000000	0.00000000	0.00000000	1,000.00001280	O	0.000000 %

IF THERE ARE ANY QUESTIONS OR PROBLEMS WITH THIS STATEMENT, PLEASE CONTACT THE ADMINISTRATOR LISTED BELOW:

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	REMIC Available Funds - Group I	15,008,199.93
	REMIC Available Funds - Group II	4,543,902.63
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	8,789,585.68
	Class A-2	2,588,658.95
	Class M-1	0.00
	Class M-2	0.00
	Class M-3	0.00
	Class B-1	0.00
	Class B-2	0.00
	Class P	0.00
Sec. 4.03(a)(ii)	Distributions of Interest	
	Class A-1	1,206,143.76
	Class A-2	395,362.71
	Class M-1	101,557.29
	Class M-2	133,364.58
	Class M-3	43,270.83
	Class B-1	54,895.83
	Class B-2	63,937.50
	Class I	683,340.28
	Class P - Prepay Penalty	87,292.99
Sec. 4.03(a)(iii)	Pool Balances	
	Group I Beginning Pool Balance	1,133,290,364.72
	Group I Ending Pool Balance	1,124,501,582.53
	Group II Beginning Pool Balance	362,473,379.25
	Group II Ending Pool Balance	359,888,620.75
	Total Beginning Pool Balance	1,495,763,743.97
	Total Ending Pool Balance	1,484,390,203.28
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date	
	Number of Mortgage Loans	10,420
	Aggregate Principal Balance of Mortgage Loans	1,484,390,203.28
	Beginning Weighted Average Mortgage Rate	7.2614 %
	Number of Subsequent Mortgage Loans Added during Prepayment Period	2,847
	Balance of Subsequent Mortgage Loans Added during Prepayment Period	400,497,866.46
	Balance of Pre-Funding Account	0.00
Section 4.03(a)(v) A	Group I and Group II Loans Delinquent	

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Group 1			
Period	Number	Principal Balance	Percentage
30-59 days	7	681,593.03	0.06 %
60-89 days	0	0.00	0.00 %
90+days	1	150,620.11	0.01 %
Total	8	832,213.14	0.07 %

Group 2			
Period	Number	Principal Balance	Percentage
30-59 days	2	466,213.66	0.13 %
60-89 days	1	148,378.89	0.04 %
90+days	0	0.00	0.00 %
Total	3	614,592.55	0.17 %

Sec. 4.03 (a)(v) B

Group I and Group II Loans in foreclosure

Group 1		
Number	Principal Balance	Percentage
9	1,168,351.39	0.10 %

Group 2		
Number	Principal Balance	Percentage
1	39,727.97	0.01 %

Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

Group 1		
Number	Principal Balance	Percentage
0	0.00	0.00 %

Group 2		
Number	Principal Balance	Percentage
0	0.00	0.00 %

Sec. 4.03(a)(vi)

Principal Prepayments

Group I Prepayments	7,456,462.45
Group II Prepayments	2,186,370.73

Sec. 4.03 (a)(vii)

Realized Losses

Group I Current Period Realized Losses	0.00
Group I Cumulative Realized Losses	0.00
Group II Current Period Realized Losses	0.00
Group II Cumulative Realized Losses	0.00

Sec. 4.03 (a)(ix)

Unpaid Interest Shortfall Amounts

Unpaid Interest Shortfall - A-1	0.00
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	Unpaid Interest Shortfall - A-2	0.00
	Unpaid Interest Shortfall - M-1	0.00
	Unpaid Interest Shortfall - M-2	0.00
	Unpaid Interest Shortfall - M-3	0.00
	Unpaid Interest Shortfall - B-1	0.00
	Unpaid Interest Shortfall - B-2	0.00
	Unpaid Interest Shortfall - I	0.00
Sec. 4.03 (a)(x)	Prepayment Interest Shortfalls not covered by the Servicer	0.00
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	12.03 %
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	Available Funds Cap Carryforward Amount - A-1	0.00
	Available Funds Cap Carryforward Amount - A-2	0.00
	Available Funds Cap Carryforward Amount - M-1	0.00
	Available Funds Cap Carryforward Amount - M-2	0.00
	Available Funds Cap Carryforward Amount - M-3	0.00
	Available Funds Cap Carryforward Amount - B-1	0.00
	Available Funds Cap Carryforward Amount - B-2	0.00
	Remaining Available Funds Cap Carryforward Amount - A-1	0.00
	Remaining Available Funds Cap Carryforward Amount - A-2	0.00
	Remaining Available Funds Cap Carryforward Amount - M-1	0.00
	Remaining Available Funds Cap Carryforward Amount - M-2	0.00
	Remaining Available Funds Cap Carryforward Amount - M-3	0.00
	Remaining Available Funds Cap Carryforward Amount - B-1	0.00
	Remaining Available Funds Cap Carryforward Amount - B-2	0.00
Sec. 4.03 (a)(xiii)	REMIC Pass-Through Rates	
	REMIC Pass-Through Rate - A-1	1.4050 %
	REMIC Pass-Through Rate - A-2	1.4400 %
	REMIC Pass-Through Rate - M-1	1.8500 %
	REMIC Pass-Through Rate - M-2	2.9500 %
	REMIC Pass-Through Rate - M-3	3.3500 %
	REMIC Pass-Through Rate - B-1	4.2500 %
	REMIC Pass-Through Rate - B-2	4.9500 %
	Next REMIC Pass-Through Rate - A-1	1.4150 %
	Next REMIC Pass-Through Rate - A-2	1.4500 %
	Next REMIC Pass-Through Rate - M-1	1.8600 %
	Next REMIC Pass-Through Rate - M-2	2.9600 %
	Next REMIC Pass-Through Rate - M-3	3.3600 %
	Next REMIC Pass-Through Rate - B-1	4.2600 %
	Next REMIC Pass-Through Rate - B-2	4.9600 %

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Sec. 4.03 (a)(xiv)	Supplemental Interest payment		
	Supplemental Interest payment - A-1		0.00
	Supplemental Interest payment - A-2		0.00
	Supplemental Interest payment - M-1		0.00
	Supplemental Interest payment - M-2		0.00
	Supplemental Interest payment - M-3		0.00
	Supplemental Interest payment - B-1		0.00
	Supplemental Interest payment - B-2		0.00
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance	1,465,640,202.03	
	Swap Notional Amount	850,000,000.00	
	Difference	615,640,202.03	
	Funds paid to Swap Counterparty	683,340.28	
Sec. 4.03 (a)(xvi)	Overcollateralization Amounts		
	Required Overcollateralization Amount	18,750,001.25	
	Overcollateralization Amount	18,750,001.25	
Sec. 4.03 (a)(xvi)	Excess Cashflow		5,398,234.50