

**NovaStar Mortgage Funding Trust**  
**NovaStar Home Equity Loan Asset-Backed Certificates**  
**Series 2002-2**  
**Statement To Bondholder**

DISTRIBUTIONS IN DOLLARS								
CLASS	ORIGINAL FACE VALUE	PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	CURRENT PRINCIPAL BALANCE
A-1	200,000,000.00	148,972,702.63	177,029.23	6,716,181.01	6,893,210.24	0.00	0.00	142,256,521.62
A-2	80,550,000.00	62,594,426.44	75,461.06	4,787,660.02	4,863,121.08	0.00	0.00	57,806,766.42
M-1	8,525,000.00	8,525,000.00	13,654.21	0.00	13,654.21	0.00	0.00	8,525,000.00
M-2	6,975,000.00	6,975,000.00	14,775.38	0.00	14,775.38	0.00	0.00	6,975,000.00
M-3	5,425,000.00	5,425,000.00	13,594.15	0.00	13,594.15	0.00	0.00	5,425,000.00
B	3,100,000.00	3,100,000.00	14,975.58	0.00	14,975.58	0.00	0.00	3,100,000.00
AIO	310,000,000.00	240,826,814.44	748,203.94	0.00	748,203.94	0.00	0.00	240,826,814.44
O	5,425,000.00	5,234,585.37	0.00	0.00	0.00	26,196.88	0.00	5,208,388.49
P	100.00	100.00	269,080.95	0.00	269,080.95	0.00	0.00	100.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	<b>310,000,100.00</b>	<b>240,826,814.44</b>	<b>1,326,774.50</b>	<b>11,503,841.03</b>	<b>12,830,615.53</b>	<b>26,196.88</b>	<b>0.00</b>	<b>229,296,776.53</b>

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	CURRENT PRINCIPAL BALANCE	CURRENT	NEXT
A-1	66987XBM6	744.863513	0.885146	33.580905	34.466051	711.282608	1.380000%	1.390000%
A-2	66987XBN4	777.087852	0.936823	59.437120	60.373943	717.650731	1.400000%	1.410000%
M-1	66987XBP9	1,000.000000	1.601667	0.000000	1.601667	1,000.000000	1.860000%	1.870000%
M-2	66987XBQ7	1,000.000000	2.118334	0.000000	2.118334	1,000.000000	2.460000%	2.470000%
M-3	66987XBR5	1,000.000000	2.505834	0.000000	2.505834	1,000.000000	2.910000%	2.920000%
B	66987WAM9	1,000.000000	4.830832	0.000000	4.830832	1,000.000000	5.610000%	5.620000%
AIO	66987XBS3	776.860692	2.413561	0.000000	2.413561	776.860692	3.607912%	-
P	66987XBT1	1,000.000000	#####	0.000000	#####	1,000.000000	-	-

Seller:	NovaStar Financial, Inc.
Servicer:	NovaStar Mortgage Corporation
Record Date:	August 31, 2003
Distribution Date:	September 25, 2003

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Distribution Date: #####

**Aggregate Collections From the Mortgage Loans**

Available Funds	13,255,825.01
Total Servicer Advances	0.00
Total Compensating Interest	0.00

Aggregate Beginning Principal Balance of Mortgage Loans	240,826,814.44
Aggregate Ending Principal Balance of Mortgage Loans	229,296,776.53
Credit Enhancement Percentage	12.76057%
Cumulative Realized Losses	216,611.51
Current Realized Losses	26,196.88
Difference between Swap Notional Amount and Certificates	24,088,288.04
Loan Count	1,784
Prepayment Interest Shortfalls	0.00
Principal Prepayments	11,326,546.50
Subsequent Mortgage Loans added (Number/Balance)	0 0.00
Swap Notional Amount	200,000,000.00
Weighted Average Mortgage Rate	8.86956%

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	0.00

Supplemental Interest Payment to Class A-1	0.00
Supplemental Interest Payment to Class A-2	0.00
Supplemental Interest Payment to Class M-1	0.00
Supplemental Interest Payment to Class M-2	0.00
Supplemental Interest Payment to Class M-3	0.00
Supplemental Interest Payment to Class B	1,253.22

Unpaid Interest Shortfall Amount to Class A-1	0.00
Unpaid Interest Shortfall Amount to Class A-2	0.00
Unpaid Interest Shortfall Amount to Class M-1	0.00
Unpaid Interest Shortfall Amount to Class M-2	0.00
Unpaid Interest Shortfall Amount to Class M-3	0.00
Unpaid Interest Shortfall Amount to Class B	0.00
Unpaid Interest Shortfall Amount to Class AIO	0.00

Swap Payment to Credit Suisse First Boston1	146,735.42
Swap Payment to Credit Suisse First Boston2	60,149.31
Swap Payment to Credit Suisse First Boston3	41,671.88
Swap Payment to Credit Suisse First Boston4	53,604.17
Swap Payment to Morgan Stanley1	67,254.31
Swap Payment to Morgan Stanley2	54,389.58

<b>DELINQUENCY INFORMATION</b>	<b>30-59 DAYS</b>	<b>60-89 DAYS</b>	<b>90 + DAYS</b>	<b>FORECLOSURE</b>	<b>REO PROPERTY</b>
DELINQUENT BALANCE	2,735,381.07	1,040,658.76	150,794.92	4,809,477.03	4,307,215.03
NUMBER OF LOANS	20	9	2	31	26