

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	142,256,521.62	175,765.84	8,059,759.69	8,235,525.53	0.00	0.00	134,196,761.93
A-2	80,550,000.00	57,806,766.42	72,451.15	2,812,045.66	2,884,496.81	0.00	0.00	54,994,720.76
M-1	8,525,000.00	8,525,000.00	14,170.44	0.00	14,170.44	0.00	0.00	8,525,000.00
M-2	6,975,000.00	6,975,000.00	15,314.00	0.00	15,314.00	0.00	0.00	6,975,000.00
M-3	5,425,000.00	5,425,000.00	14,080.89	0.00	14,080.89	0.00	0.00	5,425,000.00
B	3,100,000.00	3,100,000.00	15,486.22	0.00	15,486.22	0.00	0.00	3,100,000.00
AIO	310,000,000.00	229,296,776.53	630,927.08	0.00	630,927.08	0.00	0.00	229,296,776.53
O	5,425,000.00	5,208,388.49	0.00	0.00	0.00	209,014.43	0.00	4,999,374.06
P	100.00	100.00	286,731.72	0.00	286,731.72	0.00	0.00	100.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	310,000,100.00	229,296,776.53	1,224,927.34	10,871,805.35	12,096,732.69	209,014.43	0.00	218,215,956.75

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	711.282608	0.878829	40.298798	41.177628	670.983810	1.390000%	1.390000%
A-2	66987XBN4	717.650731	0.899456	34.910561	35.810016	682.740171	1.410000%	1.410000%
M-1	66987XBP9	1,000.000000	1.662222	0.000000	1.662222	1,000.000000	1.870000%	1.870000%
M-2	66987XBQ7	1,000.000000	2.195556	0.000000	2.195556	1,000.000000	2.470000%	2.470000%
M-3	66987XBR5	1,000.000000	2.595556	0.000000	2.595556	1,000.000000	2.920000%	2.920000%
B	66987WAM9	1,000.000000	4.995555	0.000000	4.995555	1,000.000000	5.620000%	5.620000%
AIO	66987XBS3	739.667021	2.035249	0.000000	2.035249	739.667021	3.095521%	-
P	66987XBT1	1,000.000000	#####	0.000000	#####	1,000.000000	-	-

Seller:	NovaStar Financial, Inc.
Servicer:	NovaStar Mortgage Corporation
Record Date:	September 30, 2003
Distribution Date:	October 27, 2003

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Distribution Date: October 27, 2003

Aggregate Collections From the Mortgage Loans

Available Funds	12,570,743.58
Total Servicer Advances	0.00
Total Compensating Interest	0.00

Aggregate Beginning Principal Balance of Mortgage Loans	229,296,776.53
Aggregate Ending Principal Balance of Mortgage Loans	218,215,956.75
Credit Enhancement Percentage	13.39654%
Cumulative Realized Losses	425,625.94
Current Realized Losses	209,014.43
Difference between Swap Notional Amount and Certificates	13,216,482.69
Loan Count	1,712
Prepayment Interest Shortfalls	0.00
Principal Prepayments	10,701,937.01
Subsequent Mortgage Loans added (Number/Balance)	0 0.00
Swap Notional Amount	200,000,000.00
Weighted Average Mortgage Rate	8.86731%

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	1,926.57

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	163,800.00
Swap Payment to Credit Suisse First Boston2	67,000.00
Swap Payment to Credit Suisse First Boston3	46,611.11
Swap Payment to Credit Suisse First Boston4	59,777.78
Swap Payment to Morgan Stanley1	74,840.00
Swap Payment to Morgan Stanley2	60,644.44

DELINQUENCY INFORMATION	30-59 DAYS	60-89 DAYS	90 + DAYS	FORECLOSURE	REO PROPERTY
	DELINQUENT BALANCE	1,865,696.12	1,888,158.56	535,056.32	2,344,952.63
NUMBER OF LOANS	18	13	4	22	30