

**NovaStar CAPS Trust  
NovaStar CAPS Notes  
Series 2002-C1**

**Statement to Note Holder**

\*Revised as of 11/4/2003

<b>DISTRIBUTIONS IN DOLLARS</b>								
CLASS	ORIGINAL FACE VALUE	PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	CURRENT PRINCIPAL BALANCE
Notes	68,000,000.00	16,388,290.62	97,646.90	3,394,306.02	3,491,952.92	0.00	0.00	12,993,984.60
<b>TOTALS</b>	<b>68,000,000.00</b>	<b>16,388,290.62</b>	<b>97,646.90</b>	<b>3,394,306.02</b>	<b>3,491,952.92</b>	<b>0.00</b>	<b>0.00</b>	<b>12,993,984.60</b>
<b><u>Underlying Certificates</u></b>								
AIO Certificate (2001-1) Beginning Balance								150,502,222.20
AIO Certificate (2001-1) Ending Balance								139,810,708.05
AIO Certificate (2001-2) Beginning Balance								0.00
AIO Certificate (2001-2) Ending Balance								0.00
P Certificate (2001-1) Beginning Balance								0.00
P Certificate (2001-1) Ending Balance								0.00
P Certificate (2001-2) Beginning Balance								100.00
P Certificate (2001-2) Ending Balance								100.00
<b><u>Collections</u></b>								
AIO Certificate (2001-1) Available Interest								891,306.38
AIO Certificate (2001-2) Available Interest								2,161,634.27
AIO Certificate (2001-1) Available Principal								0.00
AIO Certificate (2001-2) Available Principal								0.00
P Certificate (2001-1) Available Interest								91,160.46
P Certificate (2001-2) Available Interest								347,851.81
P Certificate (2001-1) Available Principal								0.00
P Certificate (2001-2) Available Principal								0.00
<b>Trustee Fee</b>								<b>0.00</b>
<b>Available Funds</b>								<b>3,491,952.92</b>
<b><u>Additional Information</u></b>								
<b>Unpaid Interest Shortfall</b>								<b>0.00</b>
<b>Pay taxes, assessments and governmental charges levied upon the Issuer</b>								<b>0.00</b>
<b>Distribution To Owner Trust Certificate Holders</b>								<b>0.00</b>
<b>FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE</b>							<b>PASS-THROUGH RATES</b>	
CLASS	CUSIP	PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	CURRENT PRINCIPAL BALANCE	CURRENT	
Notes	66988DAB4	4,149.304011	1.435984	49.916265	51.352249	191.088009	7.150000%	
Seller:		NovaStar Financial, Inc.						
Servicer:		NovaStar Mortgage Corporation						
Record Date:		September 30, 2003						
Distribution Date:		October 28, 2003						