

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

**Statement to Note Holder**

<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	12,993,984.60	77,422.49	3,156,989.57	3,234,412.06	0.00	0.00	9,836,995.03
<b>TOTALS</b>	<b>68,000,000.00</b>	<b>12,993,984.60</b>	<b>77,422.49</b>	<b>3,156,989.57</b>	<b>3,234,412.06</b>	<b>0.00</b>	<b>0.00</b>	<b>9,836,995.03</b>
<b><u>Underlying Certificates</u></b>								
AIO Certificate (2001-1) Beginning Balance								139,810,708.05
AIO Certificate (2001-1) Ending Balance								129,361,530.58
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								849,422.84
AIO Certificate (2001-2) Available Interest								1,994,893.93
AIO Certificate (2001-1) Available Principal								0.00
AIO Certificate (2001-2) Available Principal								0.00
P Certificate (2001-1) Available Interest								110,766.28
P Certificate (2001-2) Available Interest								285,829.01
P Certificate (2001-1) Available Principal								0.00
P Certificate (2001-2) Available Principal								0.00
<b>Trustee Fee</b>								<b>6,500.00</b>
<b>Available Funds</b>								<b>3,240,912.06</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	5,233.190749	1.138566	46.426317	47.564883	144.661692	7.150000%	
Seller:		NovaStar Financial, Inc.						
Servicer:		NovaStar Mortgage Corporation						
Record Date:		October 31, 2003						
Distribution Date:		November 26, 2003						