

NovaStar Mortgage Funding Trust
NovaStar Home Equity Loan Asset-Backed Certificates
Series 2002-3
Statement To Bondholder

DISTRIBUTIONS IN DOLLARS

CLASS	ORIGINAL FACE VALUE	PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	REALIZED LOSSES/(GAINS)	DEFERRED INTEREST	CURRENT PRINCIPAL BALANCE
A-1	597,700,000.00	457,963,317.57	557,522.63	21,728,250.98	22,285,773.61	0.00	0.00	436,235,066.59
A-2	105,425,000.00	75,189,590.71	97,038.95	2,798,940.23	2,895,979.18	0.00	0.00	72,390,650.48
M-1	15,000,000.00	15,000,000.00	24,783.85	0.00	24,783.85	0.00	0.00	15,000,000.00
M-2	11,250,000.00	11,250,000.00	25,659.77	0.00	25,659.77	0.00	0.00	11,250,000.00
M-3	7,500,000.00	7,500,000.00	19,819.01	0.00	19,819.01	0.00	0.00	7,500,000.00
AIO	750,000,100.00	606,215,915.80	1,002,694.09	0.00	1,002,694.09	0.00	0.00	579,937,887.13
P	100.00	100.00	485,409.00	0.00	485,409.00	0.00	0.00	100.00
B	3,750,000.00	3,750,000.00	18,951.17	0.00	18,951.17	0.00	0.00	3,750,000.00
O	9,375,000.00	9,284,878.88	0.00	0.00	0.00	(70,177.16)	0.00	9,355,056.04
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	750,000,100.00	579,937,887.16	2,231,878.47	24,527,191.21	26,759,069.68	(70,177.16)	0.00	555,480,873.11

Credit Enhancement Percentage	8.067%
Difference between Swap Notional Amount and Certificates	(1.41)
Prefunding Account	0.00
Swap Notional Amount	530,000,000.00
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	0.00
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	27,635,794.54
Unpaid Interest Shortfall Amount to Class B	0.00
Swap Payment to Counterparty	1,360,200.72
Withdrawal from Interest Coverage Account	0.00

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	CURRENT PRINCIPAL BALANCE	PASS-THROUGH RATES	
							CURRENT	NEXT
A-1	66987XBU8	766.209332	0.932780	36.353105	37.285885	729.856227	1.413750%	1.436250%
A-2	66987XBV6	713.204560	0.920455	26.549113	27.469568	686.655447	1.498750%	1.521250%
M-1	66987XBW4	1,000.000000	1.652257	0.000000	1.652257	1,000.000000	1.918750%	1.941250%
M-2	66987XBX2	1,000.000000	2.280868	0.000000	2.280868	1,000.000000	2.648750%	2.671250%
M-3	66987XBY0	1,000.000000	2.642535	0.000000	2.642535	1,000.000000	3.068750%	3.091250%
B	66987XCB9	1,000.000000	5.053645	0.000000	5.053645	1,000.000000	5.868750%	5.891250%
AIO	66987XBZ7	808.287780	1.336925	0.000000	1.336925	773.250413	2.126599%	-
P	66987XCA1	1,000.000000	-	0.000000	0.000000	1,000.000000	-	-

Seller:	NovaStar Financial, Inc.
Servicer:	NovaStar Mortgage Corporation
Record Date:	December 23, 2003
Distribution Date:	December 26, 2003

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Distribution Date: December 26, 2003

Aggregate Collections From the Mortgage Loans

Available Funds	28,121,203.54
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Aggregate Beginning Principal Balance of Mortgage Loans	579,937,887.13
Aggregate Ending Principal Balance of Mortgage Loans	555,480,873.08
Cumulative Realized Losses	19,943.96
Current Realized Losses	(70,177.16)
Loan Count	4,089
Prepayment Interest Shortfalls	0.00
Principal Prepayments	24,031,464.51
Subsequent Mortgage Loans added (Number/Balance)	0.00 0.00
Weighted Average Mortgage Rate	7.970%
Certificate Administration Fee	1,933.13

DELINQUENCY INFORMATION	30-59 DAYS	60-89 DAYS	90 + DAYS	FORECLOSURE	REO PROPERTY
DELINQUENT BALANCE	3,222,021.14	3,042,420.35	903,226.36	9,805,256.93	3,563,863.28
NUMBER OF LOANS	24.00	18.00	7.00	58.00	25.00

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Aggregate Collections From the Group I Mortgage Loans

Available Funds	24,842,951.84
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Aggregate Beginning Principal Balance of Group I Mortgage Loans	497,771,929.84
Aggregate Ending Principal Balance of Group I Mortgage Loans	476,107,641.44
Group I Cumulative Realized Losses	19,943.96
Group I Current Realized Losses	(63,962.58)
Group I Loan Count	3,661
Group I Prepayment Interest Shortfalls	0.00
Group I Principal Prepayments	21,300,945.11
Subsequent Mortgage Loans added (Number/Balance)	0 0.00
Group I Weighted Average Mortgage Rate	7.95972%
Group I Net Weighted Average Mortgage Rate	6.43039%
Certificate Administration Fee	1,659.24

DELINQUENCY INFORMATION	30-59 DAYS	60-89 DAYS	90 + DAYS	FORECLOSURE	REO PROPERTY
DELINQUENT BALANCE	2,399,875.53	2,572,160.57	872,889.02	7,597,781.77	3,137,360.20
NUMBER OF LOANS	21	17	7	50	22

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Aggregate Collections From the Group II Mortgage Loans	
Available Funds	3,278,251.70

Aggregate Beginning Principal Balance of Group II Mortgage Loans	82,165,957.29
Aggregate Ending Principal Balance of Group II Mortgage Loans	79,373,231.64
Group II Cumulative Realized Losses	0.00
Group II Current Realized Losses	(6,214.58)
Group II Loan Count	428
Group II Prepayment Interest Shortfalls	0.00
Group II Principal Prepayments	2,730,519.40
Subsequent Mortgage Loans added (Number/Balance)	0 0.00
Group II Weighted Average Mortgage Rate	8.00790%
Group II Net Weighted Average Mortgage Rate	6.44376%
Certificate Administration Fee	273.89

DELINQUENCY INFORMATION	30-59 DAYS	60-89 DAYS	90 + DAYS	FORECLOSURE	REO PROPERTY
DELINQUENT BALANCE	822,145.61	470,259.78	30,337.34	2,207,475.16	426,503.08
NUMBER OF LOANS	3	1	0	8	3