

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

Statement to Note Holder

| DISTRIBUTIONS IN DOLLARS | | | | | | | | |
|---|------------------------|-------------------------------|------------------|---------------------|---------------------|---------------------------------|-------------------------------|---------------------------------|
| CLASS | ORIGINAL FACE VALUE | PRIOR PRINCIPAL BALANCE | INTEREST | PRINCIPAL | TOTAL | REALIZED LOSSES | DEFERRED INTEREST | CURRENT PRINCIPAL BALANCE |
| Notes | 68,000,000.00 | 9,836,995.03 | 58,612.10 | 2,766,849.08 | 2,825,461.18 | 0.00 | 0.00 | 7,070,145.95 |
| TOTALS | 68,000,000.00 | 9,836,995.03 | 58,612.10 | 2,766,849.08 | 2,825,461.18 | 0.00 | 0.00 | 7,070,145.95 |
| <u>Underlying Certificates</u> | | | | | | | | |
| AIO Certificate (2001-1) Beginning Balance | | | | | | | | 129,361,530.58 |
| AIO Certificate (2001-1) Ending Balance | | | | | | | | 120,975,556.21 |
| 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 |
| <u>Collections</u> | | | | | | | | |
| AIO Certificate (2001-1) Available Interest | | | | | | | | 773,885.72 |
| AIO Certificate (2001-2) Available Interest | | | | | | | | 1,773,626.04 |
| AIO Certificate (2001-1) Available Principal | | | | | | | | 0.00 |
| AIO Certificate (2001-2) Available Principal | | | | | | | | 0.00 |
| P Certificate (2001-1) Available Interest | | | | | | | | 88,519.48 |
| P Certificate (2001-2) Available Interest | | | | | | | | 189,429.94 |
| P Certificate (2001-1) Available Principal | | | | | | | | 0.00 |
| P Certificate (2001-2) Available Principal | | | | | | | | 0.00 |
| Trustee Fee | | | | | | | | 0.00 |
| Available Funds | | | | | | | | 2,825,461.18 |
| <u>Additional Information</u> | | | | | | | | |
| Unpaid Interest Shortfall | | | | | | | | 0.00 |
| Pay taxes, assessments and governmental charges levied upon the Issuer | | | | | | | | 0.00 |
| Distribution To Owner Trust Certificate Holders | | | | | | | | 0.00 |
| FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE | | | | | | | PASS-THROUGH RATES | |
| CLASS | CUSIP | PRIOR PRINCIPAL BALANCE | INTEREST | PRINCIPAL | TOTAL | CURRENT PRINCIPAL BALANCE | CURRENT | |
| Notes | 66988DAB4 | 6,912.680122 | 0.861943 | 40.688957 | 41.550900 | 103.972735 | 7.150000% | |
| Seller: | | NovaStar Financial, Inc. | | | | | | |
| Servicer: | | NovaStar Mortgage Corporation | | | | | | |
| Record Date: | | November 30, 2003 | | | | | | |
| Distribution Date: | | December 29, 2003 | | | | | | |