

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	112,280,727.37	128,187.16	3,628,535.78	3,756,722.94	0.00	0.00	108,652,191.59
A-2	80,550,000.00	46,776,527.76	54,182.81	2,823,748.00	2,877,930.81	0.00	0.00	43,952,779.76
M-1	8,525,000.00	8,525,000.00	13,142.71	0.00	13,142.71	0.00	0.00	8,525,000.00
M-2	6,975,000.00	6,975,000.00	14,240.63	0.00	14,240.63	0.00	0.00	6,975,000.00
M-3	5,425,000.00	5,425,000.00	13,110.42	0.00	13,110.42	0.00	0.00	5,425,000.00
B	3,100,000.00	3,100,000.00	14,466.67	0.00	14,466.67	0.00	0.00	3,100,000.00
AIO	310,000,000.00	188,007,028.37	592,514.06	0.00	592,514.06	0.00	0.00	188,007,028.37
O	5,425,000.00	4,924,673.24	0.00	0.00	0.00	68,245.97	0.00	4,856,427.27
P	100.00	100.00	161,635.11	0.00	161,635.11	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	188,007,028.37	991,479.57	6,452,283.78	7,443,763.35	68,245.97	0.00	181,486,498.62

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE				PASS-THROUGH RATES		
		PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	CURRENT PRINCIPAL BALANCE	CURRENT	NEXT
A-1	66987XBM6	561.403637	0.640936	18.142679	18.783615	543.260958	1.370000%	1.360000%
A-2	66987XBN4	580.714187	0.672661	35.055841	35.728502	545.658346	1.390000%	1.380000%
M-1	66987XBP9	1,000.000000	1.541667	0.000000	1,541,667	1,000.000000	1.850000%	1.840000%
M-2	66987XBQ7	1,000.000000	2.041667	0.000000	2,041,667	1,000.000000	2.450000%	2.440000%
M-3	66987XBR5	1,000.000000	2.416667	0.000000	2,416,667	1,000.000000	2.900000%	2.890000%
B	66987WAM9	1,000.000000	4.666668	0.000000	4,666,668	1,000.000000	5.600000%	5.590000%
AIO	66987XBS3	606.474285	1.911336	0.000000	1,911,336	606.474285	3.781863%	-
P	66987XBT1	1,000.000000	1,616,351.100000	0.000000	1,616,351.100000	1,000.000000	-	-

Seller:	NovaStar Financial, Inc.
Servicer:	NovaStar Mortgage Corporation
Record Date:	January 31, 2004
Distribution Date:	February 25, 2004

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Distribution Date: February 25, 2004

Aggregate Collections From the Mortgage Loans

Available Funds	7,773,853.25
Total Servicer Advances	0.00
Total Compensating Interest	0.00

Aggregate Beginning Principal Balance of Mortgage Loans	188,007,028.37
Aggregate Ending Principal Balance of Mortgage Loans	181,486,498.62
Credit Enhancement Percentage	15.95142%
Cumulative Realized Losses	568,572.73
Current Realized Losses	68,245.97
Difference between Swap Notional Amount and Certificates	26,629,971.35
Loan Count	1,469
Prepayment Interest Shortfalls	0.00
Principal Prepayments	6,307,689.24
Subsequent Mortgage Loans added (Number/Balance)	0 0.00
Swap Notional Amount	150,000,000.00
Weighted Average Mortgage Rate	8.90137%

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	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	147,360.42
Swap Payment to Credit Suisse First Boston2	60,357.64
Swap Payment to Credit Suisse First Boston3	0.00
Swap Payment to Credit Suisse First Boston4	53,812.50
Swap Payment to Morgan Stanley1	67,462.64
Swap Payment to Morgan Stanley2	0.00

Certificate Administrator Fee 1,096.71

DELINQUENCY INFORMATION	30-59 DAYS	60-89 DAYS	90 + DAYS	FORECLOSURE	REO PROPERTY
DELINQUENT BALANCE	2,013,953.40	1,439,997.69	985,443.60	4,742,896.66	4,994,914.93
NUMBER OF LOANS	18	9	10	36	35