

NOVASTAR NIM TRUST, SERIES 2004-N1

Statement to Certificateholders

May 26, 2004

DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
NOTE	156,600,000.00	125,193,439.08	10,633,040.18	465,093.63	11,098,133.81	0.00	0.00	114,560,398.90
CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	156,600,000.00	125,193,439.08	10,633,040.18	465,093.63	11,098,133.81	0.00	0.00	114,560,398.90

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
NOTE	669885AA3	799.44724828	67.89936258	2.96994655	70.86930913	731.54788570
TOTALS		799.44724828	67.89936258	2.96994655	70.86930913	731.54788570

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
NOTE	4.458000 %

IF THERE ARE ANY QUESTIONS OR PROBLEMS WITH THIS STATEMENT, PLEASE CONTACT THE ADMINISTRATOR LISTED BELOW:

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Section 6.04(a)(i)	Available Funds	11,098,133.81
	Underlying Trust Fund 2003-3	
	Amounts Received From Underlying Certificates - Class X	5,104,493.96
	Amounts Received From Underlying Certificates - Class P	455,444.79
	Amounts Received From Underlying Certificates - Class O	0.00
	Underlying Trust Fund 2003-4	
	Amounts Received From Underlying Certificates - Class X	5,228,204.15
	Amounts Received From Underlying Certificates - Class P	309,990.91
	Amounts Received From Underlying Certificates - Class O	0.00
Section 6.04(a)(ii)	Payment Allocable to Interest	465,093.63
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	10,633,040.18
Section 6.04(a)(iv)	Note Balance	114,560,398.90