

NOVASTAR NIM TRUST, SERIES 2003-N1**Statement to Certificateholders****July 27, 2004****DISTRIBUTION IN DOLLARS**

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
NOTE	86,500,000.00	32,827,996.22	4,623,899.51	202,028.96	4,825,928.47	0.00	0.00	28,204,096.71
CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	86,500,000.00	32,827,996.22	4,623,899.51	202,028.96	4,825,928.47	0.00	0.00	28,204,096.71

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
NOTE	66987XCP8	379.51440717	53.45548566	2.33559491	55.79108058	326.05892150
TOTALS		379.51440717	53.45548566	2.33559491	55.79108058	326.05892150

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
NOTE	7.385000 %

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	4,825,928.47
	Amounts Received From Underlying Certificates - Class X	3,717,049.44
	Amounts Received From Underlying Certificates - Class P	1,108,879.03
	Amounts Received From Underlying Certificates - Class O	0.00
	Amounts Received With Respect to Pre-Funding Reserve Account	0.00
	Amounts Received With Respect to Cap Agreements	0.00
Section 6.04(a)(ii)	Payment Allocable to Interest	202,028.96
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	4,623,899.51
Section 6.04(a)(iv)	Note Balance	28,204,096.71
Section 6.04(a)(ix)	Amounts Transferred From Pre-Funding Reserve to NovaStar Mortgage	0.00
Section 6.04(a)(ix)	Amounts on Deposit in Pre-Funding Reserve Account	0.00