

NovaStar Mortgage Funding Trust, Series 2003-2

Statement to Certificateholders

October 25, 2004

DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A_1	1,000,000,000.00	658,056,432.22	36,796,861.64	1,097,857.48	37,894,719.12	0.00	0.00	621,259,570.58
A_2	320,000,000.00	190,388,075.05	9,385,617.81	322,813.56	9,708,431.37	0.00	0.00	181,002,457.24
M_1	63,750,000.00	63,750,000.00	0.00	128,420.83	128,420.83	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	150,675.00	150,675.00	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	47,716.67	47,716.67	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	58,216.67	58,216.67	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	66,383.33	66,383.33	0.00	0.00	15,000,000.00
O	18,750,001.00	18,750,001.25	0.00	0.00	0.00	0.00	0.00	18,750,001.25
P	100.00	100.00	0.00	907,791.70	907,791.70	0.00	0.00	100.00
TOTALS	1,500,000,101.00	1,028,444,608.52	46,182,479.45	2,779,875.24	48,962,354.69	0.00	0.00	982,262,129.07
X_1	1,500,000,100.00	1,028,444,608.52	0.00	3,084,129.14	3,084,129.14	0.00	0.00	982,262,129.07
X_2	400,502,570.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

NovaStar Mortgage Funding Trust, Series 2003-2

Statement to Certificateholders

October 25, 2004

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A_1	66987WAP2	658.05643222	36.79686164	1.09785748	37.89471912	621.25957058
A_2	66987WAQ0	594.96273453	29.33005566	1.00879238	30.33884803	565.63267888
M_1	66987WAR8	1,000.00000000	0.00000000	2.01444439	2.01444439	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	2.87000000	2.87000000	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	3.18111133	3.18111133	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	3.88111133	3.88111133	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	4.42555533	4.42555533	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	9,077,917.00000000	9,077,917.00000000	1,000.00000000
TOTALS		685.62969285	30.78831756	1.85325004	32.64156760	654.84137529
X_1	66987XCM5	685.62969330	0.00000000	2.05608596	2.05608596	654.84137572
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	2.145000 %
A_2	2.180000 %
M_1	2.590000 %
M_2	3.690000 %
M_3	4.090000 %
B_1	4.990000 %
B_2	5.690000 %
O	.000000 %
P	.000000 %
X_1	3.855637 %
X_2	.000000 %

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

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NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

	REMIC Available Funds - Group I	41,594,312.72
	REMIC Available Funds - Group II	10,728,732.86
Sec. 4.03	Principal	
	Group I Scheduled Principal	843,588.27
	Group I Prepayments in Full	35,431,599.44
	Group I Curtailments	156,601.56
	Group I Net Liquidation Proceeds	309,271.46
	Group I Realized Losses	72,756.63
	Group II Scheduled Principal	252,527.53
	Group II Prepayments in Full	9,006,431.51
	Group II Curtailments	10,565.15
	Group II Net Liquidation Proceeds	101,860.72
	Group II Realized Losses	-2,722.84
	Total Scheduled Principal	1,096,115.80
	Total Prepayments in Full	44,438,030.95
	Total Curtailments	167,166.71
	Total Net Liquidation Proceeds	408,249.52
	Total Realized Losses	72,916.45

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	36,796,861.64
	Class A-2	9,385,617.81
	Class M-1	0.00
	Class M-2	0.00
	Class M-3	0.00
	Class B-1	0.00
	Class B-2	0.00
	Class P	0.00
Sec. 4.03(a)(ii)	Distributions of Interest	
	Class A-1	1,097,857.48
	Class A-2	322,813.56
	Class M-1	128,420.83
	Class M-2	150,675.00
	Class M-3	47,716.67
	Class B-1	58,216.67
	Class B-2	66,383.33
	Class I	272,034.72
	Class P - Prepay Penalty	907,791.70

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	794,306,857.56
		Group I Ending Pool Balance	757,493,040.16
		Group II Beginning Pool Balance	234,137,750.96
		Group II Ending Pool Balance	224,769,088.91
		Total Beginning Pool Balance	1,028,444,608.52
		Total Ending Pool Balance	982,262,129.07
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	7,331
		Aggregate Principal Balance of Mortgage Loans	982,262,129.07
		Beginning Weighted Average Mortgage Rate	7.2036 %
		Number of Subsequent Mortgage Loans Added during Prepayment Period	0
		Balance of Subsequent Mortgage Loans Added during Prepayment Period	0.00
		Balance of Pre-Funding Account	0.00
Section 4.03(a)(v) A	Loans Delinquent		
	Contractual Delinquency - Group I		
		Balance of 0-30 Days	729,153,957.71
		Number of 0-30 Days	5,730
		Balance of 30-59 Days	5,589,861.94
		Number of 30-59 Days	47
		Balance of 60-89 Days	2,426,967.71

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Number of 60-89 Days	22
Balance of 90+ Days	672,710.07
Number of 90+ Days	7
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	5,081,452.11
Number of 0-30 Days	46
Balance of 30-59 Days	425,056.86
Number of 30-59 Days	5
Balance of 60-89 Days	176,936.10
Number of 60-89 Days	2
Balance of 90+ Days	4,070,569.17
Number of 90+ Days	30
Legal Delinquency - Group I	
Balance of 0-30 Days	729,153,957.71
Number of 0-30 Days	5,731
Balance of 30-59 Days	5,589,861.94
Number of 30-59 Days	47
Balance of 60-89 Days	2,426,967.71
Number of 60-89 Days	22
Balance of 90+ Days	672,710.07
Number of 90+ Days	7
Legal Bankruptcy - Group I	

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

	Balance of 0-30 Days	7,026,214.83
	Number of 0-30 Days	63
	Balance of 30-59 Days	819,136.92
	Number of 30-59 Days	7
	Balance of 60-89 Days	538,818.45
	Number of 60-89 Days	4
	Balance of 90+ Days	1,369,844.04
	Number of 90+ Days	9
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	392,355.39
	Number of 0-30 Days	3
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	424,166.49
	Number of 60-89 Days	3
	Balance of 90+ Days	4,927,207.68
	Number of 90+ Days	45
Section 4.03(a)(v) A	Loans Delinquent	
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	217,477,646.10
	Number of 0-30 Days	1,286
	Balance of 30-59 Days	1,473,883.53
	Number of 30-59 Days	13

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Balance of 60-89 Days	163,652.82
Number of 60-89 Days	2
Balance of 90+ Days	284,990.56
Number of 90+ Days	2
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	1,378,971.58
Number of 0-30 Days	14
Balance of 30-59 Days	141,615.28
Number of 30-59 Days	2
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	833,481.38
Number of 90+ Days	8
Legal Delinquency - Group II	
Balance of 0-30 Days	217,477,646.10
Number of 0-30 Days	1,286
Balance of 30-59 Days	1,473,883.53
Number of 30-59 Days	13
Balance of 60-89 Days	163,652.82
Number of 60-89 Days	2
Balance of 90+ Days	284,990.56
Number of 90+ Days	2

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Legal Bankruptcy - Group II

Balance of 0-30 Days	1,861,907.29
Number of 0-30 Days	17
Balance of 30-59 Days	57,848.31
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	434,312.64
Number of 90+ Days	6

Sec. 4.03 (a)(v) B

Loans in Foreclosure - Group II

Balance of 0-30 Days	0.00
Number of 0-30 Days	0
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	1,843,613.99
Number of 90+ Days	16

Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Group 1		
Number	Principal Balance	Percentage
38	4,151,798.93	0.55 %

Group 2		
Number	Principal Balance	Percentage
10	1,171,233.67	0.52 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		35,431,599.44
	Group II Prepayments		9,006,431.51
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		382,028.09
	Group I Net Liquidation Proceeds		309,271.46
	Group I Current Period Net Realized Losses		72,756.63
	Group I Recoveries of Prior Losses		159.82
	Group I Subsequent Losses		0.00
	Group I Cumulative Liquidated Loan Balance		4,930,164.76
	Group I Cumulative Net Liquidation Proceeds		3,865,227.31
	Group I Cumulative Recoveries of Prior Losses		43,278.33
	Group I Cumulative Subsequent Losses		50,644.45
	Group I Cumulative Realized Losses		1,072,303.57

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Group II Liquidated Loan Balance	99,137.88
Group II Net Liquidation Proceeds	101,860.72
Group II Current Period Net Realized Losses	-2,722.84
Group II Recoveries of Prior Losses	2,722.84
Group II Subsequent Losses	0.00
Group II Cumulative Liquidated Loan Balance	1,146,787.56
Group II Cumulative Net Liquidation Proceeds	880,414.51
Group II Cumulative Recoveries of Prior Losses	49,636.52
Group II Cumulative Subsequent Losses	988.74
Group II Cumulative Realized Losses	217,725.27
Total Liquidated Loan Balance	481,165.97
Total Net Liquidation Proceeds	408,249.52
Total Current Period Net Realized Losses	70,033.79
Total Recoveries of Prior Losses	2,882.66
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	6,076,952.32
Total Cumulative Net Liquidation Proceeds	4,745,641.82
Total Cumulative Recoveries of Prior Losses	92,914.85
Total Cumulative Subsequent Losses	51,633.19
Total Cumulative Realized Losses	1,290,028.84

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Sec. 4.03 (a)(ix)	Unpaid Interest Shortfall Amounts	
	Unpaid Interest Shortfall - A-1	0.00
	Unpaid Interest Shortfall - A-2	0.00
	Unpaid Interest Shortfall - M-1	0.00
	Unpaid Interest Shortfall - M-2	0.00
	Unpaid Interest Shortfall - M-3	0.00
	Unpaid Interest Shortfall - B-1	0.00
	Unpaid Interest Shortfall - B-2	0.00
	Unpaid Interest Shortfall - I	0.00
Sec. 4.03 (a)(x)	Prepayment Interest Shortfalls not covered by the Servicer	0.00
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	17.50 %
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	Available Funds Cap Carryforward Amount Paid - A-1	0.00
	Available Funds Cap Carryforward Amount Paid - A-2	0.00
	Available Funds Cap Carryforward Amount Paid - M-1	0.00
	Available Funds Cap Carryforward Amount Paid - M-2	0.00
	Available Funds Cap Carryforward Amount Paid - M-3	0.00
	Available Funds Cap Carryforward Amount Paid - B-1	0.00
	Available Funds Cap Carryforward Amount Paid - B-2	0.00
	Remaining Available Funds Cap Carryforward Amount - A-1	0.00

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Remaining Available Funds Cap Carryforward Amount - A-2	0.00
Remaining Available Funds Cap Carryforward Amount - M-1	0.00
Remaining Available Funds Cap Carryforward Amount - M-2	0.00
Remaining Available Funds Cap Carryforward Amount - M-3	0.00
Remaining Available Funds Cap Carryforward Amount - B-1	0.00
Remaining Available Funds Cap Carryforward Amount - B-2	0.00

Sec. 4.03 (a)(xiii)

REMIC Pass-Through Rates

REMIC Pass-Through Rate - A-1	2.1450 %
REMIC Pass-Through Rate - A-2	2.1800 %
REMIC Pass-Through Rate - M-1	2.5900 %
REMIC Pass-Through Rate - M-2	3.6900 %
REMIC Pass-Through Rate - M-3	4.0900 %
REMIC Pass-Through Rate - B-1	4.9900 %
REMIC Pass-Through Rate - B-2	5.6900 %
Next REMIC Pass-Through Rate - A-1	0.3050 %
Next REMIC Pass-Through Rate - A-2	0.3400 %
Next REMIC Pass-Through Rate - M-1	0.7500 %
Next REMIC Pass-Through Rate - M-2	1.8500 %
Next REMIC Pass-Through Rate - M-3	2.2500 %
Next REMIC Pass-Through Rate - B-1	3.1500 %
Next REMIC Pass-Through Rate - B-2	3.8500 %

NovaStar Mortgage Funding Trust, Series 2003-2

October 25, 2004

Sec. 4.03 (a)(xiv)	Supplemental Interest payment		
	Supplemental Interest payment - A-1		0.00
	Supplemental Interest payment - A-2		0.00
	Supplemental Interest payment - M-1		0.00
	Supplemental Interest payment - M-2		0.00
	Supplemental Interest payment - M-3		0.00
	Supplemental Interest payment - B-1		0.00
	Supplemental Interest payment - B-2		0.00
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		963,512,127.82
	Swap Notional Amount		850,000,000.00
	Difference		113,512,127.82
	Funds paid to Swap Counterparty		272,034.72
Sec. 4.03 (a)(xvi)	Overcollateralization Amounts		
	Required Overcollateralization Amount		18,750,001.25
	Overcollateralization Amount		18,750,001.25
Sec. 4.03 (a)(xvi)	Excess Cashflow		3,154,162.95