

## NovaStar Mortgage Funding Trust, Series 2004-4

## Statement to Certificateholders

January 25, 2005

## DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A1A	1,279,000,000.00	1,275,566,773.02	14,270,220.07	2,833,441.28	17,103,661.35	0.00	0.00	1,261,296,552.95
A1B	319,800,000.00	318,941,559.04	3,568,112.89	723,886.60	4,291,999.49	0.00	0.00	315,373,446.15
A2A	268,000,000.00	266,448,502.64	8,856,790.50	559,671.38	9,416,461.88	0.00	0.00	257,591,712.14
A2B	131,100,000.00	131,100,000.00	0.00	291,214.98	291,214.98	0.00	0.00	131,100,000.00
A2C	107,100,000.00	107,100,000.00	0.00	251,707.31	251,707.31	0.00	0.00	107,100,000.00
M1	95,000,000.00	95,000,000.00	0.00	232,453.13	232,453.13	0.00	0.00	95,000,000.00
M2	51,250,000.00	51,250,000.00	0.00	127,466.58	127,466.58	0.00	0.00	51,250,000.00
M3	43,750,000.00	43,750,000.00	0.00	110,575.09	110,575.09	0.00	0.00	43,750,000.00
M4	22,500,000.00	22,500,000.00	0.00	63,754.69	63,754.69	0.00	0.00	22,500,000.00
M5	32,500,000.00	32,500,000.00	0.00	93,399.13	93,399.13	0.00	0.00	32,500,000.00
M6	25,000,000.00	25,000,000.00	0.00	73,859.38	73,859.38	0.00	0.00	25,000,000.00
B1	25,000,000.00	25,000,000.00	0.00	82,921.88	82,921.88	0.00	0.00	25,000,000.00
B2	25,000,000.00	25,000,000.00	0.00	84,935.76	84,935.76	0.00	0.00	25,000,000.00
B3	25,000,000.00	25,000,000.00	0.00	111,116.32	111,116.32	0.00	0.00	25,000,000.00
B4	18,750,000.00	18,750,000.00	0.00	89,378.91	89,378.91	0.00	0.00	18,750,000.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	2,468,750,000.00	2,462,906,834.70	26,695,123.46	5,729,782.42	32,424,905.88	0.00	0.00	2,436,211,711.24
<b>C</b>	2,500,000,000.00	2,494,156,834.70	0.00	7,698,226.41	7,698,226.41	0.00	0.00	2,467,461,971.81

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## FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A1A	66987WBN6	997.31569431	11.15732609	2.21535675	13.37268284	986.15836822
A1B	66987WBP1	997.31569431	11.15732611	2.26356035	13.42088646	986.15836820
A2A	66987WBQ9	994.21083075	33.04772575	2.08832604	35.13605179	961.16310500
A2B	66987WBR7	1,000.00000000	0.00000000	2.22131945	2.22131945	1,000.00000000
A2C	66987WBS5	1,000.00000000	0.00000000	2.35020831	2.35020831	1,000.00000000
M1	66987WBT3	1,000.00000000	0.00000000	2.44687505	2.44687505	1,000.00000000
M2	66987WBU0	1,000.00000000	0.00000000	2.48715278	2.48715278	1,000.00000000
M3	66987WBV8	1,000.00000000	0.00000000	2.52743063	2.52743063	1,000.00000000
M4	66987WBW6	1,000.00000000	0.00000000	2.83354178	2.83354178	1,000.00000000
M5	66987WBX4	1,000.00000000	0.00000000	2.87381938	2.87381938	1,000.00000000
M6	66987WBY2	1,000.00000000	0.00000000	2.95437520	2.95437520	1,000.00000000
B1	66987WBZ9	1,000.00000000	0.00000000	3.31687520	3.31687520	1,000.00000000
B2	66987WCA3	1,000.00000000	0.00000000	3.39743040	3.39743040	1,000.00000000
B3	66987WCB1	1,000.00000000	0.00000000	4.44465280	4.44465280	1,000.00000000
B4	66987WCC9	1,000.00000000	0.00000000	4.76687520	4.76687520	1,000.00000000
<b>TOTALS</b>		997.63314823	10.81321457	2.32092452	13.13413909	986.81993367
<b>C</b>	66987WCE5	997.66273388	0.00000000	3.07929056	3.07929056	986.98478872

## PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A1A	2.757500 %
A1B	2.817500 %
A2A	2.607500 %
A2B	2.757500 %
A2C	2.917500 %
M1	3.037500 %
M2	3.087500 %
M3	3.137500 %
M4	3.517500 %
M5	3.567500 %
M6	3.667500 %
B1	4.117500 %
B2	4.217500 %
B3	5.517500 %
B4	5.917500 %
<b>C</b>	.000000 %

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

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	REMIC Available Funds - Group I	28,807,045.12
	REMIC Available Funds - Group II	12,145,185.30
Sec. 4.03	Principal	
	Group I Scheduled Principal	1,255,863.45
	Group I Prepayments in Full	16,011,036.87
	Group I Curtailments	571,403.20
	Group I Net Liquidation Proceeds	0.00
	Group I Realized Losses	0.00
	Group II Scheduled Principal	372,290.58
	Group II Prepayments in Full	8,451,091.85
	Group II Curtailments	33,176.89
	Group II Net Liquidation Proceeds	0.00
	Group II Realized Losses	0.00
	Total Scheduled Principal	1,628,154.03
	Total Prepayments in Full	24,462,128.72
	Total Curtailments	604,580.09
	Total Net Liquidation Proceeds	0.00
	Total Realized Losses	0.00
Sec. 4.03(a)(i)	Distributions of Principal	

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Class A-1A	14,270,220.07
Class A-1B	3,568,112.89
Class A-2A	8,856,790.50
Class A-2B	0.00
Class A-2C	0.00
Class M-1	0.00
Class M-4	0.00
Class M-5	0.00
Class M-6	0.00
Class M-2	0.00
Class M-3	0.00
Class B-1	0.00
Class B-2	0.00
Class B-3	0.00
Class B-4	0.00

Sec. 4.03(a)(ii)

Distributions of Interest

Class A-1A	2,833,441.28
Class A-1B	723,886.60
Class A-2A	559,671.38
Class A-2b	291,214.98
Class A-2C	251,707.31
Class M-1	232,453.13
Class M-2	127,466.58

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Class M-3	110,575.09
Class M-4	63,754.69
Class M-5	93,399.13
Class M-6	73,859.38
Class B-1	82,921.88
Class B-2	84,935.76
Class B-3	111,116.32
Class B-4	89,378.91

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	1,894,574,384.45
		Group I Ending Pool Balance	1,876,736,080.88
		Group II Beginning Pool Balance	599,582,189.68
		Group II Ending Pool Balance	590,725,630.36
		Total Beginning Pool Balance	2,494,156,574.13
		Total Ending Pool Balance	2,467,461,711.24
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	15,594
		Aggregate Principal Balance of Mortgage Loans	2,467,461,711.24
		Beginning Weighted Average Mortgage Rate	7.6393 %
		Number of Subsequent Mortgage Loans Added during Prepayment Period	5,551
		Balance of Subsequent Mortgage Loans Added during Prepayment Period	858,248,007.25
		Balance of Pre-Funding Account	0.00
Section 4.03(a)(v) A	Loans Delinquent		
	Contractual Delinquency - Group I		
		Balance of 0-30 Days	1,869,543,141.40
		Number of 0-30 Days	12,774
		Balance of 30-59 Days	5,188,262.69
		Number of 30-59 Days	36
		Balance of 60-89 Days	582,740.14

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Number of 60-89 Days	5
Balance of 90+ Days	0.00
Number of 90+ Days	0
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	1,421,936.65
Number of 0-30 Days	9
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 60-89 Days	0.00
Number of 60-89 Days	0
Legal Delinquency - Group I	
Balance of 0-30 Days	1,869,543,141.40
Number of 0-30 Days	12,774
Balance of 30-59 Days	5,188,262.69
Number of 30-59 Days	36
Balance of 60-89 Days	582,740.14
Number of 60-89 Days	5
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Legal Bankruptcy - Group I	

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	Balance of 0-30 Days	1,421,936.65
	Number of 0-30 Days	9
	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 60-89 Days	0.00
	Number of 60-89 Days	0
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	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 60-89 Days	0.00
	Number of 60-89 Days	0
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	589,732,642.23
	Number of 0-30 Days	2,763
	Balance of 30-59 Days	557,109.03
	Number of 30-59 Days	4
	Balance of 60-89 Days	344,797.00

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Number of 60-89 Days	2
Balance of 90+ Days	0.00
Number of 90+ Days	0
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	91,082.10
Number of 0-30 Days	1
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	0.00
Number of 90+ Days	0
Legal Delinquency - Group II	
Balance of 0-30 Days	589,732,642.23
Number of 0-30 Days	2,763
Balance of 30-59 Days	557,109.03
Number of 30-59 Days	4
Balance of 60-89 Days	344,797.00
Number of 60-89 Days	2
Balance of 90+ Days	0.00
Number of 90+ Days	0
Legal Bankruptcy - Group II	

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Balance of 0-30 Days	91,082.10
Number of 0-30 Days	1
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	0.00
Number of 90+ Days	0

Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	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	0.00
	Number of 90+ Days	0

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Sec. 4.03(a)(v) C

Loans in REO

Group 1		
Number	Principal Balance	Percentage
0	0.00	0.00 %

Group 2		
Number	Principal Balance	Percentage
0	0.00	0.00 %

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Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		16,011,036.87
	Group II Prepayments		8,451,091.85
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		0.00
	Group I Net Liquidation Proceeds		0.00
	Group I Current Period Realized Losses		0.00
	Group I Recoveries of Prior Losses		0.00
	Group I Subsequent Losses		0.00
	Group I Cumulative Liquidated Loan Balance		0.00
	Group I Cumulative Net Liquidation Proceeds		0.00
	Group I Cumulative Recoveries of Prior Losses		0.00
	Group I Cumulative Subsequent Losses		0.00
	Group I Cumulative Realized Losses		0.00
	Group II Liquidated Loan Balance		0.00
	Group II Net Liquidation Proceeds		0.00
	Group II Current Period Realized Losses		0.00
	Group II Recoveries of Prior Losses		0.00
	Group II Subsequent Losses		0.00

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Group II Cumulative Liquidated Loan Balance	0.00
Group II Cumulative Net Liquidation Proceeds	0.00
Group II Cumulative Recoveries of Prior Losses	0.00
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	0.00
Total Liquidated Loan Balance	0.00
Total Net Liquidation Proceeds	0.00
Total Current Period Realized Losses	0.00
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	0.00
Total Cumulative Net Liquidation Proceeds	0.00
Total Cumulative Recoveries of Prior Losses	0.00
Total Cumulative Subsequent Losses	0.00
Total Cumulative Realized Losses	0.00

Sec. 4.03 (a)(ix)

Unpaid Interest Shortfall Amounts

Unpaid Interest Shortfall - A-1A	0.00
Unpaid Interest Shortfall - A-1B	0.00
Unpaid Interest Shortfall - A-2A	0.00
Unpaid Interest Shortfall - A-2B	0.00

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	Unpaid Interest Shortfall - A-2C	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 - M-4	0.00
	Unpaid Interest Shortfall - M-5	0.00
	Unpaid Interest Shortfall - M-6	0.00
	Unpaid Interest Shortfall - B-1	0.00
	Unpaid Interest Shortfall - B-2	0.00
	Unpaid Interest Shortfall - B-3	0.00
	Unpaid Interest Shortfall - B-4	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	37.38 %
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	Available Funds Cap Carryforward Amount - A-1A	0.00
	Available Funds Cap Carryforward Amount - A-1B	0.00
	Available Funds Cap Carryforward Amount - A-2A	0.00
	Available Funds Cap Carryforward Amount - A-2B	0.00
	Available Funds Cap Carryforward Amount - A-2C	0.00
	Available Funds Cap Carryforward Amount - M-1	0.00
	Available Funds Cap Carryforward Amount - M-2	0.00

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Available Funds Cap Carryforward Amount - M-3	0.00
Available Funds Cap Carryforward Amount - M-4	0.00
Available Funds Cap Carryforward Amount - M-5	0.00
Available Funds Cap Carryforward Amount - M-6	0.00
Available Funds Cap Carryforward Amount - B-1	0.00
Available Funds Cap Carryforward Amount - B-2	0.00
Available Funds Cap Carryforward Amount - B-3	0.00
Available Funds Cap Carryforward Amount - B-4	0.00
Remaining Available Funds Cap Carryforward Amount - A-1A	0.00
Remaining Available Funds Cap Carryforward Amount - A-1B	0.00
Remaining Available Funds Cap Carryforward Amount - A-2A	0.00
Remaining Available Funds Cap Carryforward Amount - A-2B	0.00
Remaining Available Funds Cap Carryforward Amount - A-2C	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 - M-4	0.00
Remaining Available Funds Cap Carryforward Amount - M-5	0.00
Remaining Available Funds Cap Carryforward Amount - M-6	0.00
Remaining Available Funds Cap Carryforward Amount - B-1	0.00
Remaining Available Funds Cap Carryforward Amount - B-2	0.00
Remaining Available Funds Cap Carryforward Amount - B-3	0.00
Remaining Available Funds Cap Carryforward Amount - B-4	0.00

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Sec. 4.03 (a)(xiii)	REMIC Pass-Through Rates	
	REMIC Pass-Through Rate - A-1A	2.7575 %
	REMIC Pass-Through Rate - A-1B	2.8175 %
	REMIC Pass-Through Rate - A-2A	2.6075 %
	REMIC Pass-Through Rate - A-2B	2.7575 %
	REMIC Pass-Through Rate - A-2C	2.9175 %
	REMIC Pass-Through Rate - M-1	3.0375 %
	REMIC Pass-Through Rate - M-2	3.0875 %
	REMIC Pass-Through Rate - M-3	3.1375 %
	REMIC Pass-Through Rate - M-4	3.5175 %
	REMIC Pass-Through Rate - M-5	3.5675 %
	REMIC Pass-Through Rate - M-6	3.6675 %
	REMIC Pass-Through Rate - B-1	4.1175 %
	REMIC Pass-Through Rate - B-2	4.2175 %
	REMIC Pass-Through Rate - B-3	5.5175 %
	REMIC Pass-Through Rate - B-4	5.9175 %
	Next REMIC Pass-Through Rate - A-1A	2.8700 %
	Next REMIC Pass-Through Rate - A-1B	2.9300 %
	Next REMIC Pass-Through Rate - A-2A	2.7200 %
	Next REMIC Pass-Through Rate - A-2B	2.8700 %
	Next REMIC Pass-Through Rate - A-2C	3.0300 %
	Next REMIC Pass-Through Rate - M-1	3.1500 %
	Next REMIC Pass-Through Rate - M-2	3.2000 %
	Next REMIC Pass-Through Rate - M-3	3.2500 %

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Next REMIC Pass-Through Rate - M-4	3.6300 %
Next REMIC Pass-Through Rate - M-5	3.6800 %
Next REMIC Pass-Through Rate - M-6	3.7800 %
Next REMIC Pass-Through Rate - B-1	4.2300 %
Next REMIC Pass-Through Rate - B-2	4.3300 %
Next REMIC Pass-Through Rate - B-3	5.6300 %
Next REMIC Pass-Through Rate - B-3	6.0300 %

Sec. 4.03 (a)(xiv)

Supplemental Interest Payment

Supplemental Interest Payment - A-1A	0.00
Supplemental Interest Payment - A-1B	0.00
Supplemental Interest Payment - A-2A	0.00
Supplemental Interest Payment - A-2B	0.00
Supplemental Interest Payment - A-2C	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 - M-4	0.00
Supplemental Interest Payment - M-5	0.00
Supplemental Interest Payment - M-6	0.00
Supplemental Interest Payment - B-1	0.00
Supplemental Interest Payment - B-2	0.00
Supplemental Interest Payment - B-3	0.00
Supplemental Interest Payment - B-4	0.00

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Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		2,436,211,711.24
	Swap Notional Amount		1,435,000,000.00
	Difference		1,001,211,711.24
	Funds paid to Swap Counterparty		817,287.15

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Sec. 4.03 (a)(xvi)	Overcollateralization Amounts		
	Required Overcollateralization Amount		31,250,000.00
	Overcollateralization Amount		31,250,000.00
Sec. 4.03 (a)(xvii)	Excess Cashflow		0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance		
	MI Premiums		1,380,500.21
	Insurance Proceeds		0.00