

NovaStar Mortgage Funding Trust, Series 2003-2

Statement to Certificateholders

February 25, 2005

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	522,642,319.80	19,617,206.25	1,275,900.56	20,893,106.81	0.00	0.00	503,025,113.55
A_2	320,000,000.00	147,354,217.87	6,601,057.50	364,169.58	6,965,227.08	0.00	0.00	140,753,160.37
M_1	63,750,000.00	63,750,000.00	0.00	180,058.33	180,058.33	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	198,012.50	198,012.50	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	61,741.67	61,741.67	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	73,366.67	73,366.67	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	82,408.33	82,408.33	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	471,786.44	471,786.44	0.00	0.00	100.00
TOTALS	1,500,000,101.00	849,996,638.92	26,218,263.75	2,707,444.08	28,925,707.83	0.00	0.00	823,778,375.17
X_1	1,500,000,100.00	849,996,638.92	0.00	2,167,634.38	2,167,634.38	0.00	0.00	823,778,375.17
X_2	400,502,570.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A_1	66987WAP2	522.64231980	19.61720625	1.27590056	20.89310681	503.02511355
A_2	66987WAQ0	460.48193084	20.62830469	1.13802994	21.76633463	439.85362616
M_1	66987WAR8	1,000.00000000	0.00000000	2.82444439	2.82444439	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	3.77166667	3.77166667	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	4.11611133	4.11611133	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	4.89111133	4.89111133	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	5.49388867	5.49388867	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	4,717,864.40000000	4,717,864.40000000	1,000.00000000
TOTALS		566.66438779	17.47884132	1.80496260	19.28380392	549.18554647
X_1	66987XCM5	566.66438817	0.00000000	1.44508949	1.44508949	549.18554683
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	2.835000 %
A_2	2.870000 %
M_1	3.280000 %
M_2	4.380000 %
M_3	4.780000 %
B_1	5.680000 %
B_2	6.380000 %
O	.000000 %
P	.000000 %
X_1	2.961486 %
X_2	.000000 %

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	23,112,426.47
	REMIC Available Funds - Group II	7,636,855.17
Sec. 4.03	Principal	
	Group I Scheduled Principal	736,066.35
	Group I Prepayments in Full	17,892,050.17
	Group I Curtailments	88,609.65
	Group I Net Liquidation Proceeds	767,063.83
	Group I Realized Losses	168,563.52
	Group II Scheduled Principal	217,773.49
	Group II Prepayments in Full	6,277,726.79
	Group II Curtailments	100,863.46
	Group II Net Liquidation Proceeds	46,664.12
	Group II Realized Losses	132,120.90
	Total Scheduled Principal	953,839.84
	Total Prepayments in Full	24,169,776.96
	Total Curtailments	189,473.11
	Total Net Liquidation Proceeds	813,727.95
	Total Realized Losses	91,445.88

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Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	19,617,206.25
	Class A-2	6,601,057.50
	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	1,275,900.56
	Class A-2	364,169.58
	Class M-1	180,058.33
	Class M-2	198,012.50
	Class M-3	61,741.67
	Class B-1	73,366.67
	Class B-2	82,408.33
	Class I	0.00
	Class P - Prepay Penalty	471,786.44

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	658,924,859.12
		Group I Ending Pool Balance	639,364,069.48
		Group II Beginning Pool Balance	191,071,779.80
		Group II Ending Pool Balance	184,414,305.69
		Total Beginning Pool Balance	849,996,638.92
		Total Ending Pool Balance	823,778,375.17
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	6,281
		Aggregate Principal Balance of Mortgage Loans	823,778,375.17
		Beginning Weighted Average Mortgage Rate	7.1819 %
		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	611,553,732.54
		Number of 0-30 Days	4,913
		Balance of 30-59 Days	4,216,234.65
		Number of 30-59 Days	32
		Balance of 60-89 Days	1,252,428.51

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Number of 60-89 Days	12
Balance of 90+ Days	666,738.10
Number of 90+ Days	6
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	3,659,070.52
Number of 0-30 Days	33
Balance of 30-59 Days	82,739.54
Number of 30-59 Days	2
Balance of 60-89 Days	451,994.23
Number of 60-89 Days	3
Balance of 90+ Days	4,506,061.68
Number of 90+ Days	38
Legal Delinquency - Group I	
Balance of 0-30 Days	611,553,732.54
Number of 0-30 Days	4,913
Balance of 30-59 Days	4,216,234.65
Number of 30-59 Days	32
Balance of 60-89 Days	1,252,428.51
Number of 60-89 Days	12
Balance of 90+ Days	666,738.10
Number of 90+ Days	6
Legal Bankruptcy - Group I	

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	Balance of 0-30 Days	6,866,854.55
	Number of 0-30 Days	59
	Balance of 30-59 Days	298,865.69
	Number of 30-59 Days	3
	Balance of 60-89 Days	749,105.05
	Number of 60-89 Days	7
	Balance of 90+ Days	785,040.68
	Number of 90+ Days	7
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	390,102.33
	Number of 0-30 Days	3
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	144,177.47
	Number of 60-89 Days	3
	Balance of 90+ Days	7,515,062.94
	Number of 90+ Days	66
Section 4.03(a)(v) A	Loans Delinquent	
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	177,204,651.32
	Number of 0-30 Days	1,070
	Balance of 30-59 Days	1,014,251.03
	Number of 30-59 Days	8

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Balance of 60-89 Days	358,775.53
Number of 60-89 Days	1
Balance of 90+ Days	311,674.48
Number of 90+ Days	2
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	862,237.13
Number of 0-30 Days	8
Balance of 30-59 Days	83,517.53
Number of 30-59 Days	1
Balance of 60-89 Days	126,105.44
Number of 60-89 Days	2
Balance of 90+ Days	1,198,841.27
Number of 90+ Days	7
Legal Delinquency - Group II	
Balance of 0-30 Days	177,204,651.32
Number of 0-30 Days	1,070
Balance of 30-59 Days	1,014,251.03
Number of 30-59 Days	8
Balance of 60-89 Days	358,775.53
Number of 60-89 Days	1
Balance of 90+ Days	311,674.48
Number of 90+ Days	2

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Legal Bankruptcy - Group II

Balance of 0-30 Days	1,910,421.47
Number of 0-30 Days	14
Balance of 30-59 Days	195,170.43
Number of 30-59 Days	2
Balance of 60-89 Days	68,384.15
Number of 60-89 Days	1
Balance of 90+ Days	96,725.32
Number of 90+ Days	1

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	527,884.41
Number of 60-89 Days	3
Balance of 90+ Days	1,118,538.21
Number of 90+ Days	13

Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

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Group 1		
Number	Principal Balance	Percentage
42	4,925,726.97	0.77 %

Group 2		
Number	Principal Balance	Percentage
13	1,607,829.34	0.87 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		17,892,050.17
	Group II Prepayments		6,277,726.79
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		844,063.47
	Group I Net Liquidation Proceeds		767,063.83
	Group I Recoveries of Prior Losses		4,997.26
	Group I Subsequent Losses		96,561.14
	Group I Current Period Net Realized Losses		168,563.52
	Group I Cumulative Liquidated Loan Balance		6,800,417.54
	Group I Cumulative Net Liquidation Proceeds		5,255,012.45
	Group I Cumulative Recoveries of Prior Losses		53,765.85
	Group I Cumulative Subsequent Losses		279,438.05
	Group I Cumulative Realized Losses		1,771,077.29

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Group II Liquidated Loan Balance	61,110.36
Group II Net Liquidation Proceeds	46,664.12
Group II Recoveries of Prior Losses	0.00
Group II Subsequent Losses	117,674.66
Group II Current Period Net Realized Losses	132,120.90
Group II Cumulative Liquidated Loan Balance	1,676,422.51
Group II Cumulative Net Liquidation Proceeds	1,197,094.72
Group II Cumulative Recoveries of Prior Losses	51,002.00
Group II Cumulative Subsequent Losses	159,456.52
Group II Cumulative Realized Losses	587,782.31
Total Liquidated Loan Balance	905,173.83
Total Net Liquidation Proceeds	813,727.95
Total Recoveries of Prior Losses	4,997.26
Total Subsequent Losses	214,235.80
Total Current Period Net Realized Losses	300,684.42
Total Cumulative Liquidated Loan Balance	8,476,840.05
Total Cumulative Net Liquidation Proceeds	6,452,107.17
Total Cumulative Recoveries of Prior Losses	104,767.85
Total Cumulative Subsequent Losses	438,894.57
Total Cumulative Realized Losses	2,358,859.60

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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	21.18 %
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

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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	2.8350 %
REMIC Pass-Through Rate - A-2	2.8700 %
REMIC Pass-Through Rate - M-1	3.2800 %
REMIC Pass-Through Rate - M-2	4.3800 %
REMIC Pass-Through Rate - M-3	4.7800 %
REMIC Pass-Through Rate - B-1	5.6800 %
REMIC Pass-Through Rate - B-2	6.3800 %
Next REMIC Pass-Through Rate - A-1	2.9550 %
Next REMIC Pass-Through Rate - A-2	2.9900 %
Next REMIC Pass-Through Rate - M-1	3.4000 %
Next REMIC Pass-Through Rate - M-2	4.5000 %
Next REMIC Pass-Through Rate - M-3	4.9000 %
Next REMIC Pass-Through Rate - B-1	5.8000 %
Next REMIC Pass-Through Rate - B-2	6.5000 %

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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	805,028,373.92
		Ending Swap Notional Amount	725,000,000.00
		Difference	80,028,373.92
		Funds paid to Swap Counterparty	-347,833.33
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		2,120,485.48