

NOVASTAR NIM TRUST, SERIES 2004-N2

Statement to Certificateholders

February 28, 2005

DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
N2	157,500,000.00	83,914,494.83	8,853,647.41	311,742.35	9,165,389.76	0.00	0.00	75,060,847.42
CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	157,500,000.00	83,914,494.83	8,853,647.41	311,742.35	9,165,389.76	0.00	0.00	75,060,847.42

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
N2	669885AB1	532.79044337	56.21363435	1.97931651	58.19295086	476.57680902
TOTALS		532.79044337	56.21363435	1.97931651	58.19295086	476.57680902

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
N2	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	9,165,389.76
	Underlying Trust Fund 2004-1	
	Amounts Received From Underlying Certificates - Class X	4,013,142.71
	Amounts Received From Underlying Certificates - Class P	901,673.60
	Amounts Received From Underlying Certificates - Class O	0.00
	Underlying Trust Fund 2004-2	
	Amounts Received From Underlying Certificates - Class X	3,737,916.96
	Amounts Received From Underlying Certificates - Class P	512,656.49
	Amounts Received From Underlying Certificates - Class O	0.00
Section 6.04(a)(ii)	Payment Allocable to Interest	311,742.35
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	8,853,647.41
Section 6.04(a)(iv) Balance		75,060,847.42