

NovaStar Mortgage Funding Trust, Series 2004-2

Statement to Certificateholders

March 25, 2005

DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A1	944,800,000.00	795,453,116.78	28,901,400.74	1,843,560.38	30,744,961.12	0.00	0.00	766,551,716.04
A2	100,000,000.00	77,992,210.61	4,823,177.76	181,059.82	5,004,237.58	0.00	0.00	73,169,032.85
A3	55,000,000.00	23,969,016.97	6,800,680.64	52,009.29	6,852,689.93	0.00	0.00	17,168,336.33
A4	68,000,000.00	68,000,000.00	0.00	155,482.94	155,482.94	0.00	0.00	68,000,000.00
A5	18,000,000.00	18,000,000.00	0.00	44,097.05	44,097.05	0.00	0.00	18,000,000.00
M1	77,000,000.00	77,000,000.00	0.00	193,428.19	193,428.19	0.00	0.00	77,000,000.00
M2	21,000,000.00	21,000,000.00	0.00	54,386.37	54,386.37	0.00	0.00	21,000,000.00
M3	17,500,000.00	17,500,000.00	0.00	51,038.26	51,038.26	0.00	0.00	17,500,000.00
M4	21,000,000.00	21,000,000.00	0.00	62,879.13	62,879.13	0.00	0.00	21,000,000.00
M5	14,000,000.00	14,000,000.00	0.00	45,185.87	45,185.87	0.00	0.00	14,000,000.00
B1	14,000,000.00	14,000,000.00	0.00	50,085.54	50,085.54	0.00	0.00	14,000,000.00
B2	10,500,000.00	10,500,000.00	0.00	38,789.07	38,789.07	0.00	0.00	10,500,000.00
B3	14,000,000.00	14,000,000.00	0.00	66,962.47	66,962.47	0.00	0.00	14,000,000.00
P	100.00	100.00	0.00	694,563.49	694,563.49	0.00	0.00	100.00
O	25,199,900.00	25,200,000.00	0.00	0.00	0.00	0.00	0.00	25,200,000.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	1,400,000,000.00	1,197,614,444.36	40,525,259.14	3,533,527.87	44,058,787.01	0.00	0.00	1,157,089,185.22
X	1,400,000,000.00	1,197,614,444.36	0.00	3,505,640.94	3,505,640.94	0.00	0.00	1,157,089,185.22

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A1	66987XEN1	841.92751564	30.58996691	1.95127051	32.54123743	811.33754873
A2	66987XEP6	779.92210610	48.23177760	1.81059820	50.04237580	731.69032850
A3	66987XEQ4	435.80030855	123.64873891	0.94562345	124.59436236	312.15156964
A4	66987XER2	1,000.00000000	0.00000000	2.28651382	2.28651382	1,000.00000000
A5	66987XES0	1,000.00000000	0.00000000	2.44983611	2.44983611	1,000.00000000
M1	66987XET8	1,000.00000000	0.00000000	2.51205442	2.51205442	1,000.00000000
M2	66987XEU5	1,000.00000000	0.00000000	2.58982714	2.58982714	1,000.00000000
M3	66987XEV3	1,000.00000000	0.00000000	2.91647200	2.91647200	1,000.00000000
M4	66987XEW1	1,000.00000000	0.00000000	2.99424429	2.99424429	1,000.00000000
M5	66987XEX9	1,000.00000000	0.00000000	3.22756214	3.22756214	1,000.00000000
B1	66987XEY7	1,000.00000000	0.00000000	3.57753857	3.57753857	1,000.00000000
B2	66987XEZ4	1,000.00000000	0.00000000	3.69419714	3.69419714	1,000.00000000
B3	66987XFA8	1,000.00000000	0.00000000	4.78303357	4.78303357	1,000.00000000
P	66987XFB6	1,000.00000000	0.00000000	6,945,634.90000000	6,945,634.90000000	1,000.00000000
O	66987XFE0	1,000.00396827	0.00000000	0.00000000	0.00000000	1,000.00396827
TOTALS		855.43888883	28.94661367	2.52394848	31.47056215	826.49227516
X	66987XFD2	855.43888883	0.00000000	2.50402924	2.50402924	826.49227516

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A1	2.980000 %
A2	2.985000 %
A3	2.790000 %
A4	2.940000 %
A5	3.150000 %
M1	3.230000 %
M2	3.330000 %
M3	3.750000 %
M4	3.850000 %
M5	4.150000 %
B1	4.600000 %
B2	4.750000 %
B3	5.769350 %
P	.000000 %
O	.000000 %
X	3.763526 %

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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	34,337,146.19
	REMIC Available Funds - Group II	13,126,947.87
Sec. 4.03	Principal	
	Group I Scheduled Principal	784,437.88
	Group I Prepayments in Full	27,435,927.34
	Group I Curtailments	72,674.58
	Group I Net Liquidation Proceeds	449,637.78
	Group I Realized Losses	149,428.34
	Group II Scheduled Principal	151,621.59
	Group II Prepayments in Full	11,086,320.05
	Group II Curtailments	10,278.33
	Group II Net Liquidation Proceeds	312,246.24
	Group II Realized Losses	71,581.30
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	28,901,400.74
	Class A-2	4,823,177.76
	Class A-3	6,800,680.64
	Class A-4	0.00
	Class A-5	0.00
	Class M-1	0.00

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Class M-4	0.00
Class M-5	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 P	0.00

Sec. 4.03(a)(ii)

Distributions of Interest

Class A-1	1,843,560.38
Class A-2	181,059.82
Class A-3	52,009.29
Class A-4	155,482.94
Class A-5	44,097.05
Class M-1	193,428.19
Class M-2	54,386.37
Class M-3	51,038.26
Class M-4	62,879.13
Class M-5	45,185.87
Class B-1	50,085.54
Class B-2	38,789.07
Class B-3	66,962.47
Class I	35,920.83

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		Class P - Prepay Penalty	694,563.49
Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	966,165,408.31
		Group I Ending Pool Balance	937,272,196.68
		Group II Beginning Pool Balance	231,449,036.05
		Group II Ending Pool Balance	219,816,988.54
		Total Beginning Pool Balance	1,197,614,444.36
		Total Ending Pool Balance	1,157,089,185.22
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	8,140
		Aggregate Principal Balance of Mortgage Loans	1,157,089,185.22
		Beginning Weighted Average Mortgage Rate	7.4734 %
		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	908,601,212.14
		Number of 0-30 Days	6,539
		Balance of 30-59 Days	7,423,961.68

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Number of 30-59 Days	54
Balance of 60-89 Days	2,671,745.16
Number of 60-89 Days	18
Balance of 90+ Days	1,663,316.20
Number of 90+ Days	16
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	2,578,967.67
Number of 0-30 Days	22
Balance of 30-59 Days	137,464.29
Number of 30-59 Days	2
Balance of 60-89 Days	194,495.76
Number of 60-89 Days	3
Balance of 60-89 Days	2,804,276.06
Number of 60-89 Days	25
Legal Delinquency - Group I	
Balance of 0-30 Days	908,601,212.14
Number of 0-30 Days	6,539
Balance of 30-59 Days	7,423,961.68
Number of 30-59 Days	54
Balance of 60-89 Days	2,671,745.16
Number of 60-89 Days	18
Balance of 60-89 Days	1,663,316.20
Number of 60-89 Days	16

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Legal Bankruptcy - Group I

Balance of 0-30 Days	4,329,301.86
Number of 0-30 Days	39
Balance of 30-59 Days	317,905.23
Number of 30-59 Days	3
Balance of 60-89 Days	585,335.67
Number of 60-89 Days	7
Balance of 60-89 Days	482,661.02
Number of 60-89 Days	3

Sec. 4.03 (a)(v) B

Loans in Foreclosure - Group I

Balance of 0-30 Days	422,760.35
Number of 0-30 Days	4
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	805,537.76
Number of 60-89 Days	5
Balance of 60-89 Days	7,513,916.20
Number of 60-89 Days	55

Contractual Delinquency - Group II

Balance of 0-30 Days	206,261,797.57
Number of 0-30 Days	1,277
Balance of 30-59 Days	3,185,958.74

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Number of 30-59 Days	26
Balance of 60-89 Days	528,126.26
Number of 60-89 Days	3
Balance of 90+ Days	1,486,752.61
Number of 90+ Days	9
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	441,575.69
Number of 0-30 Days	7
Balance of 30-59 Days	177,397.65
Number of 30-59 Days	1
Balance of 60-89 Days	529,802.50
Number of 60-89 Days	2
Balance of 90+ Days	1,144,869.46
Number of 90+ Days	12
Legal Delinquency - Group II	
Balance of 0-30 Days	206,261,797.57
Number of 0-30 Days	1,277
Balance of 30-59 Days	3,185,958.74
Number of 30-59 Days	26
Balance of 60-89 Days	528,126.26
Number of 60-89 Days	3
Balance of 90+ Days	1,486,752.61
Number of 90+ Days	9

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Legal Bankruptcy - Group II

Balance of 0-30 Days	1,980,325.06
Number of 0-30 Days	19
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	43,801.02
Number of 60-89 Days	1
Balance of 90+ Days	269,519.22
Number of 90+ Days	2

Sec. 4.03 (a)(v) B

Loans in Foreclosure - Group II

	0.00
Balance of 0-30 Days	59,312.97
Number of 0-30 Days	1
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	422,274.45
Number of 60-89 Days	3
Balance of 90+ Days	4,387,799.37
Number of 90+ Days	28

Sec. 4.03(a)(v) C

Loans in REO

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Group 1		
Number	Principal Balance	Percentage
19	2,454,543.41	0.26 %

Group 2		
Number	Principal Balance	Percentage
9	1,191,321.27	0.54 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		27,435,927.34
	Group II Prepayments		11,086,320.05
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		600,171.83
	Group I Net Liquidation Proceeds		449,637.78
	Group I Recoveries of Prior Losses		1,105.71
	Group I Subsequent Losses		0.00
	Group I Current Period Realized Losses		149,428.34
	Group I Cumulative Liquidated Loan Balance		1,640,959.61
	Group I Cumulative Net Liquidation Proceeds		1,273,677.87
	Group I Cumulative Recoveries of Prior Losses		1,105.71
	Group I Cumulative Subsequent Losses		0.00
	Group I Cumulative Realized Losses		366,176.03

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Group II Liquidated Loan Balance	383,827.54
Group II Net Liquidation Proceeds	312,246.24
Group II Recoveries of Prior Losses	0.00
Group II Subsequent Losses	0.00
Group II Current Period Realized Losses	71,581.30
Group II Cumulative Liquidated Loan Balance	796,942.22
Group II Cumulative Net Liquidation Proceeds	618,407.14
Group II Cumulative Recoveries of Prior Losses	0.00
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	178,535.08
Total Liquidated Loan Balance	983,999.37
Total Net Liquidation Proceeds	761,884.02
Total Recoveries of Prior Losses	1,105.71
Total Subsequent Losses	0.00
Total Current Period Realized Losses	221,009.64
Total Cumulative Liquidated Loan Balance	2,437,901.83
Total Cumulative Net Liquidation Proceeds	1,892,085.01
Total Cumulative Recoveries of Prior Losses	1,105.71
Total Cumulative Subsequent Losses	0.00
Total Cumulative Realized Losses	544,711.11

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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 - A-3	0.00
	Unpaid Interest Shortfall - A-4	0.00
	Unpaid Interest Shortfall - A-5	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 - B-1	0.00
	Unpaid Interest Shortfall - B-2	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	189.41
	PPIS Interest Reduction Class A1	123.18
	PPIS Interest Reduction Class A2	12.10
	PPIS Interest Reduction Class A3	3.48
	PPIS Interest Reduction Class A4	10.39
	PPIS Interest Reduction Class A5	2.95
	PPIS Interest Reduction Class M1	12.92
	PPIS Interest Reduction Class M2	3.63

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PPIS Interest Reduction Class M3		3.41
PPIS Interest Reduction Class M4		4.20
PPIS Interest Reduction Class M5		3.02
PPIS Interest Reduction Class B1		3.35
PPIS Interest Reduction Class B2		2.59
PPIS Interest Reduction Class B3		4.20
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	17.89 %
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	Available Funds Cap Carryforward Amount - A-1	0.00
	Available Funds Cap Carryforward Amount - A-2	0.00
	Available Funds Cap Carryforward Amount - A-3	0.00
	Available Funds Cap Carryforward Amount - A-4	0.00
	Available Funds Cap Carryforward Amount - A-5	0.00
	Available Funds Cap Carryforward Amount - M-1	0.00
	Available Funds Cap Carryforward Amount - M-2	0.00
	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 - B-1	0.00
	Available Funds Cap Carryforward Amount - B-2	0.00
	Available Funds Cap Carryforward Amount - B-3	0.00

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

Sec. 4.03 (a)(xiii)

REMIC Pass-Through Rates

REMIC Pass-Through Rate - A-1	2.9800 %
REMIC Pass-Through Rate - A-2	2.9850 %
REMIC Pass-Through Rate - A-3	2.7900 %
REMIC Pass-Through Rate - A-4	2.9400 %
REMIC Pass-Through Rate - A-5	3.1500 %
REMIC Pass-Through Rate - M-1	3.2300 %
REMIC Pass-Through Rate - M-2	3.3300 %
REMIC Pass-Through Rate - M-3	3.7500 %
REMIC Pass-Through Rate - M-4	3.8500 %

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REMIC Pass-Through Rate - M-5	4.1500 %
REMIC Pass-Through Rate - B-1	4.6000 %
REMIC Pass-Through Rate - B-2	4.7500 %
REMIC Pass-Through Rate - B-3	5.7694 %
Next REMIC Pass-Through Rate - A-1	3.1800 %
Next REMIC Pass-Through Rate - A-2	3.1850 %
Next REMIC Pass-Through Rate - A-3	2.9900 %
Next REMIC Pass-Through Rate - A-4	3.1400 %
Next REMIC Pass-Through Rate - A-5	3.3500 %
Next REMIC Pass-Through Rate - M-1	3.4300 %
Next REMIC Pass-Through Rate - M-2	3.5300 %
Next REMIC Pass-Through Rate - M-3	3.9500 %
Next REMIC Pass-Through Rate - M-4	4.0500 %
Next REMIC Pass-Through Rate - M-5	4.3500 %
Next REMIC Pass-Through Rate - B-1	4.8000 %
Next REMIC Pass-Through Rate - B-2	4.9500 %
Next REMIC Pass-Through Rate - B-3	6.3500 %

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 - A-3	0.00
Supplemental Interest Payment - A-4	0.00
Supplemental Interest Payment - A-5	0.00

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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 - B-1	0.00
Supplemental Interest Payment - B-2	0.00
Supplemental Interest Payment - B-3	4,144.85

Sec. 4.03 (a)(xv)

Swap Notional Amount and the Underwritten Certificates Principal Balance

Underwritten Certificates Principal Balance	1,131,889,185.22
Swap Notional Amount	825,000,000.00
Difference	306,889,185.22
Funds paid to Swap Counterparty	-171,787.50

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Sec. 4.03 (a)(xvi)	Overcollateralization Amounts		
		Required Overcollateralization Amount	25,200,000.00
		Overcollateralization Amount	25,200,000.00
Sec. 4.03 (a)(xvi)	Excess Cashflow		3,523,087.11