

NovaStar Mortgage Funding Trust, Series 2003-2

Statement to Certificateholders

May 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	440,502,543.06	42,283,150.94	1,220,559.13	43,503,710.07	0.00	0.00	398,219,392.12
A_2	320,000,000.00	122,015,799.96	13,744,293.29	341,644.24	14,085,937.53	0.00	0.00	108,271,506.67
M_1	63,750,000.00	63,750,000.00	0.00	200,281.25	200,281.25	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	213,062.50	213,062.50	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	65,875.00	65,875.00	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	77,125.00	77,125.00	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	85,875.00	85,875.00	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	472,853.29	472,853.29	0.00	0.00	100.00
TOTALS	1,500,000,101.00	742,518,444.27	56,027,444.23	2,677,275.41	58,704,719.64	0.00	0.00	686,491,000.04
X_1	1,500,000,100.00	742,518,444.27	0.00	1,578,461.75	1,578,461.75	0.00	0.00	686,491,000.04
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	440.50254306	42.28315094	1.22055913	43.50371007	398.21939212
A_2	66987WAQ0	381.29937488	42.95091653	1.06763825	44.01855478	338.34845834
M_1	66987WAR8	1,000.00000000	0.00000000	3.14166667	3.14166667	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	4.05833333	4.05833333	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	4.39166667	4.39166667	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	5.14166667	5.14166667	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	5.72500000	5.72500000	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	4,728,532.90000000	4,728,532.90000000	1,000.00000000
TOTALS		495.01226285	37.35162697	1.78485015	39.13647712	457.66063588
X_1	66987XCM5	495.01226318	0.00000000	1.05230776	1.05230776	457.66063618
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	3.325000 %
A_2	3.360000 %
M_1	3.770000 %
M_2	4.870000 %
M_3	5.270000 %
B_1	6.170000 %
B_2	6.870000 %
O	.000000 %
P	.000000 %
X_1	2.550986 %
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	45,385,248.02
	REMIC Available Funds - Group II	14,592,742.05
Sec. 4.03	Principal	
	Group I Scheduled Principal	638,622.70
	Group I Prepayments in Full	40,351,150.12
	Group I Curtailments	360,153.07
	Group I Net Liquidation Proceeds	588,627.36
	Group I Realized Losses	408,155.92
	Group II Scheduled Principal	192,847.53
	Group II Prepayments in Full	13,411,418.10
	Group II Curtailments	10,388.25
	Group II Net Liquidation Proceeds	66,561.98
	Group II Realized Losses	91,950.48
	Total Scheduled Principal	831,470.23
	Total Prepayments in Full	53,762,568.22
	Total Curtailments	370,541.32
	Total Net Liquidation Proceeds	655,189.34
	Total Realized Losses	407,675.12

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Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	42,283,150.94
	Class A-2	13,744,293.29
	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	1,220,559.13
	Class A-2	341,644.24
	Class M-1	200,281.25
	Class M-2	213,062.50
	Class M-3	65,875.00
	Class B-1	77,125.00
	Class B-2	85,875.00
	Class I	0.00
	Class P - Prepay Penalty	472,853.29

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	576,974,541.51
		Group I Ending Pool Balance	534,660,658.16
		Group II Beginning Pool Balance	165,543,902.76
		Group II Ending Pool Balance	151,830,341.88
		Total Beginning Pool Balance	742,518,444.27
		Total Ending Pool Balance	686,491,000.04
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	5,323
		Aggregate Principal Balance of Mortgage Loans	686,491,000.04
		Beginning Weighted Average Mortgage Rate	7.2173 %
		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	505,891,876.39
		Number of 0-30 Days	4,120
		Balance of 30-59 Days	2,844,422.93
		Number of 30-59 Days	26
		Balance of 60-89 Days	625,827.12

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Number of 60-89 Days	10
Balance of 90+ Days	571,107.98
Number of 90+ Days	4
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	6,491,689.96
Number of 0-30 Days	60
Balance of 30-59 Days	235,715.82
Number of 30-59 Days	3
Balance of 60-89 Days	218,097.21
Number of 60-89 Days	2
Balance of 90+ Days	5,312,885.14
Number of 90+ Days	46
Legal Delinquency - Group I	
Balance of 0-30 Days	505,891,876.39
Number of 0-30 Days	4,120
Balance of 30-59 Days	2,844,422.93
Number of 30-59 Days	26
Balance of 60-89 Days	625,827.12
Number of 60-89 Days	10
Balance of 90+ Days	571,107.98
Number of 90+ Days	4
Legal Bankruptcy - Group I	

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	Balance of 0-30 Days	9,809,139.66
	Number of 0-30 Days	88
	Balance of 30-59 Days	459,065.71
	Number of 30-59 Days	6
	Balance of 60-89 Days	581,695.58
	Number of 60-89 Days	5
	Balance of 90+ Days	1,408,487.18
	Number of 90+ Days	12
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	364,772.51
	Number of 0-30 Days	2
	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	7,705,792.30
	Number of 90+ Days	68
Section 4.03(a)(v) A	Loans Delinquent	
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	145,965,114.67
	Number of 0-30 Days	892
	Balance of 30-59 Days	694,462.52
	Number of 30-59 Days	6

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Balance of 60-89 Days	642,470.38
Number of 60-89 Days	5
Balance of 90+ Days	213,410.95
Number of 90+ Days	1
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	876,212.77
Number of 0-30 Days	10
Balance of 30-59 Days	83,325.98
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	1,399,673.42
Number of 90+ Days	9
Legal Delinquency - Group II	
Balance of 0-30 Days	145,965,114.67
Number of 0-30 Days	892
Balance of 30-59 Days	694,462.52
Number of 30-59 Days	6
Balance of 60-89 Days	642,470.38
Number of 60-89 Days	5
Balance of 90+ Days	213,410.95
Number of 90+ Days	1

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Legal Bankruptcy - Group II

Balance of 0-30 Days	2,081,919.77
Number of 0-30 Days	18
Balance of 30-59 Days	277,292.40
Number of 30-59 Days	2
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

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	957,340.70
Number of 90+ Days	9

Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

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Group 1		
Number	Principal Balance	Percentage
39	4,398,470.80	0.82 %

Group 2		
Number	Principal Balance	Percentage
10	998,330.49	0.66 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		40,351,150.12
	Group II Prepayments		13,411,418.10
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		963,957.46
	Group I Net Liquidation Proceeds		588,627.36
	Group I Recoveries of Prior Losses		2,389.23
	Group I Subsequent Losses		35,215.05
	Group I Current Period Net Realized Losses		408,155.92
	Group I Cumulative Liquidated Loan Balance		10,003,728.00
	Group I Cumulative Net Liquidation Proceeds		7,624,804.65
	Group I Cumulative Recoveries of Prior Losses		107,285.43
	Group I Cumulative Subsequent Losses		315,773.10
	Group I Cumulative Realized Losses		2,603,094.89

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Group II Liquidated Loan Balance	98,907.00
Group II Net Liquidation Proceeds	66,561.98
Group II Recoveries of Prior Losses	157.57
Group II Subsequent Losses	59,763.03
Group II Current Period Net Realized Losses	91,950.48
Group II Cumulative Liquidated Loan Balance	2,868,256.54
Group II Cumulative Net Liquidation Proceeds	2,057,452.01
Group II Cumulative Recoveries of Prior Losses	52,965.94
Group II Cumulative Subsequent Losses	219,219.55
Group II Cumulative Realized Losses	1,002,063.32
Total Liquidated Loan Balance	1,062,864.46
Total Net Liquidation Proceeds	655,189.34
Total Recoveries of Prior Losses	2,546.80
Total Subsequent Losses	94,978.08
Total Current Period Net Realized Losses	500,106.40
Total Cumulative Liquidated Loan Balance	12,871,984.54
Total Cumulative Net Liquidation Proceeds	9,682,256.66
Total Cumulative Recoveries of Prior Losses	160,251.37
Total Cumulative Subsequent Losses	534,992.65
Total Cumulative Realized Losses	3,605,158.21

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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	24.24 %
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	3.3250 %
REMIC Pass-Through Rate - A-2	3.3600 %
REMIC Pass-Through Rate - M-1	3.7700 %
REMIC Pass-Through Rate - M-2	4.8700 %
REMIC Pass-Through Rate - M-3	5.2700 %
REMIC Pass-Through Rate - B-1	6.1700 %
REMIC Pass-Through Rate - B-2	6.8700 %
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 %

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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		667,740,998.79
	Ending Swap Notional Amount		475,000,000.00
	Difference		192,740,998.79
	Funds paid to Swap Counterparty		-308,500.00
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		1,770,068.15