

NOVASTAR NIM TRUST, SERIES 2004-N3

Statement to Certificateholders

May 26, 2005

DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
N3	201,000,000.00	139,299,595.42	12,654,792.44	460,501.25	13,115,293.69	0.00	0.00	126,644,802.98
CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	201,000,000.00	139,299,595.42	12,654,792.44	460,501.25	13,115,293.69	0.00	0.00	126,644,802.98

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
N3	669885AC9	693.03281303	62.95916637	2.29105100	65.25021736	630.07364667
TOTALS		693.03281303	62.95916637	2.29105100	65.25021736	630.07364667

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
N3	3.967000 %

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	13,115,293.69
	Underlying Trust Fund 2004-3	
	Amounts Received From Underlying Certificates - Class C	6,311,141.04
	Underlying Trust Fund 2004-4	
	Amounts Received From Underlying Certificates - Class C	6,804,152.65
Section 6.04(a)(ii)	Payment Allocable to Interest	460,501.25
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	12,654,792.44
Section 6.04(a)(iv)	Balance	126,644,802.98