

**NovaStar NIM Trust, Series 2005-1**  
**Statement to Certificateholders**  
**July 26, 2005**

**DISTRIBUTION IN DOLLARS**

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
NOTE	130,875,000.00	125,486,818.38	9,848,165.32	498,810.10	10,346,975.42	0.00	0.00	115,638,653.06
REIT CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRS CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	<b>130,875,000.00</b>	<b>125,486,818.38</b>	<b>9,848,165.32</b>	<b>498,810.10</b>	<b>10,346,975.42</b>	<b>0.00</b>	<b>0.00</b>	<b>115,638,653.06</b>

**FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE**

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
NOTE	669885AD7	958.82955782	75.24863664	3.81134747	79.05998411	883.58092118
<b>TOTALS</b>		<b>958.82955782</b>	<b>75.24863664</b>	<b>3.81134747</b>	<b>79.05998411</b>	<b>883.58092118</b>

**PASS-THROUGH RATES**

CLASS	CURRENT PASS- THRU RATE
NOTE	4.770000 %

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	10,346,975.42
	Underlying Trust Fund 2005-1	
	Amounts Received From Underlying Certificates - Class C	5,903,828.20
	Underlying Trust Fund 2005-2	
	Amounts Received From Underlying Certificates - Class C	4,443,147.22
Section 6.04(a)(ii)	Payment Allocable to Interest	498,810.10
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	9,848,165.32
Section 6.04(a)NOTE Balance		115,638,653.06