

## NovaStar Mortgage Funding Trust, Series 2004-4

## Statement to Certificateholders

December 27, 2005

DISTRIBUTION IN DOLLARS								
CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A1A	1,279,000,000.00	805,853,438.22	61,488,584.58	3,247,589.36	64,736,173.94	0.00	0.00	744,364,853.64
A1B	319,800,000.00	201,494,862.80	15,374,549.92	822,770.69	16,197,320.61	0.00	0.00	186,120,312.88
A2A	268,000,000.00	51,250,097.35	26,207,403.44	199,704.55	26,407,107.99	0.00	0.00	25,042,693.91
A2B	131,100,000.00	131,100,000.00	0.00	528,333.00	528,333.00	0.00	0.00	131,100,000.00
A2C	107,100,000.00	107,100,000.00	0.00	446,845.00	446,845.00	0.00	0.00	107,100,000.00
M1	95,000,000.00	95,000,000.00	0.00	406,494.44	406,494.44	0.00	0.00	95,000,000.00
M2	51,250,000.00	51,250,000.00	0.00	221,570.83	221,570.83	0.00	0.00	51,250,000.00
M3	43,750,000.00	43,750,000.00	0.00	191,090.28	191,090.28	0.00	0.00	43,750,000.00
M4	22,500,000.00	22,500,000.00	0.00	105,875.00	105,875.00	0.00	0.00	22,500,000.00
M5	32,500,000.00	32,500,000.00	0.00	154,375.00	154,375.00	0.00	0.00	32,500,000.00
M6	25,000,000.00	25,000,000.00	0.00	120,972.22	120,972.22	0.00	0.00	25,000,000.00
B1	25,000,000.00	25,000,000.00	0.00	130,972.22	130,972.22	0.00	0.00	25,000,000.00
B2	25,000,000.00	25,000,000.00	0.00	133,194.44	133,194.44	0.00	0.00	25,000,000.00
B3	25,000,000.00	25,000,000.00	0.00	162,083.33	162,083.33	0.00	0.00	25,000,000.00
B4	18,750,000.00	18,750,000.00	0.00	128,229.17	128,229.17	0.00	0.00	18,750,000.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	<b>2,468,750,000.00</b>	<b>1,660,548,398.37</b>	<b>103,070,537.94</b>	<b>7,000,099.53</b>	<b>110,070,637.47</b>	<b>0.00</b>	<b>0.00</b>	<b>1,557,477,860.43</b>
<b>C</b>	<b>2,500,000,000.00</b>	<b>1,691,798,659.06</b>	<b>0.00</b>	<b>5,297,354.52</b>	<b>5,297,354.52</b>	<b>0.00</b>	<b>0.00</b>	<b>1,588,728,121.12</b>

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
A1A	66987WBN6	630.06523708	48.07551570	2.53916291	50.61467861	581.98972138	A1A	4.533750 %
A1B	66987WBP1	630.06523702	48.07551570	2.57276639	50.64828208	581.98972133	A1B	4.593750 %
A2A	66987WBQ9	191.23170653	97.78881881	0.74516623	98.53398504	93.44288772	A2A	4.383750 %
A2B	66987WBR7	1,000.00000000	0.00000000	4.03000000	4.03000000	1,000.00000000	A2B	4.533750 %
A2C	66987WBS5	1,000.00000000	0.00000000	4.17222222	4.17222222	1,000.00000000	A2C	4.693750 %
M1	66987WBT3	1,000.00000000	0.00000000	4.27888884	4.27888884	1,000.00000000	M1	4.813750 %
M2	66987WBU0	1,000.00000000	0.00000000	4.32333327	4.32333327	1,000.00000000	M2	4.863750 %
M3	66987WBV8	1,000.00000000	0.00000000	4.36777783	4.36777783	1,000.00000000	M3	4.913750 %
M4	66987WBW6	1,000.00000000	0.00000000	4.70555556	4.70555556	1,000.00000000	M4	5.293750 %
M5	66987WBX4	1,000.00000000	0.00000000	4.75000000	4.75000000	1,000.00000000	M5	5.343750 %
M6	66987WBY2	1,000.00000000	0.00000000	4.83888880	4.83888880	1,000.00000000	M6	5.443750 %
B1	66987WBZ9	1,000.00000000	0.00000000	5.23888880	5.23888880	1,000.00000000	B1	5.893750 %
B2	66987WCA3	1,000.00000000	0.00000000	5.32777760	5.32777760	1,000.00000000	B2	5.993750 %

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
B3	66987WCB1	1,000.00000000	0.00000000	6.48333320	6.48333320	1,000.00000000	B3	7.293750 %
B4	66987WCC9	1,000.00000000	0.00000000	6.83888907	6.83888907	1,000.00000000	B4	7.693750 %
<b>TOTALS</b>		672.62719934	41.75009132	2.83548335	44.58557467	630.87710802		
C	66987WCE5	676.71946362	0.00000000	2.11894181	2.11894181	635.49124845	C	0.000000 %

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	85,030,505.90
	REMIC Available Funds - Group II	28,610,400.48
Sec. 4.03	Principal	
	Group I Scheduled Principal	964,633.76
	Group I Prepayments in Full	74,156,179.20
	Group I Curtailments	316,835.03
	Group I Net Liquidation Proceeds	1,128,522.79
	Group I Realized Losses	398,203.75
	Group II Scheduled Principal	274,741.68
	Group II Prepayments in Full	25,705,762.29
	Group II Curtailments	26,079.23
	Group II Net Liquidation Proceeds	99,566.92
	Group II Realized Losses	5,671.21
	Total Scheduled Principal	1,239,375.44
	Total Prepayments in Full	99,861,941.49
	Total Curtailments	342,914.26
	Total Net Liquidation Proceeds	1,228,089.71
	Total Realized Losses	403,874.96
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	61,488,584.58
	Class A-1B	15,374,549.92
	Class A-2A	26,207,403.44
	Class A-2B	0.00
	Class A-2C	0.00
	Class M-1	0.00
	Class M-4	0.00
	Class M-5	0.00

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Class M-6	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 B-4	0.00

Sec. 4.03(a)(ii)

## Distributions of Interest

Class A-1A	3,247,589.36
Class A-1B	822,770.69
Class A-2A	199,704.55
Class A-2b	528,333.00
Class A-2C	446,845.00
Class M-1	406,494.44
Class M-2	221,570.83
Class M-3	191,090.28
Class M-4	105,875.00
Class M-5	154,375.00
Class M-6	120,972.22
Class B-1	130,972.22
Class B-2	133,194.44
Class B-3	162,083.33
Class B-4	128,229.17

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	1,307,325,244.71
		Group I Ending Pool Balance	1,230,366,528.12
		Group II Beginning Pool Balance	384,473,153.66
		Group II Ending Pool Balance	358,361,332.31
		Total Beginning Pool Balance	1,691,798,398.37
		Total Ending Pool Balance	1,588,727,860.43
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	10,909
		Aggregate Principal Balance of Mortgage Loans	1,588,727,860.43
		Beginning Weighted Average Mortgage Rate	7.6028%
		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	1,150,271,566.33
		Number of 0-30 Days	8,390
		Balance of 30-59 Days	11,527,665.91
		Number of 30-59 Days	98
		Balance of 60-89 Days	6,143,604.62
		Number of 60-89 Days	53
		Balance of 90+ Days	4,412,489.34
		Number of 90+ Days	38
	Contractual Bankruptcy - Group I		
		Balance of 0-30 Days	10,442,584.73
		Number of 0-30 Days	84
		Balance of 30-59 Days	1,011,598.68

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	Number of 30-59 Days	8
	Balance of 60-89 Days	1,388,350.07
	Number of 60-89 Days	13
	Balance of 60-89 Days	9,791,699.80
	Number of 60-89 Days	79
	<b>Legal Delinquency - Group I</b>	
	Balance of 0-30 Days	1,150,271,566.33
	Number of 0-30 Days	8,390
	Balance of 30-59 Days	11,527,665.91
	Number of 30-59 Days	98
	Balance of 60-89 Days	6,143,604.62
	Number of 60-89 Days	53
	Balance of 60-89 Days	4,412,489.34
	Number of 60-89 Days	38
	<b>Legal Bankruptcy - Group I</b>	
	Balance of 0-30 Days	15,068,765.11
	Number of 0-30 Days	119
	Balance of 30-59 Days	1,459,072.28
	Number of 30-59 Days	14
	Balance of 60-89 Days	2,112,496.45
	Number of 60-89 Days	19
	Balance of 60-89 Days	3,993,899.44
	Number of 60-89 Days	32
Sec. 4.03 (a)(v) B	<b>Loans in Foreclosure - Group I</b>	
	Balance of 0-30 Days	1,101,522.57
	Number of 0-30 Days	10
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	557,784.51
	Number of 60-89 Days	5

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Balance of 60-89 Days	20,146,052.81
Number of 60-89 Days	152
Contractual Delinquency - Group II	
Balance of 0-30 Days	341,439,295.22
Number of 0-30 Days	1,761
Balance of 30-59 Days	2,515,470.46
Number of 30-59 Days	16
Balance of 60-89 Days	1,518,338.28
Number of 60-89 Days	9
Balance of 90+ Days	1,986,882.86
Number of 90+ Days	8
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	2,081,728.12
Number of 0-30 Days	14
Balance of 30-59 Days	75,684.66
Number of 30-59 Days	1
Balance of 60-89 Days	682,334.43
Number of 60-89 Days	4
Balance of 90+ Days	1,737,990.94
Number of 90+ Days	13
Legal Delinquency - Group II	
Balance of 0-30 Days	341,439,295.22
Number of 0-30 Days	1,761
Balance of 30-59 Days	2,515,470.46
Number of 30-59 Days	16
Balance of 60-89 Days	1,518,338.28
Number of 60-89 Days	9
Balance of 90+ Days	1,986,882.86
Number of 90+ Days	8

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	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	3,320,000.87
	Number of 0-30 Days	21
	Balance of 30-59 Days	524,635.70
	Number of 30-59 Days	4
	Balance of 60-89 Days	308,095.00
	Number of 60-89 Days	3
	Balance of 90+ Days	425,006.58
	Number of 90+ Days	4
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	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	3,277,212.44
	Number of 90+ Days	23

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Sec. 4.03(a)(v) C

Loans in REO

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REO by Group			
Group Number	Number of Loans	Principal Balance	Percentage
1	113	13,571,608.75	1.10%
2	17	3,046,394.90	0.85%

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Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		74,156,179.20
	Group II Prepayments		25,705,762.29
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		1,521,068.54
	Group I Net Liquidation Proceeds		1,128,522.79
	Group I Current Period Realized Losses		398,203.75
	Group I Recoveries of Prior Losses		0.00
	Group I Subsequent Losses		0.00
	Group I Cumulative Liquidated Loan Balance		5,374,699.53
	Group I Cumulative Net Liquidation Proceeds		3,788,669.08
	Group I Cumulative Recoveries of Prior Losses		3,177.26
	Group I Cumulative Subsequent Losses		0.00
	Group I Cumulative Realized Losses		1,588,511.19
	Group II Liquidated Loan Balance		105,238.13
	Group II Net Liquidation Proceeds		99,566.92
	Group II Current Period Realized Losses		5,671.21
	Group II Recoveries of Prior Losses		0.00
	Group II Subsequent Losses		0.00
	Group II Cumulative Liquidated Loan Balance		2,331,145.80
	Group II Cumulative Net Liquidation Proceeds		2,062,036.85
	Group II Cumulative Recoveries of Prior Losses		521.02
	Group II Cumulative Subsequent Losses		168.25
	Group II Cumulative Realized Losses		268,756.18
	Total Liquidated Loan Balance		1,626,306.67

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Total Net Liquidation Proceeds	1,228,089.71
Total Current Period Realized Losses	403,874.96
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	7,705,845.33
Total Cumulative Net Liquidation Proceeds	5,850,705.93
Total Cumulative Recoveries of Prior Losses	3,698.28
Total Cumulative Subsequent Losses	168.25
Total Cumulative Realized Losses	1,857,267.37

Sec. 4.03 (a)(ix)

Unpaid Interest Shortfall Amounts

Unpaid Interest Shortfall - A-1A	0.00
Unpaid Interest Shortfall - A-1B	0.00
Unpaid Interest Shortfall - A-2A	0.00
Unpaid Interest Shortfall - A-2B	0.00
Unpaid Interest Shortfall - A-2C	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 - M-6	0.00
Unpaid Interest Shortfall - B-1	0.00
Unpaid Interest Shortfall - B-2	0.00
Unpaid Interest Shortfall - B-3	0.00
Unpaid Interest Shortfall - B-4	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

23.35%

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Sec. 4.03 (a)(xii)

Available Funds Cap Carryforward Amount

Available Funds Cap Carryforward Amount - A-1A	0.00
Available Funds Cap Carryforward Amount - A-1B	0.00
Available Funds Cap Carryforward Amount - A-2A	0.00
Available Funds Cap Carryforward Amount - A-2B	0.00
Available Funds Cap Carryforward Amount - A-2C	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 - M-6	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
Available Funds Cap Carryforward Amount - B-4	0.00
Remaining Available Funds Cap Carryforward Amount - A-1A	0.00
Remaining Available Funds Cap Carryforward Amount - A-1B	0.00
Remaining Available Funds Cap Carryforward Amount - A-2A	0.00
Remaining Available Funds Cap Carryforward Amount - A-2B	0.00
Remaining Available Funds Cap Carryforward Amount - A-2C	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 - M-6	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
Remaining Available Funds Cap Carryforward Amount - B-4	0.00

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Sec. 4.03 (a)(xiii)

## REMIC Pass-Through Rates

REMIC Pass-Through Rate - A-1A	4.5338%
REMIC Pass-Through Rate - A-1B	4.5938%
REMIC Pass-Through Rate - A-2A	4.3838%
REMIC Pass-Through Rate - A-2B	4.5338%
REMIC Pass-Through Rate - A-2C	4.6938%
REMIC Pass-Through Rate - M-1	4.8138%
REMIC Pass-Through Rate - M-2	4.8638%
REMIC Pass-Through Rate - M-3	4.9138%
REMIC Pass-Through Rate - M-4	5.2938%
REMIC Pass-Through Rate - M-5	5.3438%
REMIC Pass-Through Rate - M-6	5.4438%
REMIC Pass-Through Rate - B-1	5.8938%
REMIC Pass-Through Rate - B-2	5.9938%
REMIC Pass-Through Rate - B-3	7.2938%
REMIC Pass-Through Rate - B-4	7.6938%
Next REMIC Pass-Through Rate - A-1A	0.3400%
Next REMIC Pass-Through Rate - A-1B	0.4000%
Next REMIC Pass-Through Rate - A-2A	0.1900%
Next REMIC Pass-Through Rate - A-2B	0.3400%
Next REMIC Pass-Through Rate - A-2C	0.5000%
Next REMIC Pass-Through Rate - M-1	0.6200%
Next REMIC Pass-Through Rate - M-2	0.6700%
Next REMIC Pass-Through Rate - M-3	0.7200%
Next REMIC Pass-Through Rate - M-4	1.1000%
Next REMIC Pass-Through Rate - M-5	1.1500%
Next REMIC Pass-Through Rate - M-6	1.2500%
Next REMIC Pass-Through Rate - B-1	1.7000%
Next REMIC Pass-Through Rate - B-2	1.8000%
Next REMIC Pass-Through Rate - B-3	3.1000%
Next REMIC Pass-Through Rate - B-3	3.5000%

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Sec. 4.03 (a)(xiv)	Supplemental Interest Payment		
	Supplemental Interest Payment - A-1A		0.00
	Supplemental Interest Payment - A-1B		0.00
	Supplemental Interest Payment - A-2A		0.00
	Supplemental Interest Payment - A-2B		0.00
	Supplemental Interest Payment - A-2C		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 - M-4		0.00
	Supplemental Interest Payment - M-5		0.00
	Supplemental Interest Payment - M-6		0.00
	Supplemental Interest Payment - B-1		0.00
	Supplemental Interest Payment - B-2		0.00
	Supplemental Interest Payment - B-3		0.00
	Supplemental Interest Payment - B-4		0.00

Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		1,557,477,860.43
	Swap Notional Amount		1,435,000,000.00
	Difference		122,477,860.43
	Funds paid to Swap Counterparty		-1,734,322.22

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Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	31,250,000.00
	Overcollateralization Amount	31,250,000.00
Sec. 4.03 (a)(xvii)	Excess Cashflow	0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance	
	MI Premiums	866,534.40
	Insurance Proceeds	0.00