

NOVASTAR NIM TRUST, SERIES 2004-N3

Statement to Certificateholders

February 28, 2006

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	40,500,527.56	7,093,766.36	133,887.99	7,227,654.35	0.00	0.00	33,406,761.20
CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	201,000,000.00	40,500,527.56	7,093,766.36	133,887.99	7,227,654.35	0.00	0.00	33,406,761.20

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	PASS-THROUGH RATES	
							CLASS	CURRENT PASS- THRU RATE
N3	669885AC9	201.49516199	35.29236995	0.66610940	35.95847935	166.20279204	N3	3.967000 %
TOTALS		201.49516199	35.29236995	0.66610940	35.95847935	166.20279204		

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	7,227,654.35
	Underlying Trust Fund 2004-3	
	Amounts Received From Underlying Certificates - Class C	3,180,468.63
	Underlying Trust Fund 2004-4	
	Amounts Received From Underlying Certificates - Class C	4,047,185.72
Section 6.04(a)(ii)	Payment Allocable to Interest	133,887.99
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	7,093,766.36
Section 6.04(an3 Balance		33,406,761.20