

## NovaStar Mortgage Funding Trust, Series 2005-2

## Statement to Certificateholders

March 27, 2006

DISTRIBUTION IN DOLLARS								
CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A1A	781,000,000.00	623,026,242.68	22,134,461.39	2,331,115.68	24,465,577.07	0.00	0.00	600,891,781.29
A1B	195,300,000.00	155,796,447.14	5,535,032.41	588,986.91	6,124,019.32	0.00	0.00	150,261,414.73
A2A	206,300,000.00	91,548,055.43	15,199,319.69	332,567.74	15,531,887.43	0.00	0.00	76,348,735.74
A2B	148,500,000.00	148,500,000.00	0.00	546,387.77	546,387.77	0.00	0.00	148,500,000.00
A2C	103,000,000.00	103,000,000.00	0.00	383,782.69	383,782.69	0.00	0.00	103,000,000.00
A2D	59,000,000.00	59,000,000.00	0.00	227,178.91	227,178.91	0.00	0.00	59,000,000.00
M1	89,100,000.00	89,100,000.00	0.00	347,236.66	347,236.66	0.00	0.00	89,100,000.00
M2	34,200,000.00	34,200,000.00	0.00	133,814.76	133,814.76	0.00	0.00	34,200,000.00
M3	27,000,000.00	27,000,000.00	0.00	106,273.23	106,273.23	0.00	0.00	27,000,000.00
M4	33,300,000.00	33,300,000.00	0.00	134,437.32	134,437.32	0.00	0.00	33,300,000.00
M5	24,300,000.00	24,300,000.00	0.00	98,669.91	98,669.91	0.00	0.00	24,300,000.00
M6	13,500,000.00	13,500,000.00	0.00	55,341.62	55,341.62	0.00	0.00	13,500,000.00
M7	13,500,000.00	13,500,000.00	0.00	59,856.62	59,856.62	0.00	0.00	13,500,000.00
M8	13,500,000.00	13,500,000.00	0.00	61,431.62	61,431.62	0.00	0.00	13,500,000.00
M9	13,500,000.00	13,500,000.00	0.00	65,946.62	65,946.62	0.00	0.00	13,500,000.00
M10	18,000,000.00	18,000,000.00	0.00	106,128.82	106,128.82	0.00	0.00	18,000,000.00
M11	18,000,000.00	18,000,000.00	0.00	106,128.82	106,128.82	0.00	0.00	18,000,000.00
C	1,800,000,000.00	9,000,000.00	0.00	3,023,621.99	3,023,621.99	0.00	0.00	9,000,000.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	<b>3,591,000,000.00</b>	<b>1,487,770,745.25</b>	<b>42,868,813.49</b>	<b>8,708,907.69</b>	<b>51,577,721.18</b>	<b>0.00</b>	<b>0.00</b>	<b>1,444,901,931.76</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	66987WCF2	797.72886387	28.34117976	2.98478320	31.32596296	769.38768411	A1A	4.810630 %
A1B	66987WCG0	797.72886400	28.34117977	3.01580599	31.35698577	769.38768423	A1B	4.860630 %
A2A	66987WCH8	443.76178105	73.67581042	1.61205885	75.28786927	370.08597063	A2A	4.670630 %
A2B	66987WCJ4	1,000.00000000	0.00000000	3.67937892	3.67937892	1,000.00000000	A2B	4.730630 %
A2C	66987WCK1	1,000.00000000	0.00000000	3.72604553	3.72604553	1,000.00000000	A2C	4.790630 %
A2D	66987WCL9	1,000.00000000	0.00000000	3.85049000	3.85049000	1,000.00000000	A2D	4.950630 %
M1	66987WCM7	1,000.00000000	0.00000000	3.89715668	3.89715668	1,000.00000000	M1	5.010630 %
M2	66987WCN5	1,000.00000000	0.00000000	3.91271228	3.91271228	1,000.00000000	M2	5.030630 %
M3	66987WCP0	1,000.00000000	0.00000000	3.93604556	3.93604556	1,000.00000000	M3	5.060630 %
M4	66987WCQ8	1,000.00000000	0.00000000	4.03715676	4.03715676	1,000.00000000	M4	5.190630 %
M5	66987WCR6	1,000.00000000	0.00000000	4.06049012	4.06049012	1,000.00000000	M5	5.220630 %
M6	66987WCS4	1,000.00000000	0.00000000	4.09937926	4.09937926	1,000.00000000	M6	5.270630 %

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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
M7	66987WCT2	1,000.00000000	0.00000000	4.43382370	4.43382370	1,000.00000000	M7	5.700630 %
M8	66987WCU9	1,000.00000000	0.00000000	4.55049037	4.55049037	1,000.00000000	M8	5.850630 %
M9	66987WCV7	1,000.00000000	0.00000000	4.88493481	4.88493481	1,000.00000000	M9	6.280630 %
M10	66987WCW5	1,000.00000000	0.00000000	5.89604556	5.89604556	1,000.00000000	M10	7.580630 %
M11	66987WCX3	1,000.00000000	0.00000000	5.89604556	5.89604556	1,000.00000000	M11	7.580630 %
C	66987WCZ8	5.00000000	0.00000000	1.67978999	1.67978999	5.00000000	C	0.000000 %
<b>TOTALS</b>		414.30541500	11.93784837	2.42520404	14.36305240	402.36756663		

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	33,316,803.41
	REMIC Available Funds - Group II	17,981,443.63
Sec. 4.03	Principal	
	Group I Scheduled Principal	709,941.78
	Group I Prepayments in Full	26,425,098.60
	Group I Curtailments	96,090.27
	Group I Net Liquidation Proceeds	313,088.52
	Group I Realized Losses	95,746.13
	Group II Scheduled Principal	314,311.49
	Group II Prepayments in Full	14,444,012.61
	Group II Curtailments	305,320.05
	Group II Net Liquidation Proceeds	132,200.08
	Group II Realized Losses	98,343.81
	Total Scheduled Principal	1,024,253.27
	Total Prepayments in Full	40,869,111.21
	Total Curtailments	401,410.32
	Total Net Liquidation Proceeds	445,288.60
	Total Realized Losses	194,089.94
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	22,134,461.39
	Class A-1B	5,535,032.41
	Class A-2A	15,199,319.69
	Class A-2B	0.00
	Class A-2C	0.00
	Class A-2D	0.00
	Class M-1	0.00
	Class M-4	0.00

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Class M-5	0.00
Class M-6	0.00
Class M-2	0.00
Class M-3	0.00
Class M7	0.00
Class M8	0.00
Class M9	0.00
Class M10	0.00
Class M11	0.00

Sec. 4.03(a)(ii)

Distributions of Interest

Class A-1A	2,331,115.68
Class A-1B	588,986.91
Class A-2A	332,567.74
Class A-2b	546,387.77
Class A-2C	383,782.69
Class A-2D	227,178.91
Class M-1	347,236.66
Class M-2	133,814.76
Class M-3	106,273.23
Class M-4	134,437.32
Class M-5	98,669.91
Class M-6	55,341.62
Class M7	59,856.62
Class M8	61,431.62
Class M9	65,946.62
Class M10	106,128.82
Class M11	106,128.82

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	979,478,822.13
		Group I Ending Pool Balance	951,838,856.71
		Group II Beginning Pool Balance	508,291,923.12
		Group II Ending Pool Balance	493,063,075.05
		Total Beginning Pool Balance	1,487,770,745.25
		Total Ending Pool Balance	1,444,901,931.76
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	10,099
		Aggregate Principal Balance of Mortgage Loans	1,444,901,931.76
		Beginning Weighted Average Mortgage Rate	7.6887%
		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	919,704,322.56
		Number of 0-30 Days	7,164
		Balance of 30-59 Days	6,990,253.21
		Number of 30-59 Days	52
		Balance of 60-89 Days	2,842,943.96
		Number of 60-89 Days	23
		Balance of 90+ Days	2,970,335.04
		Number of 90+ Days	24
	Contractual Bankruptcy - Group I		
		Balance of 0-30 Days	2,679,899.35
		Number of 0-30 Days	21
		Balance of 30-59 Days	320,152.89

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	Number of 30-59 Days	3
	Balance of 60-89 Days	483,610.12
	Number of 60-89 Days	5
	Balance of 60-89 Days	2,418,136.92
	Number of 60-89 Days	19
	Legal Delinquency - Group I	
	Balance of 0-30 Days	919,704,322.56
	Number of 0-30 Days	7,164
	Balance of 30-59 Days	6,990,253.21
	Number of 30-59 Days	52
	Balance of 60-89 Days	2,842,943.96
	Number of 60-89 Days	23
	Balance of 60-89 Days	2,970,335.04
	Number of 60-89 Days	24
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	4,867,814.89
	Number of 0-30 Days	38
	Balance of 30-59 Days	154,855.17
	Number of 30-59 Days	2
	Balance of 60-89 Days	227,144.17
	Number of 60-89 Days	2
	Balance of 60-89 Days	651,985.05
	Number of 60-89 Days	6
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	716,366.85
	Number of 0-30 Days	5
	Balance of 30-59 Days	52,843.55
	Number of 30-59 Days	1
	Balance of 60-89 Days	137,240.74
	Number of 60-89 Days	1

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Balance of 60-89 Days	8,633,257.39
Number of 60-89 Days	63
Contractual Delinquency - Group II	
Balance of 0-30 Days	467,066,746.30
Number of 0-30 Days	2,562
Balance of 30-59 Days	3,713,834.45
Number of 30-59 Days	17
Balance of 60-89 Days	1,536,828.35
Number of 60-89 Days	8
Balance of 90+ Days	2,490,653.35
Number of 90+ Days	12
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	295,920.85
Number of 0-30 Days	3
Balance of 30-59 Days	281,323.03
Number of 30-59 Days	1
Balance of 60-89 Days	210,395.93
Number of 60-89 Days	1
Balance of 90+ Days	2,208,242.30
Number of 90+ Days	12
Legal Delinquency - Group II	
Balance of 0-30 Days	467,066,746.30
Number of 0-30 Days	2,562
Balance of 30-59 Days	3,713,834.45
Number of 30-59 Days	17
Balance of 60-89 Days	1,536,828.35
Number of 60-89 Days	8
Balance of 90+ Days	2,490,653.35
Number of 90+ Days	12

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	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	1,312,157.35
	Number of 0-30 Days	8
	Balance of 30-59 Days	687,402.25
	Number of 30-59 Days	3
	Balance of 60-89 Days	576,141.60
	Number of 60-89 Days	3
	Balance of 90+ Days	420,180.91
	Number of 90+ Days	3
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	259,392.50
	Number of 0-30 Days	1
	Balance of 30-59 Days	701,407.37
	Number of 30-59 Days	3
	Balance of 60-89 Days	860,915.63
	Number of 60-89 Days	3
	Balance of 90+ Days	8,437,423.34
	Number of 90+ Days	37

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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	32	3,889,494.13	0.41%
2	26	4,999,991.65	1.01%

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Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		26,425,098.60
	Group II Prepayments		14,444,012.61
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		408,834.65
	Group I Net Liquidation Proceeds		313,088.52
	Group I Current Period Realized Losses		95,746.13
	Group I Recoveries of Prior Losses		0.00
	Group I Subsequent Losses		0.00
	Group I Cumulative Liquidated Loan Balance		476,586.30
	Group I Cumulative Net Liquidation Proceeds		350,559.53
	Group I Cumulative Recoveries of Prior Losses		0.00
	Group I Cumulative Subsequent Losses		0.00
	Group I Cumulative Realized Losses		126,026.77
	Group II Liquidated Loan Balance		165,203.89
	Group II Net Liquidation Proceeds		132,200.08
	Group II Current Period Realized Losses		33,003.81
	Group II Recoveries of Prior Losses		0.00
	Group II Subsequent Losses		65,340.00
	Group II Cumulative Liquidated Loan Balance		165,203.89
	Group II Cumulative Net Liquidation Proceeds		132,200.08
	Group II Cumulative Recoveries of Prior Losses		0.00
	Group II Cumulative Subsequent Losses		65,340.00
	Group II Cumulative Realized Losses		98,343.81
	Total Liquidated Loan Balance		574,038.54

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Total Net Liquidation Proceeds	445,288.60
Total Current Period Realized Losses	194,089.94
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	65,340.00
Total Cumulative Liquidated Loan Balance	641,790.19
Total Cumulative Net Liquidation Proceeds	482,759.61
Total Cumulative Recoveries of Prior Losses	0.00
Total Cumulative Subsequent Losses	65,340.00
Total Cumulative Realized Losses	224,370.58

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 - A-2D	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 - M7	0.00
Unpaid Interest Shortfall - M8	0.00
Unpaid Interest Shortfall - M9	0.00
Unpaid Interest Shortfall - M10	0.00
Unpaid Interest Shortfall - M11	0.00

Sec. 4.03 (a)(x)

Prepayment Interest Shortfalls not covered by the Servicer

0.00

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Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	20.63%
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	Current Period Available Funds Cap Carryforward Amount - A-1A	0.00
	Current Period Available Funds Cap Carryforward Amount - A-1B	0.00
	Current Period Available Funds Cap Carryforward Amount - A-2A	0.00
	Current Period Available Funds Cap Carryforward Amount - A-2B	0.00
	Current Period Available Funds Cap Carryforward Amount - A-2C	0.00
	Current Period Available Funds Cap Carryforward Amount - A-2D	0.00
	Current Period Available Funds Cap Carryforward Amount - M-1	0.00
	Current Period Available Funds Cap Carryforward Amount - M-2	0.00
	Current Period Available Funds Cap Carryforward Amount - M-3	0.00
	Current Period Available Funds Cap Carryforward Amount - M-4	0.00
	Current Period Available Funds Cap Carryforward Amount - M-5	0.00
	Current Period Available Funds Cap Carryforward Amount - M-6	0.00
	Current Period Available Funds Cap Carryforward Amount - M7	0.00
	Current Period Available Funds Cap Carryforward Amount - M8	0.00
	Current Period Available Funds Cap Carryforward Amount - M9	0.00
	Current Period Available Funds Cap Carryforward Amount - M10	10,274.05
	Current Period Available Funds Cap Carryforward Amount - M11	10,274.05
	Available Funds Cap Carryforward Amount Repaid This Period- A-1A	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-1B	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-2A	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-2B	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-2C	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-2D	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- M-1	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- M-2	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- M-3	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- M-4	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- M-5	0.00

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Available Funds Cap Carryforward Amount Repaid This Period- M6	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M7	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M8	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M9	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M10	10,274.05
Available Funds Cap Carryforward Amount Repaid This Period- M11	10,274.05
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 - A-2D	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 - M7	0.00
Remaining Available Funds Cap Carryforward Amount - M8	0.00
Remaining Available Funds Cap Carryforward Amount - M9	0.00
Remaining Available Funds Cap Carryforward Amount - M10	0.00
Remaining Available Funds Cap Carryforward Amount - M11	0.00

Sec. 4.03 (a)(xiii)

REMIC Pass-Through Rates

REMIC Pass-Through Rate - A-1A	4.8106%
REMIC Pass-Through Rate - A-1B	4.8606%
REMIC Pass-Through Rate - A-2A	4.6706%
REMIC Pass-Through Rate - A-2B	4.7306%
REMIC Pass-Through Rate - A-2C	4.7906%
REMIC Pass-Through Rate - A-2D	4.9506%

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REMIC Pass-Through Rate - M-1	5.0106%
REMIC Pass-Through Rate - M-2	5.0306%
REMIC Pass-Through Rate - M-3	5.0606%
REMIC Pass-Through Rate - M-4	5.1906%
REMIC Pass-Through Rate - M-5	5.2206%
REMIC Pass-Through Rate - M-6	5.2706%
REMIC Pass-Through Rate - M7	5.7006%
REMIC Pass-Through Rate - M8	5.8506%
REMIC Pass-Through Rate - M9	6.2806%
REMIC Pass-Through Rate - M10	7.5806%
REMIC Pass-Through Rate - M11	7.5806%
Next REMIC Pass-Through Rate - A-1A	5.0481%
Next REMIC Pass-Through Rate - A-1B	5.0981%
Next REMIC Pass-Through Rate - A-2A	4.9081%
Next REMIC Pass-Through Rate - A-2B	4.9681%
Next REMIC Pass-Through Rate - A-2C	5.0281%
Next REMIC Pass-Through Rate - A-2D	5.1881%
Next REMIC Pass-Through Rate - M-1	5.2481%
Next REMIC Pass-Through Rate - M-2	5.2681%
Next REMIC Pass-Through Rate - M-3	5.2981%
Next REMIC Pass-Through Rate - M-4	5.4281%
Next REMIC Pass-Through Rate - M-5	5.4581%
Next REMIC Pass-Through Rate - M-6	5.5081%
Next REMIC Pass-Through Rate - M7	5.9381%
Next REMIC Pass-Through Rate - M8	6.0881%
Next REMIC Pass-Through Rate - M9	6.5181%
Next REMIC Pass-Through Rate - M10	7.8181%
Next REMIC Pass-Through Rate - M11	7.8181%

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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 - A-2D		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 - M7		0.00
	Supplemental Interest Payment - M8		0.00
	Supplemental Interest Payment - M9		0.00
	Supplemental Interest Payment - M10		10,274.05
	Supplemental Interest Payment - M11		10,274.05
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		1,435,901,931.76
	Swap Notional Amount		725,000,000.00
	Cap Notional Amount		320,000,000.00
	Total Notional Amount		1,045,000,000.00
	Difference		390,901,931.76
	Payment from Swap Counterparty		196,916.36
	Payment from Cap Counterparty		183,401.24
	Payment to Cap Counterparty		94,533.33

**NovaStar Mortgage Funding Trust, Series 2005-2**  
**March 27, 2006**

Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	9,000,000.00
	Overcollateralization Amount	9,000,000.00
Sec. 4.03 (a)(xvii)	Excess Cashflow	0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance	
	MI Premiums	878,650.52
	Insurance Proceeds	0.00