

**NovaStar NIM Trust, Series 2004-N3**

**August 28, 2006**

**Table of Contents**

<b>Distribution Report</b>	-----	<b>2</b>
<b>Factor Report</b>	-----	<b>2</b>

IF THERE ARE ANY QUESTIONS OR PROBLEMS WITH THIS STATEMENT, PLEASE CONTACT THE ADMINISTRATOR LISTED BELOW:

Daniel Stinfil

JPMorgan Chase Bank, N.A. - Structured Finance Services

4 New York Plaza, Floor 6

Tel: (212) 623-5431 / Fax: (212) 623-5930

Email: Daniel.s.stinfil@jpmorgan.com

## NovaStar NIM Trust, Series 2004-N3

August 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	4,551,388.74	4,394,839.08	15,046.13	4,409,885.21	0.00	0.00	156,549.66
CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	201,000,000.00	4,551,388.74	4,394,839.08	15,046.13	4,409,885.21	0.00	0.00	156,549.66

## FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CURRENT PASS-THRU RATE
N3	669885AC9	22.64372508	21.86487105	0.07485637	21.93972741	0.77885403	3.967000%
TOTALS		22.64372508	21.86487105	0.07485637	21.93972741	0.77885403	

## NovaStar NIM Trust, Series 2004-N3

August 28, 2006

Section 6.04(a)(i)	Available Funds	4,409,885.21
	Underlying Trust Fund 2004-3	
	Amounts Received From Underlying Certificates - Class C	1,491,516.85
	Underlying Trust Fund 2004-4	
	Amounts Received From Underlying Certificates - Class C	2,918,368.36
Section 6.04(a)(ii)	Payment Allocable to Interest	15,046.13
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	4,394,839.08
Section 6.04(an3 Balance		156,549.66