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

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## NovaStar Mortgage Funding Trust, Series 2006-1

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DISTRIBUTION IN DOLLARS								
CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A1A	767,078,000.00	717,431,351.12	25,643,195.18	3,425,635.06	29,068,830.24	0.00	0.00	691,788,155.94
A2A	182,000,000.00	161,004,419.41	10,749,927.99	754,909.47	11,504,837.46	0.00	0.00	150,254,491.42
A2B	91,700,000.00	91,700,000.00	0.00	433,906.57	433,906.57	0.00	0.00	91,700,000.00
A2C	71,400,000.00	71,400,000.00	0.00	340,925.08	340,925.08	0.00	0.00	71,400,000.00
A2D	32,621,000.00	32,621,000.00	0.00	158,850.68	158,850.68	0.00	0.00	32,621,000.00
M1	78,300,000.00	78,300,000.00	0.00	383,311.13	383,311.13	0.00	0.00	78,300,000.00
M2	21,600,000.00	21,600,000.00	0.00	106,671.00	106,671.00	0.00	0.00	21,600,000.00
M3	18,900,000.00	18,900,000.00	0.00	94,313.63	94,313.63	0.00	0.00	18,900,000.00
M4	18,225,000.00	18,225,000.00	0.00	91,416.09	91,416.09	0.00	0.00	18,225,000.00
M5	12,825,000.00	12,825,000.00	0.00	65,323.78	65,323.78	0.00	0.00	12,825,000.00
M6	10,125,000.00	10,125,000.00	0.00	55,669.22	55,669.22	0.00	0.00	10,125,000.00
M7	8,775,000.00	8,775,000.00	0.00	49,153.41	49,153.41	0.00	0.00	8,775,000.00
M8	7,425,000.00	7,425,000.00	0.00	46,898.16	46,898.16	0.00	0.00	7,425,000.00
M9	8,775,000.00	8,775,000.00	0.00	59,581.03	59,581.03	0.00	0.00	8,775,000.00
M10	6,750,000.00	6,750,000.00	0.00	45,831.56	45,831.56	0.00	0.00	6,750,000.00
M11	6,750,000.00	6,750,000.00	0.00	45,831.56	45,831.56	0.00	0.00	6,750,000.00
C	0.00	0.00	0.00	465,243.74	465,243.74	0.00	0.00	0.00
TRUST_CERT	0.00	0.00	0.00	2,244,640.99	2,244,640.99	0.00	0.00	0.00
TOTALS	1,343,249,000.00	1,272,606,770.53	36,393,123.17	8,868,112.16	45,261,235.33	0.00	0.00	1,236,213,647.36

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CURRENT PASS-THRU RATE
A1A	669884AA6	935.27822610	33.42971012	4.46582363	37.89553375	901.84851598	5.545000%
A2A	669884AB4	884.63966709	59.06553841	4.14785423	63.21339264	825.57412868	5.445000%
A2B	669884AC2	1,000.00000000	0.00000000	4.73180556	4.73180556	1,000.00000000	5.495000%
A2C	669884AD0	1,000.00000000	0.00000000	4.77486106	4.77486106	1,000.00000000	5.545000%
A2D	669884AE8	1,000.00000000	0.00000000	4.86958340	4.86958340	1,000.00000000	5.655000%
M1	669884AF5	1,000.00000000	0.00000000	4.89541673	4.89541673	1,000.00000000	5.685000%
M2	669884AG3	1,000.00000000	0.00000000	4.93847222	4.93847222	1,000.00000000	5.735000%
M3	669884AH1	1,000.00000000	0.00000000	4.99013915	4.99013915	1,000.00000000	5.795000%
M4	669884AJ7	1,000.00000000	0.00000000	5.01597202	5.01597202	1,000.00000000	5.825000%
M5	669884AK4	1,000.00000000	0.00000000	5.09347213	5.09347213	1,000.00000000	5.915000%
M6	669884AL2	1,000.00000000	0.00000000	5.49819457	5.49819457	1,000.00000000	6.385000%
M7	669884AM0	1,000.00000000	0.00000000	5.60152821	5.60152821	1,000.00000000	6.505000%
M8	669884AN8	1,000.00000000	0.00000000	6.31625051	6.31625051	1,000.00000000	7.335000%
M9	669884AP3	1,000.00000000	0.00000000	6.78986097	6.78986097	1,000.00000000	7.885000%
M10	669884AQ1	1,000.00000000	0.00000000	6.78986074	6.78986074	1,000.00000000	7.885000%
M11	669884AR9	1,000.00000000	0.00000000	6.78986074	6.78986074	1,000.00000000	7.885000%
TOTALS		947.40943081	27.09335586	6.60198680	33.69534266	920.31607495	

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Available Funds - Group I	31,350,352.68
Available Funds - Group II	13,481,097.94
Principal	
Group I Scheduled Principal	473,383.99
Group I Prepayments in Full	25,169,269.64
Group I Curtailments	541.52
Group I Net Liquidation Proceeds	0.00
Group I Realized Losses	0.00
Group II Scheduled Principal	176,327.30
Group II Prepayments in Full	10,575,568.62
Group II Curtailments	-1,967.94
Group II Net Liquidation Proceeds	0.00
Group II Realized Losses	0.00
Total Scheduled Principal	649,711.29
Total Prepayments in Full	35,744,838.26
Total Curtailments	-1,426.42
Total Net Liquidation Proceeds	0.00
Total Realized Losses	0.00
Distributions of Principal	
Class A-1A	25,643,195.18
Class A-2A	10,749,927.99
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
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 M7	0.00
Class M8	0.00
Class M9	0.00
Class M10	0.00
Class M11	0.00

## Distributions of Interest

Class A-1A	3,425,635.06
Class A-2A	754,909.47
Class A-2b	433,906.57
Class A-2C	340,925.08
Class A-2D	158,850.68
Class M-1	383,311.13
Class M-2	106,671.00
Class M-3	94,313.63
Class M-4	91,416.09
Class M-5	65,323.78
Class M-6	55,669.22
Class M-7	49,153.41
Class M-8	46,898.16
Class M-9	59,581.03
Class M-10	45,831.56
Class M-11	45,831.56

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Pool Balances

Group I Beginning Pool Balance	854,992,172.71
Group I Ending Pool Balance	829,348,977.53
Group II Beginning Pool Balance	424,364,595.28
Group II Ending Pool Balance	413,614,667.30
Total Beginning Pool Balance	1,279,356,767.99
Total Ending Pool Balance	1,242,963,644.83

Mortgage Loan Information as of Determination Date

Number of Mortgage Loans	7,393
Aggregate Principal Balance of Mortgage Loans	1,242,963,644.83
Beginning Weighted Average Mortgage Rate	8.6233%
Swap Funds Outgoing Payment	0.00
Swap Funds Received	383,579.15
Wachovia Swap	69,116.66
Deutsche Swap	93,749.99
Greenwich Swap	220,712.50

Cap Funds Received	92,138.89
Cap Fee	45,933.33

Loans Delinquent

Contractual Delinquency - Group I

Balance of 0-30 Days	806,123,297.09
Number of 0-30 Days	5,173
Balance of 30-59 Days	6,921,116.80
Number of 30-59 Days	43
Balance of 60-89 Days	5,621,297.05
Number of 60-89 Days	32
Balance of 90+ Days	833,405.77

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Number of 90+ Days	7
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	420,800.01
Number of 0-30 Days	6
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	166,854.64
Number of 90+ Days	1
Legal Delinquency - Group I	
Balance of 0-30 Days	806,123,297.09
Number of 0-30 Days	5,173
Balance of 30-59 Days	6,921,116.80
Number of 30-59 Days	43
Balance of 60-89 Days	5,621,297.05
Number of 60-89 Days	32
Balance of 90+ Days	833,405.77
Number of 90+ Days	7
Legal Bankruptcy - Group I	
Balance of 0-30 Days	587,654.65
Number of 0-30 Days	7
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	0.00
Number of 90+ Days	0
Loans in Foreclosure - Group I	

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Balance of 0-30 Days	77,721.05
Number of 0-30 Days	1
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	534,780.36
Number of 60-89 Days	4
Balance of 90+ Days	8,322,029.19
Number of 90+ Days	44
Contractual Delinquency - Group II	
Balance of 0-30 Days	393,634,117.51
Number of 0-30 Days	1,986
Balance of 30-59 Days	6,784,694.92
Number of 30-59 Days	35
Balance of 60-89 Days	4,574,301.78
Number of 60-89 Days	19
Balance of 90+ Days	-73,600.08
Number of 90+ Days	3
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	92,576.16
Number of 0-30 Days	2
Balance of 30-59 Days	107,284.09
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	545,933.53
Number of 90+ Days	1
Legal Delinquency - Group II	
Balance of 0-30 Days	393,634,117.51
Number of 0-30 Days	1,986
Balance of 30-59 Days	6,784,694.92

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Number of 30-59 Days	35
Balance of 60-89 Days	4,574,301.78
Number of 60-89 Days	19
Balance of 90+ Days	-73,600.08
Number of 90+ Days	3
Legal Bankruptcy - Group II	
Balance of 0-30 Days	92,576.16
Number of 0-30 Days	2
Balance of 30-59 Days	107,284.09
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	545,933.53
Number of 90+ Days	1
Loans in Foreclosure - Group II	
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	249,126.04
Number of 60-89 Days	2
Balance of 90+ Days	5,242,519.97
Number of 90+ Days	19

## Loans in REO

REO Group Report			
Group Number	Number of Loans	Principal Balance	Percentage
1	2	287,681.13	0.03%

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REO Group Report			
Group Number	Number of Loans	Principal Balance	Percentage
2	12	2,440,128.41	0.59%

## Principal Prepayments

Group I Prepayments	25,169,269.64
Group II Prepayments	10,575,568.62

## Realized Losses

Group I Liquidated Loan Balance	0.00
Group I Net Liquidation Proceeds	0.00
Group I Current Period Realized Losses	0.00
Group I Recoveries of Prior Losses	0.00
Group I Subsequent Losses	0.00
Group I Cumulative Liquidated Loan Balance	0.00
Group I Cumulative Net Liquidation Proceeds	0.00
Group I Cumulative Recoveries of Prior Losses	0.00
Group I Cumulative Subsequent Losses	0.00
Group I Cumulative Realized Losses	0.00
Group II Liquidated Loan Balance	0.00
Group II Net Liquidation Proceeds	0.00
Group II Current Period Realized Losses	0.00
Group II Recoveries of Prior Losses	0.00
Group II Subsequent Losses	0.00
Group II Cumulative Liquidated Loan Balance	0.00
Group II Cumulative Net Liquidation Proceeds	0.00

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Group II Cumulative Recoveries of Prior Losses	0.00
Group II Cumulative Subsequent Losses	47,079.00
Group II Cumulative Realized Losses	47,079.00
Total Liquidated Loan Balance	0.00
Total Net Liquidation Proceeds	0.00
Total Current Period Realized Losses	0.00
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	0.00
Total Cumulative Net Liquidation Proceeds	0.00
Total Cumulative Recoveries of Prior Losses	0.00
Total Cumulative Subsequent Losses	47,079.00
Total Cumulative Realized Losses	47,079.00

Unpaid Interest Shortfall Amounts

Unpaid Interest Shortfall - A-1A	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

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Unpaid Interest Shortfall - M10	0.00
Unpaid Interest Shortfall - M11	0.00
Prepayment Interest Shortfalls not covered by the Servicer	0.00
Credit Enhancement Percentage	16.04%
Available Funds Cap Shortfall Amount	
Current Period Available Funds Cap Shortfall Amount - A-1A	0.00
Current Period Available Funds Cap Shortfall Amount - A-2A	0.00
Current Period Available Funds Cap Shortfall Amount - A-2B	0.00
Current Period Available Funds Cap Shortfall Amount - A-2C	0.00
Current Period Available Funds Cap Shortfall Amount - A-2D	0.00
Current Period Available Funds Cap Shortfall Amount - M-1	0.00
Current Period Available Funds Cap Shortfall Amount - M-2	0.00
Current Period Available Funds Cap Shortfall Amount - M-3	0.00
Current Period Available Funds Cap Shortfall Amount - M-4	0.00
Current Period Available Funds Cap Shortfall Amount - M-5	0.00
Current Period Available Funds Cap Shortfall Amount - M-6	0.00
Current Period Available Funds Cap Shortfall Amount - M7	0.00
Current Period Available Funds Cap Shortfall Amount - M8	647.35
Current Period Available Funds Cap Shortfall Amount - M9	4,920.99
Current Period Available Funds Cap Shortfall Amount - M10	3,785.37
Current Period Available Funds Cap Shortfall Amount - M11	3,785.37
Available Funds Cap Shortfall Amount Repaid This Period- A-1A	0.00
Available Funds Cap Shortfall Amount Repaid This Period- A-2A	0.00
Available Funds Cap Shortfall Amount Repaid This Period- A-2B	0.00
Available Funds Cap Shortfall Amount Repaid This Period- A-2C	0.00
Available Funds Cap Shortfall Amount Repaid This Period- A-2D	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-1	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-2	0.00

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Available Funds Cap Shortfall Amount Repaid This Period- M-3	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-4	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-5	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-6	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M7	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M8	647.35
Available Funds Cap Shortfall Amount Repaid This Period- M9	4,920.99
Available Funds Cap Shortfall Amount Repaid This Period- M10	3,785.37
Available Funds Cap Shortfall Amount Repaid This Period- M11	3,785.37

Remaining Available Funds Cap Shortfall Amount - A-1A	0.00
Remaining Available Funds Cap Shortfall Amount - A-2A	0.00
Remaining Available Funds Cap Shortfall Amount - A-2B	0.00
Remaining Available Funds Cap Shortfall Amount - A-2C	0.00
Remaining Available Funds Cap Shortfall Amount - A-2D	0.00
Remaining Available Funds Cap Shortfall Amount - M-1	0.00
Remaining Available Funds Cap Shortfall Amount - M-2	0.00
Remaining Available Funds Cap Shortfall Amount - M-3	0.00
Remaining Available Funds Cap Shortfall Amount - M-4	0.00
Remaining Available Funds Cap Shortfall Amount - M-5	0.00
Remaining Available Funds Cap Shortfall Amount - M-6	0.00
Remaining Available Funds Cap Shortfall Amount - M7	0.00
Remaining Available Funds Cap Shortfall Amount - M8	0.00
Remaining Available Funds Cap Shortfall Amount - M9	0.00
Remaining Available Funds Cap Shortfall Amount - M10	0.00
Remaining Available Funds Cap Shortfall Amount - M11	0.00

Note Rates

Note Rate - A-1A	5.5450%
Note Rate - A-2A	5.4450%
Note Rate - A-2B	5.4950%
Note Rate - A-2C	5.5450%

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Note Rate - A-2D	5.6550%
Note Rate - M-1	5.6850%
Note Rate - M-2	5.7350%
Note Rate - M-3	5.7950%
Note Rate - M-4	5.8250%
Note Rate - M-5	5.9150%
Note Rate - M-6	6.3850%
Note Rate - M7	6.5050%
Note Rate - M8	7.3350%
Note Rate - M9	7.8850%
Note Rate - M10	7.8850%
Note Rate - M11	7.8850%
Next Note Rate - A-1A	5.4844%
Next Note Rate - A-2A	5.3844%
Next Note Rate - A-2B	5.4344%
Next Note Rate - A-2C	5.4844%
Next Note Rate - A-2D	5.5944%
Next Note Rate - M-1	5.6244%
Next Note Rate - M-2	5.6744%
Next Note Rate - M-3	5.7344%
Next Note Rate - M-4	5.7644%
Next Note Rate - M-5	5.8544%
Next Note Rate - M-6	6.3244%
Next Note Rate - M-7	6.4444%
Next Note Rate - M-8	7.2744%
Next Note Rate - M-9	7.8244%
Next Note Rate - M-10	7.8244%
Next Note Rate - M-11	7.8244%

Underwritten Noteholders Principal Balance

1,236,213,647.36

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Overcollateralization Amounts

Required Overcollateralization Amount	6,749,997.47
Overcollateralization Amount	6,749,997.47

Excess Cashflow	0.00
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Mortgage Insurance

MI Premiums	680,590.61
Insurance Proceeds	0.00