

NovaStar Mortgage Funding Trust, Series 2005-2

December 26, 2006

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

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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	781,000,000.00	388,045,072.65	21,882,056.39	1,734,884.85	23,616,941.24	0.00	0.00	366,163,016.26
A1B	195,300,000.00	97,036,111.00	5,471,915.00	437,740.68	5,909,655.68	0.00	0.00	91,564,196.00
A2A	206,300,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A2B	148,500,000.00	89,066,632.35	8,622,294.60	392,462.22	9,014,756.82	0.00	0.00	80,444,337.75
A2C	103,000,000.00	103,000,000.00	0.00	458,836.39	458,836.39	0.00	0.00	103,000,000.00
A2D	59,000,000.00	59,000,000.00	0.00	270,433.06	270,433.06	0.00	0.00	59,000,000.00
M1	89,100,000.00	89,100,000.00	0.00	412,706.25	412,706.25	0.00	0.00	89,100,000.00
M2	34,200,000.00	34,200,000.00	0.00	158,963.50	158,963.50	0.00	0.00	34,200,000.00
M3	27,000,000.00	27,000,000.00	0.00	126,150.00	126,150.00	0.00	0.00	27,000,000.00
M4	33,300,000.00	33,300,000.00	0.00	159,072.25	159,072.25	0.00	0.00	33,300,000.00
M5	24,300,000.00	24,300,000.00	0.00	116,667.00	116,667.00	0.00	0.00	24,300,000.00
M6	13,500,000.00	13,500,000.00	0.00	65,358.75	65,358.75	0.00	0.00	13,500,000.00
M7	13,500,000.00	13,500,000.00	0.00	70,035.00	70,035.00	0.00	0.00	13,500,000.00
M8	13,500,000.00	13,500,000.00	0.00	71,666.25	71,666.25	0.00	0.00	13,500,000.00
M9	13,500,000.00	13,500,000.00	0.00	76,342.50	76,342.50	0.00	0.00	13,500,000.00
M10	18,000,000.00	18,000,000.00	0.00	120,640.00	120,640.00	0.00	0.00	18,000,000.00
M11	18,000,000.00	18,000,000.00	0.00	120,640.00	120,640.00	0.00	0.00	18,000,000.00
C	9,000,000.00	8,877,084.27	0.00	1,441,139.40	1,441,139.40	0.00	122,915.73	9,000,000.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	1,800,000,000.00	1,042,924,900.27	35,976,265.99	6,233,738.10	42,210,004.09	0.00	122,915.73	1,007,071,550.01

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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	66987WCF2	496.85668713	28.01799794	2.22136344	30.23936138	468.83868919	5.550000%
A1B	66987WCG0	496.85668715	28.01799795	2.24137573	30.25937368	468.83868920	5.600000%
A2A	66987WCH8	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.000000%
A2B	66987WCJ4	599.77530202	58.06258990	2.64284323	60.70543313	541.71271212	5.470000%
A2C	66987WCK1	1,000.00000000	0.00000000	4.45472223	4.45472223	1,000.00000000	5.530000%
A2D	66987WCL9	1,000.00000000	0.00000000	4.58361119	4.58361119	1,000.00000000	5.690000%
M1	66987WCM7	1,000.00000000	0.00000000	4.63194444	4.63194444	1,000.00000000	5.750000%
M2	66987WCN5	1,000.00000000	0.00000000	4.64805556	4.64805556	1,000.00000000	5.770000%
M3	66987WCP0	1,000.00000000	0.00000000	4.67222222	4.67222222	1,000.00000000	5.800000%
M4	66987WCQ8	1,000.00000000	0.00000000	4.77694444	4.77694444	1,000.00000000	5.930000%
M5	66987WCR6	1,000.00000000	0.00000000	4.80111111	4.80111111	1,000.00000000	5.960000%
M6	66987WCS4	1,000.00000000	0.00000000	4.84138889	4.84138889	1,000.00000000	6.010000%
M7	66987WCT2	1,000.00000000	0.00000000	5.18777778	5.18777778	1,000.00000000	6.440000%
M8	66987WCU9	1,000.00000000	0.00000000	5.30861111	5.30861111	1,000.00000000	6.590000%
M9	66987WCV7	1,000.00000000	0.00000000	5.65500000	5.65500000	1,000.00000000	7.020000%
M10	66987WCW5	1,000.00000000	0.00000000	6.70222222	6.70222222	1,000.00000000	8.320000%
M11	66987WCX3	1,000.00000000	0.00000000	6.70222222	6.70222222	1,000.00000000	8.320000%
C	66987WCZ8	986.34269667	0.00000000	160.12660000	160.12660000	1,000.00000000	0.000000%
TOTALS		579.40272237	19.98681444	3.46318783	23.45000227	559.48419445	

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	REMIC Available Funds - Group I	30,828,477.93
	REMIC Available Funds - Group II	10,405,128.17
Sec. 4.03	Principal	
	Group I Scheduled Principal	548,682.86
	Group I Prepayments in Full	25,490,740.93
	Group I Curtailments	236,832.50
	Group I Net Liquidation Proceeds	509,132.68
	Group I Realized Losses	298,964.22
	Group II Scheduled Principal	243,811.37
	Group II Prepayments in Full	8,045,674.23
	Group II Curtailments	135,194.08
	Group II Net Liquidation Proceeds	386,188.93
	Group II Realized Losses	427,611.00
	Total Scheduled Principal	792,494.23
	Total Prepayments in Full	33,536,415.16
	Total Curtailments	372,026.58
	Total Net Liquidation Proceeds	895,321.61
	Total Realized Losses	726,575.22
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	21,882,056.39
	Class A-1B	5,471,915.00
	Class A-2A	0.00
	Class A-2B	8,622,294.60
	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	1,734,884.85
Class A-1B	437,740.68
Class A-2A	0.00
Class A-2b	392,462.22
Class A-2C	458,836.39
Class A-2D	270,433.06
Class M-1	412,706.25
Class M-2	158,963.50
Class M-3	126,150.00
Class M-4	159,072.25
Class M-5	116,667.00
Class M-6	65,358.75
Class M7	70,035.00
Class M8	71,666.25
Class M9	76,342.50
Class M10	120,640.00
Class M11	120,640.00

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Sec. 4.03(a)(iii)	Pool Balances		
	Group I Beginning Pool Balance	685,996,600.95	
	Group I Ending Pool Balance	658,992,015.04	
	Group II Beginning Pool Balance	356,928,299.32	
	Group II Ending Pool Balance	348,079,534.97	
	Total Beginning Pool Balance	1,042,924,900.27	
	Total Ending Pool Balance	1,007,071,550.01	
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
	Number of Mortgage Loans	7,264	
	Aggregate Principal Balance of Mortgage Loans	1,007,071,550.01	
	Beginning Weighted Average Mortgage Rate	7.6497%	
	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	600,478,498.45	
	Number of 0-30 Days	4,831	
	Balance of 30-59 Days	10,402,715.48	
	Number of 30-59 Days	95	
	Balance of 60-89 Days	5,142,205.80	
	Number of 60-89 Days	46	
	Balance of 90+ Days	1,657,421.25	
	Number of 90+ Days	14	
	Contractual Bankruptcy - Group I		
	Balance of 0-30 Days	2,503,129.82	
	Number of 0-30 Days	19	
	Balance of 30-59 Days	817,228.97	

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	Number of 30-59 Days	6
	Balance of 60-89 Days	802,049.00
	Number of 60-89 Days	7
	Balance of 90+ Days	5,156,360.63
	Number of 90+ Days	43
	Legal Delinquency - Group I	
	Balance of 0-30 Days	600,478,498.45
	Number of 0-30 Days	4,831
	Balance of 30-59 Days	10,402,715.48
	Number of 30-59 Days	95
	Balance of 60-89 Days	5,142,205.80
	Number of 60-89 Days	46
	Balance of 90+ Days	1,657,421.25
	Number of 90+ Days	14
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	6,262,937.03
	Number of 0-30 Days	54
	Balance of 30-59 Days	1,825,904.49
	Number of 30-59 Days	10
	Balance of 60-89 Days	335,765.30
	Number of 60-89 Days	3
	Balance of 90+ Days	854,161.60
	Number of 90+ Days	8
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	615,986.63
	Number of 0-30 Days	6
	Balance of 30-59 Days	441,966.59
	Number of 30-59 Days	3
	Balance of 60-89 Days	52,653.34
	Number of 60-89 Days	1

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Balance of 90+ Days	15,412,883.89
Number of 90+ Days	119
Contractual Delinquency - Group II	
Balance of 0-30 Days	312,783,994.75
Number of 0-30 Days	1,757
Balance of 30-59 Days	4,630,726.60
Number of 30-59 Days	28
Balance of 60-89 Days	1,221,706.97
Number of 60-89 Days	10
Balance of 90+ Days	1,850,039.27
Number of 90+ Days	10
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	977,820.60
Number of 0-30 Days	6
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	366,299.58
Number of 60-89 Days	2
Balance of 90+ Days	2,742,019.14
Number of 90+ Days	16
Legal Delinquency - Group II	
Balance of 0-30 Days	312,783,994.75
Number of 0-30 Days	1,757
Balance of 30-59 Days	4,630,726.60
Number of 30-59 Days	28
Balance of 60-89 Days	1,221,706.97
Number of 60-89 Days	10
Balance of 90+ Days	1,850,039.27
Number of 90+ Days	10

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	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	3,288,125.10
	Number of 0-30 Days	19
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	657,320.03
	Number of 60-89 Days	3
	Balance of 90+ Days	140,694.19
	Number of 90+ Days	2
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	644,100.72
	Number of 0-30 Days	3
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	450,975.32
	Number of 60-89 Days	3
	Balance of 90+ Days	8,571,251.82
	Number of 90+ Days	38

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Sec. 4.03(a)(v) C

Loans in REO

REO Group Report			
Group Number	Number of Loans	Principal Balance	Percentage
1	135	15,508,915.19	2.35%
2	66	13,840,600.20	3.98%

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Sec. 4.03(a)(vi)	Principal Prepayments	
	Group I Prepayments	25,490,740.93
	Group II Prepayments	8,045,674.23
Sec. 4.03 (a)(vii)	Realized Losses	
	Group I Liquidated Loan Balance	728,379.64
	Group I Net Liquidation Proceeds	509,132.68
	Group I Current Period Realized Losses	219,196.96
	Group I Recoveries of Prior Losses	17,361.03
	Group I Current Period Non-Recoverable Advances	14,620.38
	Group I Subsequent Losses	82,507.91
	Group I Cumulative Liquidated Loan Balance	6,690,869.70
	Group I Cumulative Net Liquidation Proceeds	4,947,348.95
	Group I Cumulative Recoveries of Prior Losses	69,934.70
	Group I Cumulative Subsequent Losses	83,577.04
	Group I Cumulative Non-Recoverable Advances	43,062.21
	Group I Cumulative Realized Losses	1,759,911.21
	Group II Liquidated Loan Balance	424,084.68
	Group II Net Liquidation Proceeds	386,188.93
	Group II Current Period Realized Losses	37,895.75
	Group II Recoveries of Prior Losses	896.78
	Group II Current Period Non-Recoverable Advances	1,382.28
	Group II Subsequent Losses	389,229.75
	Group II Cumulative Liquidated Loan Balance	6,594,004.27
	Group II Cumulative Net Liquidation Proceeds	5,678,519.97
	Group II Cumulative Recoveries of Prior Losses	89,396.76
	Group II Cumulative Subsequent Losses	763,667.03
	Group II Cumulative Non-Recoverable Advances	19,197.15

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Group II Cumulative Realized Losses	1,610,334.00
Total Liquidated Loan Balance	1,152,464.32
Total Net Liquidation Proceeds	895,321.61
Total Current Period Realized Losses	726,575.22
Total Recoveries of Prior Losses	18,257.81
Total Current Period Non-Recoverable Advances	16,002.66
Total Subsequent Losses	471,737.66
Total Cumulative Liquidated Loan Balance	13,284,873.97
Total Cumulative Net Liquidation Proceeds	10,625,868.92
Total Cumulative Recoveries of Prior Losses	159,331.46
Total Cumulative Subsequent Losses	847,244.07
Total Cumulative Non-Recoverable Advances	62,259.36
Total Cumulative Realized Losses	3,370,245.21

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

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	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
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	29.42%
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	171.28
	Current Period Available Funds Cap Carryforward Amount - M9	4,847.53
	Current Period Available Funds Cap Carryforward Amount - M10	25,313.37
	Current Period Available Funds Cap Carryforward Amount - M11	25,313.37
	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

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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
Available Funds Cap Carryforward Amount Repaid This Period- M-6	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M7	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M8	171.28
Available Funds Cap Carryforward Amount Repaid This Period- M9	4,847.53
Available Funds Cap Carryforward Amount Repaid This Period- M10	25,313.37
Available Funds Cap Carryforward Amount Repaid This Period- M11	25,313.37
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

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REMIC Pass-Through Rate - A-1A	5.5500%
REMIC Pass-Through Rate - A-1B	5.6000%
REMIC Pass-Through Rate - A-2A	0.0000%
REMIC Pass-Through Rate - A-2B	5.4700%
REMIC Pass-Through Rate - A-2C	5.5300%
REMIC Pass-Through Rate - A-2D	5.6900%
REMIC Pass-Through Rate - M-1	5.7500%
REMIC Pass-Through Rate - M-2	5.7700%
REMIC Pass-Through Rate - M-3	5.8000%
REMIC Pass-Through Rate - M-4	5.9300%
REMIC Pass-Through Rate - M-5	5.9600%
REMIC Pass-Through Rate - M-6	6.0100%
REMIC Pass-Through Rate - M7	6.4400%
REMIC Pass-Through Rate - M8	6.5900%
REMIC Pass-Through Rate - M9	7.0200%
REMIC Pass-Through Rate - M10	8.3200%
REMIC Pass-Through Rate - M11	8.3200%
Next REMIC Pass-Through Rate - A-1A	5.5800%
Next REMIC Pass-Through Rate - A-1B	5.6300%
Next REMIC Pass-Through Rate - A-2A	5.4400%
Next REMIC Pass-Through Rate - A-2B	5.5000%
Next REMIC Pass-Through Rate - A-2C	5.5600%
Next REMIC Pass-Through Rate - A-2D	5.7200%
Next REMIC Pass-Through Rate - M-1	5.7800%
Next REMIC Pass-Through Rate - M-2	5.8000%
Next REMIC Pass-Through Rate - M-3	5.8300%
Next REMIC Pass-Through Rate - M-4	5.9600%
Next REMIC Pass-Through Rate - M-5	5.9900%
Next REMIC Pass-Through Rate - M-6	6.0400%
Next REMIC Pass-Through Rate - M7	6.4700%
Next REMIC Pass-Through Rate - M8	6.6200%
Next REMIC Pass-Through Rate - M9	7.0500%

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Next REMIC Pass-Through Rate - M10	8.3500%
Next REMIC Pass-Through Rate - M11	8.3500%

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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		171.28
	Supplemental Interest Payment - M9		4,847.53
	Supplemental Interest Payment - M10		25,313.37
	Supplemental Interest Payment - M11		25,313.37

Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		998,071,550.01
	Swap Notional Amount		725,000,000.00
	Cap Notional Amount		320,000,000.00
	Total Notional Amount		1,045,000,000.00
	Difference		0.00
	Payment from Swap Counterparty		694,933.33
	Payment from Cap Counterparty		380,544.44
	Payment to Cap Counterparty		94,533.33

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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	588,286.41
	Insurance Proceeds	0.00