

## NovaStar Mortgage Funding Trust, Series 2006-1

March 26, 2007

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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	767,078,000.00	517,060,852.81	26,867,242.63	2,203,828.26	29,071,070.89	0.00	0.00	490,193,610.18
A2A	182,000,000.00	73,349,682.12	13,106,130.27	306,927.67	13,413,057.94	0.00	0.00	60,243,551.85
A2B	91,700,000.00	91,700,000.00	0.00	387,279.67	387,279.67	0.00	0.00	91,700,000.00
A2C	71,400,000.00	71,400,000.00	0.00	304,322.67	304,322.67	0.00	0.00	71,400,000.00
A2D	32,621,000.00	32,621,000.00	0.00	141,828.86	141,828.86	0.00	0.00	32,621,000.00
M1	78,300,000.00	78,300,000.00	0.00	342,258.00	342,258.00	0.00	0.00	78,300,000.00
M2	21,600,000.00	21,600,000.00	0.00	95,256.00	95,256.00	0.00	0.00	21,600,000.00
M3	18,900,000.00	18,900,000.00	0.00	84,231.00	84,231.00	0.00	0.00	18,900,000.00
M4	18,225,000.00	18,225,000.00	0.00	81,648.00	81,648.00	0.00	0.00	18,225,000.00
M5	12,825,000.00	12,825,000.00	0.00	58,353.75	58,353.75	0.00	0.00	12,825,000.00
M6	10,125,000.00	10,125,000.00	0.00	49,770.00	49,770.00	0.00	0.00	10,125,000.00
M7	8,775,000.00	8,775,000.00	0.00	43,953.00	43,953.00	0.00	0.00	8,775,000.00
M8	7,425,000.00	7,425,000.00	0.00	41,984.25	41,984.25	0.00	0.00	7,425,000.00
M9	8,775,000.00	8,775,000.00	0.00	53,371.50	53,371.50	0.00	0.00	8,775,000.00
M10	6,750,000.00	6,750,000.00	0.00	41,055.00	41,055.00	0.00	0.00	6,750,000.00
M11	6,750,000.00	6,750,000.00	0.00	41,055.00	41,055.00	0.00	0.00	6,750,000.00
C	0.00	0.00	0.00	467,701.95	467,701.95	0.00	0.00	0.00
TRUST_CERT	0.00	0.00	0.00	655,751.88	655,751.88	0.00	0.00	0.00
TOTALS	1,343,249,000.00	984,581,534.93	39,973,372.90	5,400,576.46	45,373,949.36	0.00	0.00	944,608,162.03



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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	674.06554850	35.02543761	2.87301716	37.89845477	639.04011089	5.480000%
A2A	669884AB4	403.02023143	72.01170478	1.68641577	73.69812055	331.00852665	5.380000%
A2B	669884AC2	1,000.00000000	0.00000000	4.22333337	4.22333337	1,000.00000000	5.430000%
A2C	669884AD0	1,000.00000000	0.00000000	4.26222227	4.26222227	1,000.00000000	5.480000%
A2D	669884AE8	1,000.00000000	0.00000000	4.34777781	4.34777781	1,000.00000000	5.590000%
M1	669884AF5	1,000.00000000	0.00000000	4.37111111	4.37111111	1,000.00000000	5.620000%
M2	669884AG3	1,000.00000000	0.00000000	4.41000000	4.41000000	1,000.00000000	5.670000%
M3	669884AH1	1,000.00000000	0.00000000	4.45666667	4.45666667	1,000.00000000	5.730000%
M4	669884AJ7	1,000.00000000	0.00000000	4.48000000	4.48000000	1,000.00000000	5.760000%
M5	669884AK4	1,000.00000000	0.00000000	4.55000000	4.55000000	1,000.00000000	5.850000%
M6	669884AL2	1,000.00000000	0.00000000	4.91555556	4.91555556	1,000.00000000	6.320000%
M7	669884AM0	1,000.00000000	0.00000000	5.00888889	5.00888889	1,000.00000000	6.440000%
M8	669884AN8	1,000.00000000	0.00000000	5.65444444	5.65444444	1,000.00000000	7.270000%
M9	669884AP3	1,000.00000000	0.00000000	6.08222222	6.08222222	1,000.00000000	7.820000%
M10	669884AQ1	1,000.00000000	0.00000000	6.08222222	6.08222222	1,000.00000000	7.820000%
M11	669884AR9	1,000.00000000	0.00000000	6.08222222	6.08222222	1,000.00000000	7.820000%
TOTALS		732.98512408	29.75872150	4.02053265	33.77925415	703.22640257	



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Available Funds - Group I	30,409,973.52
Available Funds - Group II	14,857,795.26
Principal	
Group I Scheduled Principal	391,300.70
Group I Prepayments in Full	24,099,485.71
Group I Curtailments	185,402.43
Group I Net Liquidation Proceeds	1,321,226.64
Group I Realized Losses	805,701.27
Group II Scheduled Principal	150,452.46
Group II Prepayments in Full	11,577,792.82
Group II Curtailments	655,453.04
Group II Net Liquidation Proceeds	509,494.29
Group II Realized Losses	498,052.25
Total Scheduled Principal	541,753.16
Total Prepayments in Full	35,677,278.53
Total Curtailments	840,855.47
Total Net Liquidation Proceeds	1,830,720.93
Total Realized Losses	1,303,753.52
Distributions of Principal	
Class A-1A	26,867,242.63
Class A-2A	13,106,130.27
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

## Distributions of Interest

Class A-1A	2,203,828.26
Class A-2A	306,927.67
Class A-2b	387,279.67
Class A-2C	304,322.67
Class A-2D	141,828.86
Class M-1	342,258.00
Class M-2	95,256.00
Class M-3	84,231.00
Class M-4	81,648.00
Class M-5	58,353.75
Class M-6	49,770.00
Class M-7	43,953.00
Class M-8	41,984.25
Class M-9	53,371.50
Class M-10	41,055.00
Class M-11	41,055.00



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Collateral Interest Detail

Group I Gross Interest	4,666,036.52
Group I Servicing Fee	272,768.18
Group I Custodian Fee	868.40
Group I Trustee Fee	1,909.41
Group I MI Premium	337,974.02
Group II Gross Interest	2,412,740.38
Group II Servicing Fee	140,418.11
Group II Custodian Fee	354.00
Group II Trustee Fee	981.97
Group II MI Premium	193,055.36
Total Gross Interest	7,078,776.90
Total Servicing Fee	413,186.29
Total Custodian Fee	1,222.40
Total Trustee Fee	2,891.38
Total MI Premium	531,029.38

Collateral Prepay Penalty Detail

Group I Prepay Penalty	366,504.26
Group II Prepay Penalty	101,197.69
Total Prepay Penalty	467,701.95

Pool Balances

Group I Beginning Pool Balance	654,655,316.13
Group I Ending Pool Balance	627,858,662.12
Group II Beginning Pool Balance	336,676,216.27
Group II Ending Pool Balance	323,499,497.38



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Total Beginning Pool Balance	991,331,532.40
Total Ending Pool Balance	951,358,159.50
Mortgage Loan Information as of Determination Date	
Number of Mortgage Loans	5,902
Aggregate Principal Balance of Mortgage Loans	951,358,159.50
Beginning Weighted Average Mortgage Rate	8.5693%
Swap Funds Outgoing Payment	0.00
Swap Funds Received	79,002.79
Wachovia Swap	9,200.00
Deutsche Swap	18,854.17
Greenwich Swap	50,948.62
Cap Funds Received	73,111.11
Cap Fee	45,933.33
Loans Delinquent	
Contractual Delinquency - Group I	
Balance of 0-30 Days	567,827,297.10
Number of 0-30 Days	3,822
Balance of 30-59 Days	9,777,002.40
Number of 30-59 Days	59
Balance of 60-89 Days	5,803,557.60
Number of 60-89 Days	35
Balance of 90+ Days	2,980,308.11
Number of 90+ Days	20
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	443,030.58
Number of 0-30 Days	6



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Balance of 30-59 Days	50,934.36
Number of 30-59 Days	1
Balance of 60-89 Days	269,931.94
Number of 60-89 Days	2
Balance of 90+ Days	4,227,617.26
Number of 90+ Days	29
Legal Delinquency - Group I	
Balance of 0-30 Days	567,827,297.10
Number of 0-30 Days	3,822
Balance of 30-59 Days	9,777,002.40
Number of 30-59 Days	59
Balance of 60-89 Days	5,803,557.60
Number of 60-89 Days	35
Balance of 90+ Days	2,980,308.11
Number of 90+ Days	20
Legal Bankruptcy - Group I	
Balance of 0-30 Days	3,742,247.64
Number of 0-30 Days	29
Balance of 30-59 Days	498,328.78
Number of 30-59 Days	5
Balance of 60-89 Days	336,937.72
Number of 60-89 Days	3
Balance of 90+ Days	414,000.00
Number of 90+ Days	1
Loans in Foreclosure - Group I	
Balance of 0-30 Days	1,956,669.26
Number of 0-30 Days	12
Balance of 30-59 Days	727,191.02
Number of 30-59 Days	3



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Balance of 60-89 Days	461,392.61
Number of 60-89 Days	3
Balance of 90+ Days	24,484,021.85
Number of 90+ Days	139
Contractual Delinquency - Group II	
Balance of 0-30 Days	275,828,737.81
Number of 0-30 Days	1,490
Balance of 30-59 Days	8,284,584.59
Number of 30-59 Days	41
Balance of 60-89 Days	4,732,391.73
Number of 60-89 Days	23
Balance of 90+ Days	1,851,816.59
Number of 90+ Days	14
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	157,067.33
Number of 0-30 Days	1
Balance of 30-59 Days	167,310.55
Number of 30-59 Days	2
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	1,920,965.56
Number of 90+ Days	10
Legal Delinquency - Group II	
Balance of 0-30 Days	275,828,737.81
Number of 0-30 Days	1,490
Balance of 30-59 Days	8,284,584.59
Number of 30-59 Days	41
Balance of 60-89 Days	4,732,391.73
Number of 60-89 Days	23



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Balance of 90+ Days	1,851,816.59
Number of 90+ Days	14
Legal Bankruptcy - Group II	
Balance of 0-30 Days	1,437,958.81
Number of 0-30 Days	9
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	379,997.57
Number of 60-89 Days	1
Balance of 90+ Days	427,387.06
Number of 90+ Days	3
Loans in Foreclosure - Group II	0
Balance of 0-30 Days	1,015,278.30
Number of 0-30 Days	6
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	615,373.26
Number of 60-89 Days	3
Balance of 90+ Days	17,238,819.49
Number of 90+ Days	75

Loans in REO

REO Group Report			
Group Number	Number of Loans	Principal Balance	Percentage
1	50	8,849,708.03	1.41%
2	56	11,687,152.18	3.61%
Total	106	20,536,860.21	2.16%



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## Total Number and Aggregate Principal Amounts of Mortgage Loans in Delinquency

	Contractual Delinquency	Contractual Bankruptcy	Legal Delinquency	Legal Bankruptcy	Foreclosure
Balance of 0 to 30 Days	843,656,034.91	600,097.91	843,656,034.91	5,180,206.45	2,971,947.56
Number of 0 to 30 Days	5,312	7	5,312	38	18
Balance of 30 to 59 Days	18,061,586.99	218,244.91	18,061,586.99	498,328.78	727,191.02
Number of 30 to 59 Days	100	3	100	5	3
Balance of 60 to 89 Days	10,535,949.33	269,931.94	10,535,949.33	716,935.29	1,076,765.87
Number of 60 to 89 Days	58	2	58	4	6
Balance of 90 Plus Days	4,832,124.70	6,148,582.82	4,832,124.70	841,387.06	41,722,841.34
Number of 90 Plus Days	34	39	34	4	214
Total Aggregate Principal Amount	877,085,695.93	7,236,857.58	877,085,695.93	7,236,857.58	46,498,745.79
Total Number of Mortgage Loans	5,504	51	5,504	51	241

## Principal Prepayments

Group I Prepayments	24,099,485.71
Group II Prepayments	11,577,792.82

## Realized Losses

Group I Liquidated Loan Balance	2,120,465.18
Group I Net Liquidation Proceeds	1,321,226.64
Group I Current Period Realized Losses	805,701.27
Group I Recoveries of Prior Losses	0.00
Group I Current Period Non-Recoverable Advances	0.00
Group I Subsequent Losses	6,462.73
Group I Cumulative Liquidated Loan Balance	7,407,446.65
Group I Cumulative Net Liquidation Proceeds	4,933,259.94
Group I Cumulative Recoveries of Prior Losses	3,491.63
Group I Cumulative Subsequent Losses	80,528.57
Group I Cumulative Non-Recoverable Advances	1,940.56



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Group I Cumulative Realized Losses	2,553,164.21
Group II Liquidated Loan Balance	793,020.56
Group II Net Liquidation Proceeds	509,494.29
Group II Current Period Realized Losses	498,052.25
Group II Recoveries of Prior Losses	0.00
Group II Current Period Non-Recoverable Advances	0.00
Group II Subsequent Losses	214,525.98
Group II Cumulative Liquidated Loan Balance	6,220,713.25
Group II Cumulative Net Liquidation Proceeds	4,985,599.27
Group II Cumulative Recoveries of Prior Losses	219,820.73
Group II Cumulative Subsequent Losses	261,604.98
Group II Cumulative Non-Recoverable Advances	12,522.59
Group II Cumulative Realized Losses	1,289,420.82

Realized Loss Report

	Total Current Loss	Total Cumulative Loss
Liquidated Loan Balance	2,913,485.74	13,628,159.90
Net Liquidation Proceeds	1,830,720.93	9,918,859.21
Recoveries of Prior Losses	0.00	223,312.36
Subsequent Losses	220,988.71	342,133.55
Non Recoverable Advances	0.00	14,463.15
Realized Losses	1,303,753.52	3,842,585.03

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



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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

Prepayment Interest Shortfalls not covered by the Servicer 0.00

Credit Enhancement Percentage 20.70%

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



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Current Period Available Funds Cap Shortfall Amount - M8	0.00
Current Period Available Funds Cap Shortfall Amount - M9	0.00
Current Period Available Funds Cap Shortfall Amount - M10	0.00
Current Period Available Funds Cap Shortfall Amount - M11	0.00
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
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	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M9	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M10	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M11	0.00
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



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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

REMIC Pass-Thru Rates

REMIC Pass-Thru Rate - A-1A	5.4800%
REMIC Pass-Thru Rate - A-2A	5.3800%
REMIC Pass-Thru Rate - A-2B	5.4300%
REMIC Pass-Thru Rate - A-2C	5.4800%
REMIC Pass-Thru Rate - A-2D	5.5900%
REMIC Pass-Thru Rate - M-1	5.6200%
REMIC Pass-Thru Rate - M-2	5.6700%
REMIC Pass-Thru Rate - M-3	5.7300%
REMIC Pass-Thru Rate - M-4	5.7600%
REMIC Pass-Thru Rate - M-5	5.8500%
REMIC Pass-Thru Rate - M-6	6.3200%
REMIC Pass-Thru Rate - M7	6.4400%
REMIC Pass-Thru Rate - M8	7.2700%
REMIC Pass-Thru Rate - M9	7.8200%
REMIC Pass-Thru Rate - M10	7.8200%
REMIC Pass-Thru Rate - M11	7.8200%
Next REMIC Pass-Thru Rate - A-1A	5.4800%
Next REMIC Pass-Thru Rate - A-2A	5.3800%
Next REMIC Pass-Thru Rate - A-2B	5.4300%
Next REMIC Pass-Thru Rate - A-2C	5.4800%
Next REMIC Pass-Thru Rate - A-2D	5.5900%
Next REMIC Pass-Thru Rate - M-1	5.6200%



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Next REMIC Pass-Thru Rate - M-2	5.6700%
Next REMIC Pass-Thru Rate - M-3	5.7300%
Next REMIC Pass-Thru Rate - M-4	5.7600%
Next REMIC Pass-Thru Rate - M-5	5.8500%
Next REMIC Pass-Thru Rate - M-6	6.3200%
Next REMIC Pass-Thru Rate - M-7	6.4400%
Next REMIC Pass-Thru Rate - M-8	7.2700%
Next REMIC Pass-Thru Rate - M-9	7.8200%
Next REMIC Pass-Thru Rate - M-10	7.8200%
Next REMIC Pass-Thru Rate - M-11	7.8200%

Underwritten Noteholders Principal Balance 944,608,162.03

Overcollateralization Amounts

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

Excess Cashflow 0.00

Mortgage Insurance

MI Premiums	531,029.38
Insurance Proceeds	0.00

