

**NovaStar Mortgage Funding Trust**  
**NovaStar Home Equity Loan Asset-Backed Certificates**  
**Series 2002-2**  
**Statement To Bondholder**

**DISTRIBUTIONS IN DOLLARS**

CLASS	ORIGINAL FACE VALUE	PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	CURRENT PRINCIPAL BALANCE
A-1	200,000,000.00	191,757,150.71	288,061.85	1,752,389.30	2,040,451.15	0.00	0.00	190,004,761.41
A-2	80,550,000.00	77,415,260.69	117,671.20	1,038,527.02	1,156,198.22	0.00	0.00	76,376,733.67
M-1	8,525,000.00	8,525,000.00	16,443.78	0.00	16,443.78	0.00	0.00	8,525,000.00
M-2	6,975,000.00	6,975,000.00	17,174.00	0.00	17,174.00	0.00	0.00	6,975,000.00
M-3	5,425,000.00	5,425,000.00	15,527.56	0.00	15,527.56	0.00	0.00	5,425,000.00
B	3,100,000.00	3,100,000.00	16,312.89	0.00	16,312.89	0.00	0.00	3,100,000.00
AIO	310,000,000.00	298,547,967.19	971,825.76	0.00	971,825.76	0.00	0.00	298,547,967.19
O	5,425,000.00	5,350,455.79	0.00	0.00	0.00	0.00	0.00	5,350,455.79
P	100.00	100.00	59,819.48	0.00	59,819.48	0.00	0.00	100.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	<b>310,000,100.00</b>	<b>298,547,967.19</b>	<b>1,502,836.52</b>	<b>2,790,916.32</b>	<b>4,293,752.84</b>	<b>0.00</b>	<b>0.00</b>	<b>295,757,050.87</b>

**FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE**

CLASS	CUSIP	FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE				PASS-THROUGH RATES		
		PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	CURRENT PRINCIPAL BALANCE	CURRENT	NEXT
A-1	66987XBM6	958.785754	1.440309	8.761947	10.202256	950.023807	1.690000%	1.622500%
A-2	66987XBN4	961.083311	1.460847	12.892949	14.353795	948.190362	1.710000%	1.642500%
M-1	66987XBP9	1,000.000000	1.928889	0.000000	1.928889	1,000.000000	2.170000%	2.102500%
M-2	66987XBQ7	1,000.000000	2.462222	0.000000	2.462222	1,000.000000	2.770000%	2.702500%
M-3	66987XBR5	1,000.000000	2.862223	0.000000	2.862223	1,000.000000	3.220000%	3.152500%
B	66987WAM9	1,000.000000	5.262223	0.000000	5.262223	1,000.000000	5.920000%	5.852500%
AIO	66987XBS3	963.057959	3.134922	0.000000	3.134922	963.057959	3.662071%	-
P	66987XBT1	1,000.000000	598,194.800000	0.000000	598,194.800000	1,000.000000	-	-

Seller:	NovaStar Financial, Inc.
Servicer:	NovaStar Mortgage Corporation
Record Date:	December 31, 2002
Distribution Date:	January 27, 2003
	<b>(Revised 10/17/02)</b>

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Distribution Date: January 27, 2003 (Revised 10/17/02)

**Aggregate Collections From the Mortgage Loans**

Available Funds	4,681,001.74
Total Servicer Advances	0.00
Total Compensating Interest	0.00

Aggregate Beginning Principal Balance of Mortgage Loans	298,547,967.19
Aggregate Ending Principal Balance of Mortgage Loans	295,757,050.87
Credit Enhancement Percentage	9.93229%
Cumulative Realized Losses	74,544.21
Current Realized Losses	0.00
Difference between Swap Notional Amount and Certificates	90,406,495.08
Loan Count	2,210
Prepayment Interest Shortfalls	0.00
Principal Prepayments	2,587,198.24
Subsequent Mortgage Loans added (Number/Balance)	0 0.00
Swap Notional Amount	200,000,000.00
Weighted Average Mortgage Rate	8.87896%

Available Funds Cap Carryforward Amount A-1	0.00
Available Funds Cap Carryforward Amount A-2	0.00
Available Funds Cap Carryforward Amount M-1	0.00
Available Funds Cap Carryforward Amount M-2	0.00
Available Funds Cap Carryforward Amount M-3	0.00
Available Funds Cap Carryforward Amount B	0.00

Supplemental Interest Payment to Class A-1	0.00
Supplemental Interest Payment to Class A-2	0.00
Supplemental Interest Payment to Class M-1	0.00
Supplemental Interest Payment to Class M-2	0.00
Supplemental Interest Payment to Class M-3	0.00
Supplemental Interest Payment to Class B	972.36

Unpaid Interest Shortfall Amount to Class A-1	0.00
Unpaid Interest Shortfall Amount to Class A-2	0.00
Unpaid Interest Shortfall Amount to Class M-1	0.00
Unpaid Interest Shortfall Amount to Class M-2	0.00
Unpaid Interest Shortfall Amount to Class M-3	0.00
Unpaid Interest Shortfall Amount to Class B	0.00
Unpaid Interest Shortfall Amount to Class AIO	0.00

Swap Payment to Credit Suisse First Boston1	131,854.17
Swap Payment to Credit Suisse First Boston2	55,576.39
Swap Payment to Credit Suisse First Boston3	36,461.81
Swap Payment to Credit Suisse First Boston4	48,805.56
Swap Payment to Morgan Stanley1	62,926.39
Swap Payment to Morgan Stanley2	49,618.06

<b>DELINQUENCY INFORMATION</b>	<b>30-59 DAYS</b>	<b>60-89 DAYS</b>	<b>90 + DAYS</b>	<b>FORECLOSURE</b>	<b>REO PROPERTY</b>
DELINQUENT BALANCE	3,204,811.81	1,547,158.77	236,802.53	2,718,081.64	355,354.80
NUMBER OF LOANS	23	12	2	16	2