

## NovaStar Mortgage Funding Trust Series 2003-2

## Statement to Certificateholders

July 25, 2003

## DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A_1	1,000,000,000.00	1,000,000,000.00	3,072,544.80	1,852,881.94	4,925,426.74	0.00	0.00	996,927,455.20
A_2	320,000,000.00	320,000,000.00	1,159,108.54	606,300.00	1,765,408.54	0.00	0.00	318,840,891.46
M_1	63,750,000.00	63,750,000.00	0.00	152,006.12	152,006.12	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	194,160.68	194,160.68	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	62,641.15	62,641.15	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	78,766.15	78,766.15	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	91,307.81	91,307.81	0.00	0.00	15,000,000.00
P	100.00	100.00	0.00	9,534.51	9,534.51	0.00	0.00	100.00
<b>TOTALS</b>	<b>1,481,250,100.00</b>	<b>1,481,250,100.00</b>	<b>4,231,653.34</b>	<b>3,047,598.36</b>	<b>7,279,251.70</b>	<b>0.00</b>	<b>0.00</b>	<b>1,477,018,446.66</b>
X_1	1,500,000,100.00	1,500,000,100.00	0.00	1,968,849.03	1,968,849.03	0.00	0.00	1,495,768,447.91
X_2	400,502,570.00	400,502,570.00	0.00	0.00	0.00	0.00	0.00	400,502,570.00
O	18,750,001.00	18,750,001.00	0.00	0.00	0.00	0.00	0.00	18,750,001.24

## FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A_1	66987WAP2	1,000.00000000	3.07254480	1.85288194	4.92542674	996.92745520
A_2	66987WAQ0	1,000.00000000	3.62221419	1.89468750	5.51690169	996.37778581
M_1	66987WAR8	1,000.00000000	0.00000000	2.38440973	2.38440973	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	3.69829867	3.69829867	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	4.17607667	4.17607667	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	5.25107667	5.25107667	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	6.08718733	6.08718733	1,000.00000000
P	66987XCL7	1,000.00000000	0.00000000	95345.10000000	*****	1,000.00000000
<b>TOTALS</b>		<b>1,000.00000000</b>	<b>2.85681219</b>	<b>2.05745023</b>	<b>4.91426242</b>	<b>997.14318781</b>
X_1	66987XCM5	1,000.00000000	0.00000000	1.31256593	1.31256593	997.17889879
X_2	66987XCM5	1,000.00000000	0.00000000	0.00000000	0.00000000	1,000.00000000
O	66987XCN3	1,000.00000000	0.00000000	0.00000000	0.00000000	1,000.00001280

## PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	1.551250 %
A_2	1.586250 %
M_1	1.996250 %
M_2	3.096250 %
M_3	3.496250 %
B_1	4.396250 %
B_2	5.096250 %
P	0.000000 %
X_1	1.098892 %
X_2	0.000000 %
O	0.000000 %

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

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REMIC Available Funds - Group I	7,456,211.98
REMIC Available Funds - Group II	2,553,148.31

## Sec. 4.03(a)(i)

## Distributions of Principal

Class A-1	3,072,544.80
Class A-2	1,159,108.54
Class M-1	0.00
Class M-2	0.00
Class B-2	0.00
Class P	0.00

## Sec. 4.03(a)(ii)

## Distributions of Interest

Class A-1	1,852,881.94
Class A-2	606,300.00
Class M-1	152,006.12
Class M-2	194,160.68
Class M-3	62,641.15
Class B-1	78,766.15
Class B-2	91,307.81
Class I	755,354.17
Class P - Prepay Penalty	9,534.51

## Sec. 4.03(a)(iii)

## Pool Balances

Group I Beginning Pool Balance	832,829,626.79
Group I ending Pool Balance	829,757,082.90
Group II Beginning Pool Balance	266,667,902.81
Group II ending Pool Balance	265,508,794.61
Total Beginning Pool Balance	1,099,497,529.60
Total ending Pool Balance	1,095,265,877.51

## Sec. 4.03(a)(iv)

## Mortgage Loan Information as of Determination Date

Number of Mortgage Loans	7,630
Aggregate Principal Balance of Mortgage Loans	1,095,265,877.51
Beginning Weighted Average Mortgage Rate	7.3196 %
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	400,502,570.40

## Section 4.03(a)(v) A

## Group I and Group II Loans Delinquent

Group 1			
Period	Number	Principal Balance	Percentage
30-59 days	1	172,234.18	0.02 %
60-89 days	1	239,186.51	0.03 %
90+days	0	0.00	0.00 %
Total	2	411,420.69	0.05 %

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Group 2			
Period	Number	Principal Balance	Percentage
30-59 days	1	39,797.16	0.01 %
60-89 days	1	148,524.41	0.06 %
90+days	0	0.00	0.00 %
<b>Total</b>	<b>2</b>	<b>188,321.57</b>	<b>0.07 %</b>

Sec. 4.03 (a)(v) B

Group I and Group II Loans in foreclosure

Group 1		
Number	Principal Balance	Percentage
7	782,326.67	0.09 %

Group 2		
Number	Principal Balance	Percentage
0	0.00	0.00 %

Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

Group 1		
Number	Principal Balance	Percentage
0	0.00	0.00 %

Group 2		
Number	Principal Balance	Percentage
0	0.00	0.00 %

Sec. 4.03(a)(vi)

Principal Prepayments

Group I Prepayments	2,250,689.86
Group II Prepayments	895,914.88

Sec. 4.03 (a)(vii)

Realized Losses

Group I Current Period Realized Losses	0.00
Group I Cumulative Realized Losses	0.00
Group II Current Period Realized Losses	0.00
Group II Cumulative Realized Losses	0.00

Sec. 4.03 (a)(ix)

Unpaid Interest Shortfall Amounts

Unpaid Interest Shortfall - A-1	0.00
Unpaid Interest Shortfall - A-2	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 - B-1	0.00
Unpaid Interest Shortfall - B-2	0.00
Unpaid Interest Shortfall - I	0.00

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Sec. 4.03 (a)(x)	Prepayment Interest Shortfalls not covered by the Servicer	0.00
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	16.37 %
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	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-1	0.00
	Available Funds Cap Carryforward Amount - B-2	0.00
	Remaining Available Funds Cap Carryforward Amount - A-1	0.00
	Remaining Available Funds Cap Carryforward Amount - A-2	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 - B-1	0.00
	Remaining Available Funds Cap Carryforward Amount - B-2	0.00
Sec. 4.03 (a)(xiii)	REMIC Pass-Through Rates	
	REMIC Pass-Through Rate - A-1	1.5513 %
	REMIC Pass-Through Rate - A-2	1.5863 %
	REMIC Pass-Through Rate - M-1	1.9963 %
	Class M-3	0.00
	REMIC Pass-Through Rate - M-2	3.0963 %
	Class B-1	0.00
	REMIC Pass-Through Rate - M-3	3.4963 %
	REMIC Pass-Through Rate - B-1	4.3963 %
	REMIC Pass-Through Rate - B-2	5.0963 %
	Next REMIC Pass-Through Rate - A-1	1.4050 %
	Next REMIC Pass-Through Rate - A-2	1.4400 %
	Next REMIC Pass-Through Rate - M-1	1.8500 %
	Next REMIC Pass-Through Rate - M-2	2.9500 %
	Next REMIC Pass-Through Rate - M-3	3.3500 %
	Next REMIC Pass-Through Rate - B-1	4.2500 %
	Next REMIC Pass-Through Rate - B-2	4.9500 %
Sec. 4.03 (a)(xiv)	Supplemental Interest payment	
	Supplemental Interest payment - A-1	0.00
	Supplemental Interest payment - A-2	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 - B-1	0.00

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	Supplemental Interest payment - B-2	0.00
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Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance	
	Underwritten Certificates Principal Balance	1,477,018,446.66
	Swap Notional Amount	850,000,000.00
	Difference	627,018,446.66
	Funds paid to Swap Counterparty	755,354.17
Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	18,750,001.25
	Overcollateralization Amount	18,750,001.25
Sec. 4.03 (a)(xvi)	Excess Cashflow	1,968,850.28