

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	158,491,775.06	186,976.27	9,519,072.43	9,706,048.70	0.00	0.00	148,972,702.63
A-2	80,550,000.00	64,995,273.00	77,795.73	2,400,846.56	2,478,642.29	0.00	0.00	62,594,426.44
M-1	8,525,000.00	8,525,000.00	13,580.80	0.00	13,580.80	0.00	0.00	8,525,000.00
M-2	6,975,000.00	6,975,000.00	14,715.31	0.00	14,715.31	0.00	0.00	6,975,000.00
M-3	5,425,000.00	5,425,000.00	13,547.43	0.00	13,547.43	0.00	0.00	5,425,000.00
B	3,100,000.00	3,100,000.00	14,948.89	0.00	14,948.89	0.00	0.00	3,100,000.00
AIO	310,000,000.00	252,746,733.43	777,137.37	0.00	777,137.37	0.00	0.00	252,746,733.43
O	5,425,000.00	5,234,585.37	0.00	0.00	0.00	0.00	0.00	5,234,585.37
P	100.00	100.00	291,447.41	0.00	291,447.41	0.00	0.00	100.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	310,000,100.00	252,746,733.43	1,390,149.21	11,919,918.99	13,310,068.20	0.00	0.00	240,826,814.44

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	PRIOR PRINCIPAL BALANCE	INTEREST	PRINCIPAL	TOTAL	CURRENT PRINCIPAL BALANCE	CURRENT	NEXT
A-1	66987XBM6	792.458875	0.934881	47.595362	48.530244	744.863513	1.370000%	1.380000%
A-2	66987XBN4	806.893520	0.965807	29.805668	30.771475	777.087852	1.390000%	1.400000%
M-1	66987XBP9	1,000.000000	1.593056	0.000000	1.593056	1,000.000000	1.850000%	1.860000%
M-2	66987XBQ7	1,000.000000	2.109722	0.000000	2.109722	1,000.000000	2.450000%	2.460000%
M-3	66987XBR5	1,000.000000	2.497222	0.000000	2.497222	1,000.000000	2.900000%	2.910000%
B	66987WAM9	1,000.000000	4.822223	0.000000	4.822223	1,000.000000	5.600000%	5.610000%
AIO	66987XBS3	815.312043	2.506895	0.000000	2.506895	815.312043	3.570697%	-
P	66987XBT1	1,000.000000	#####	0.000000	#####	1,000.000000	-	-

Seller:	NovaStar Financial, Inc.
Servicer:	NovaStar Mortgage Corporation
Record Date:	July 31, 2003
Distribution Date:	August 25, 2003

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Distribution Date: August 25, 2003

Aggregate Collections From the Mortgage Loans

Available Funds	13,766,778.21
Total Servicer Advances	0.00
Total Compensating Interest	0.00

Aggregate Beginning Principal Balance of Mortgage Loans	252,746,733.43
Aggregate Ending Principal Balance of Mortgage Loans	240,826,814.44
Credit Enhancement Percentage	12.14964%
Cumulative Realized Losses	190,414.63
Current Realized Losses	0.00
Difference between Swap Notional Amount and Certificates	35,592,129.07
Loan Count	1,852
Prepayment Interest Shortfalls	0.00
Principal Prepayments	11,736,415.57
Subsequent Mortgage Loans added (Number/Balance)	0 0.00
Swap Notional Amount	200,000,000.00
Weighted Average Mortgage Rate	8.86819%

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	1,001.67

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	157,681.25
Swap Payment to Credit Suisse First Boston2	64,572.92
Swap Payment to Credit Suisse First Boston3	44,821.19
Swap Payment to Credit Suisse First Boston4	57,576.39
Swap Payment to Morgan Stanley1	72,167.92
Swap Payment to Morgan Stanley2	58,415.98

DELINQUENCY INFORMATION	30-59 DAYS	60-89 DAYS	90 + DAYS	FORECLOSURE	REO PROPERTY
	DELINQUENT BALANCE	1,968,801.85	1,529,631.70	434,388.78	5,504,022.26
NUMBER OF LOANS	18	10	4	36	20