

NOVASTAR NIM TRUST, SERIES 2003-N1

Statement to Certificateholders

August 26, 2003

DISTRIBUTION IN DOLLARS

| CLASS | ORIGINAL FACE VALUE | BEGINNING PRINCIPAL BALANCE | PRINCIPAL | INTEREST | TOTAL | REALIZED LOSSES | DEFERRED INTEREST | ENDING PRINCIPAL BALANCE |
|---------------|---------------------------|-----------------------------------|--------------|------------|--------------|--------------------|----------------------|--------------------------------|
| NOTE | 86,500,000.00 | 84,947,484.79 | 4,962,746.11 | 522,780.98 | 5,485,527.09 | 0.00 | 0.00 | 79,984,738.68 |
| CERT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTALS | 86,500,000.00 | 84,947,484.79 | 4,962,746.11 | 522,780.98 | 5,485,527.09 | 0.00 | 0.00 | 79,984,738.68 |

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

| CLASS | CUSIP | BEGINNING PRINCIPAL | PRINCIPAL | INTEREST | TOTAL | ENDING PRINCIPAL |
|---------------|-----------|------------------------|-------------|------------|-------------|---------------------|
| NOTE | 66987XCP8 | 982.05184728 | 57.37278740 | 6.04371075 | 63.41649815 | 924.67905988 |
| TOTALS | | 982.05184728 | 57.37278740 | 6.04371075 | 63.41649815 | 924.67905988 |

PASS-THROUGH RATES

| CLASS | CURRENT PASS-THRU RATE |
|-------|------------------------------|
| NOTE | 7.385000 % |
| | |

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

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August 26, 2003

| | | |
|----------------------|---|---------------|
| Section 6.04(a)(i) | Available Funds | 5,485,527.09 |
| | Amounts Received From Underlying Certificates - Class X | 5,398,234.10 |
| | Amounts Received From Underlying Certificates - Class P | 87,292.99 |
| | Amounts Received From Underlying Certificates - Class O | 0.00 |
| | Amounts Received With Respect to Pre-Funding Reserve Account | 0.00 |
| | Amounts Received With Respect to Cap Agreements | 0.00 |
| Section 6.04(a)(ii) | Payment Allocable to Interest | 522,780.98 |
| | Interest Shortfall Paid | 0.00 |
| | Current Interest Shortfall | 0.00 |
| | Outstanding Interest Shortfall | 0.00 |
| Section 6.04(a)(iii) | Payment Allocable to Principal | 4,962,746.11 |
| Section 6.04(a)(iv) | Note Balance | 79,984,738.68 |
| Section 6.04(a)(ix) | Amounts Transferred From Pre-Funding Reserve to NovaStar Mortgage | 17,276,981.00 |
| Section 6.04(a)(ix) | Amounts on Deposit in Pre-Funding Reserve Account | 0.00 |