

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	108,652,191.59	119,034.51	5,856,706.26	5,975,740.77	0.00	0.00	102,795,485.33
A-2	80,550,000.00	43,952,779.76	48,860.84	1,087,870.96	1,136,731.80	0.00	0.00	42,864,908.80
M-1	8,525,000.00	8,525,000.00	12,635.94	0.00	12,635.94	0.00	0.00	8,525,000.00
M-2	6,975,000.00	6,975,000.00	13,709.75	0.00	13,709.75	0.00	0.00	6,975,000.00
M-3	5,425,000.00	5,425,000.00	12,629.70	0.00	12,629.70	0.00	0.00	5,425,000.00
B	3,100,000.00	3,100,000.00	13,959.47	0.00	13,959.47	0.00	0.00	3,100,000.00
AIO	310,000,000.00	181,486,498.62	548,792.45	0.00	548,792.45	0.00	0.00	181,486,498.62
O	5,425,000.00	4,856,427.27	0.00	0.00	0.00	180,988.53	0.00	4,675,438.74
P	100.00	100.00	164,210.43	0.00	164,210.43	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	181,486,498.62	933,833.09	6,944,577.22	7,878,410.31	180,988.53	0.00	174,360,932.87

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	543.260958	0.595173	29.283531	29.878704	513.977427	1.360000%	1.360000%
A-2	66987XBN4	545.658346	0.606590	13.505536	14.112127	532.152809	1.380000%	1.380000%
M-1	66987XBP9	1,000.000000	1.482222	0.000000	1.482222	1,000.000000	1.840000%	1.840000%
M-2	66987XBQ7	1,000.000000	1.965556	0.000000	1.965556	1,000.000000	2.440000%	2.440000%
M-3	66987XBR5	1,000.000000	2.328055	0.000000	2.328055	1,000.000000	2.890000%	2.890000%
B	66987WAM9	1,000.000000	4.503055	0.000000	4.503055	1,000.000000	5.590000%	5.590000%
AIO	66987XBS3	585.440318	1.770298	0.000000	1.770298	585.440318	3.753776%	-
P	66987XBT1	1,000.000000	1,642,104.300000	0.000000	1,642,104.300000	1,000.000000	-	-

Seller:	NovaStar Financial, Inc.
Servicer:	NovaStar Mortgage Corporation
Record Date:	February 29, 2004
Distribution Date:	March 25, 2004

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Distribution Date: March 25, 2004

Aggregate Collections From the Mortgage Loans

Available Funds	8,230,339.81
Total Servicer Advances	0.00
Total Compensating Interest	0.00

Aggregate Beginning Principal Balance of Mortgage Loans	181,486,498.62
Aggregate Ending Principal Balance of Mortgage Loans	174,360,932.87
Credit Enhancement Percentage	16.56416%
Cumulative Realized Losses	749,561.26
Current Realized Losses	180,988.53
Difference between Swap Notional Amount and Certificates	19,685,394.13
Loan Count	1,425
Prepayment Interest Shortfalls	0.00
Principal Prepayments	6,803,412.38
Subsequent Mortgage Loans added (Number/Balance)	0 0.00
Swap Notional Amount	150,000,000.00
Weighted Average Mortgage Rate	8.90803%

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	0.00

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	157,708.33
Swap Payment to Credit Suisse First Boston2	64,194.44
Swap Payment to Credit Suisse First Boston3	0.00
Swap Payment to Credit Suisse First Boston4	57,423.61
Swap Payment to Morgan Stanley1	71,544.44
Swap Payment to Morgan Stanley2	0.00

Certificate Administrator Fee 1,058.67

DELINQUENCY INFORMATION	30-59 DAYS	60-89 DAYS	90 + DAYS	FORECLOSURE	REO PROPERTY
DELINQUENT BALANCE	1,948,985.01	823,215.89	1,080,649.54	3,987,347.10	4,907,165.55
NUMBER OF LOANS	17	7	11	29	40