

NovaStar Mortgage Funding Trust, Series 2003-2

Statement to Certificateholders

March 25, 2004

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	899,499,129.23	21,862,989.92	1,010,812.15	22,873,802.07	0.00	0.00	877,636,139.31
A_2	320,000,000.00	274,381,668.53	7,004,714.86	316,072.44	7,320,787.30	0.00	0.00	267,376,953.67
M_1	63,750,000.00	63,750,000.00	0.00	94,491.67	94,491.67	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	124,337.50	124,337.50	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	40,358.33	40,358.33	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	51,233.33	51,233.33	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	59,691.67	59,691.67	0.00	0.00	15,000,000.00
O	18,750,001.00	18,750,001.25	0.00	0.00	0.00	0.00	0.00	18,750,001.25
P	100.00	100.00	0.00	487,706.01	487,706.01	0.00	0.00	100.00
TOTALS	1,500,000,101.00	1,353,880,899.01	28,867,704.78	2,184,703.10	31,052,407.88	0.00	0.00	1,325,013,194.23
X_1	1,500,000,100.00	1,353,880,899.01	0.00	4,542,912.71	4,542,912.71	0.00	0.00	1,325,013,194.23
X_2	400,502,570.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A_1	66987WAP2	899.49912923	21.86298992	1.01081215	22.87380207	877.63613931
A_2	66987WAQ0	857.44271416	21.88973394	0.98772638	22.87746031	835.55298022
M_1	66987WAR8	1,000.00000000	0.00000000	1.48222227	1.48222227	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	2.36833333	2.36833333	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	2.69055533	2.69055533	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	3.41555533	3.41555533	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	3.97944467	3.97944467	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	4,877,060.10000000	4,877,060.10000000	1,000.00000000
TOTALS		902.58720523	19.24513522	1.45646864	20.70160386	883.34207001
X_1	66987XCM5	902.58720583	0.00000000	3.02860827	3.02860827	883.34207060
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	1.395000 %
A_2	1.430000 %
M_1	1.840000 %
M_2	2.940000 %
M_3	3.340000 %
B_1	4.240000 %
B_2	4.940000 %
O	.000000 %
P	.000000 %
X_1	4.165417 %
X_2	.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	27,610,933.94
	REMIC Available Funds - Group II	8,732,410.21
Sec. 4.03	Principal	
	Group I Scheduled Principal	1,019,065.82
	Group I Prepayments in Full	20,585,755.75
	Group I Curtailments	85,106.89
	Group I Net Liquidation Proceeds	141,780.63
	Group I Realized Losses	5,086.03
	Group II Scheduled Principal	314,636.49
	Group II Prepayments in Full	6,621,835.48
	Group II Curtailments	27,619.69
	Group II Net Liquidation Proceeds	31,394.74
	Group II Realized Losses	35,423.26
	Total Scheduled Principal	1,333,702.31
	Total Prepayments in Full	27,207,591.23
	Total Curtailments	112,726.58
	Total Net Liquidation Proceeds	173,175.37
	Total Realized Losses	40,509.29

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Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	21,862,989.92
	Class A-2	7,004,714.86
	Class M-1	0.00
	Class M-2	0.00
	Class M-3	0.00
	Class B-1	0.00
	Class B-2	0.00
	Class P	0.00
Sec. 4.03(a)(ii)	Distributions of Interest	
	Class A-1	1,010,812.15
	Class A-2	316,072.44
	Class M-1	94,491.67
	Class M-2	124,337.50
	Class M-3	40,358.33
	Class B-1	51,233.33
	Class B-2	59,691.67
	Class I	742,131.94
	Class P - Prepay Penalty	487,706.01

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Sec. 4.03(a)(iii)	Pool Balances		
	Group I Beginning Pool Balance		1,035,831,289.43
	Group I Ending Pool Balance		1,013,994,494.31
	Group II Beginning Pool Balance		318,049,609.58
	Group II Ending Pool Balance		311,018,699.92
	Total Beginning Pool Balance		1,353,880,899.01
	Total Ending Pool Balance		1,325,013,194.23

Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
	Number of Mortgage Loans		9,545
	Aggregate Principal Balance of Mortgage Loans		1,325,013,194.23
	Beginning Weighted Average Mortgage Rate		7.2470 %
	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		0.00

Section 4.03(a)(v) A Group I and Group II Loans Delinquent

Group 1			
Period	Number	Principal Balance	Percentage
30-59 days	20	2,366,881.40	0.23 %
60-89 days	16	1,852,082.61	0.18 %
90+days	18	2,188,669.18	0.22 %
Total	54	6,407,633.19	0.63 %

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Group 2			
Period	Number	Principal Balance	Percentage
30-59 days	6	593,232.18	0.19 %
60-89 days	2	41,984.94	0.01 %
90+days	2	198,649.60	0.06 %
Total	10	833,866.72	0.26 %

Sec. 4.03 (a)(v) B

Group I and Group II Loans in foreclosure

Group 1		
Number	Principal Balance	Percentage
39	5,828,269.61	0.57 %

Group 2		
Number	Principal Balance	Percentage
17	2,965,712.02	0.95 %

Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

Group 1		
Number	Principal Balance	Percentage
16	2,175,788.02	0.21 %

Group 2		
Number	Principal Balance	Percentage
4	559,439.15	0.18 %

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Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		20,585,755.75
	Group II Prepayments		6,621,835.48
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		146,866.66
	Group I Net Liquidation Proceeds		141,780.63
	Group I Current Period Realized Losses		5,086.03
	Group I Recoveries of Prior Losses		2,477.13
	Group I Subsequent Losses		0.00
	Group I Cumulative Liquidated Loan Balance		405,981.21
	Group I Cumulative Net Liquidation Proceeds		299,277.50
	Group I Cumulative Recoveries of Prior Losses		9,359.34
	Group I Cumulative Subsequent Losses		6,606.85
	Group I Cumulative Realized Losses		103,951.22
	Group II Liquidated Loan Balance		66,818.00
	Group II Net Liquidation Proceeds		31,394.74
	Group II Current Period Realized Losses		35,423.26
	Group II Recoveries of Prior Losses		0.00
	Group II Subsequent Losses		0.00

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Group II Cumulative Liquidated Loan Balance	66,818.00
Group II Cumulative Net Liquidation Proceeds	31,394.74
Group II Cumulative Recoveries of Prior Losses	0.00
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	35,423.26
Total Liquidated Loan Balance	213,684.66
Total Net Liquidation Proceeds	173,175.37
Total Current Period Realized Losses	40,509.29
Total Recoveries of Prior Losses	2,477.13
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	472,799.21
Total Cumulative Net Liquidation Proceeds	330,672.24
Total Cumulative Recoveries of Prior Losses	9,359.34
Total Cumulative Subsequent Losses	6,606.85
Total Cumulative Realized Losses	139,374.48

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

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	Unpaid Interest Shortfall - B-1	0.00
	Unpaid Interest Shortfall - B-2	0.00
	Unpaid Interest Shortfall - I	0.00
Sec. 4.03 (a)(x)	Prepayment Interest Shortfalls not covered by the Servicer	0.00
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	13.30 %
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	Available Funds Cap Carryforward Amount Paid - A-1	0.00
	Available Funds Cap Carryforward Amount Paid - A-2	0.00
	Available Funds Cap Carryforward Amount Paid - M-1	0.00
	Available Funds Cap Carryforward Amount Paid - M-2	0.00
	Available Funds Cap Carryforward Amount Paid - M-3	0.00
	Available Funds Cap Carryforward Amount Paid - B-1	0.00
	Available Funds Cap Carryforward Amount Paid - 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

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Sec. 4.03 (a)(xiii)	REMIC Pass-Through Rates	
	REMIC Pass-Through Rate - A-1	1.3950 %
	REMIC Pass-Through Rate - A-2	1.4300 %
	REMIC Pass-Through Rate - M-1	1.8400 %
	REMIC Pass-Through Rate - M-2	2.9400 %
	REMIC Pass-Through Rate - M-3	3.3400 %
	REMIC Pass-Through Rate - B-1	4.2400 %
	REMIC Pass-Through Rate - B-2	4.9400 %
	Next REMIC Pass-Through Rate - A-1	0.3050 %
	Next REMIC Pass-Through Rate - A-2	0.3400 %
	Next REMIC Pass-Through Rate - M-1	0.7500 %
	Next REMIC Pass-Through Rate - M-2	1.8500 %
	Next REMIC Pass-Through Rate - M-3	2.2500 %
	Next REMIC Pass-Through Rate - B-1	3.1500 %
	Next REMIC Pass-Through Rate - B-2	3.8500 %

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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
	Supplemental Interest payment - B-2		0.00
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		1,306,263,192.98
	Swap Notional Amount		850,000,000.00
	Difference		456,263,192.98
	Funds paid to Swap Counterparty		742,131.94
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		4,580,944.87