

## NovaStar Mortgage Funding Trust, Series 2003-2

## Statement to Certificateholders

May 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	846,062,306.90	32,753,007.15	957,578.02	33,710,585.17	0.00	0.00	813,309,299.75
A_2	320,000,000.00	254,598,643.89	11,623,828.99	295,334.43	11,919,163.42	0.00	0.00	242,974,814.90
M_1	63,750,000.00	63,750,000.00	0.00	95,005.21	95,005.21	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	124,760.42	124,760.42	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	40,479.17	40,479.17	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	51,354.17	51,354.17	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	59,812.50	59,812.50	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	920,403.42	920,403.42	0.00	0.00	100.00
<b>TOTALS</b>	<b>1,500,000,101.00</b>	<b>1,280,661,052.04</b>	<b>44,376,836.14</b>	<b>2,544,727.34</b>	<b>46,921,563.48</b>	<b>0.00</b>	<b>0.00</b>	<b>1,236,284,215.90</b>
X_1	1,500,000,100.00	1,280,661,052.04	0.00	4,238,610.27	4,238,610.27	0.00	0.00	1,236,284,215.90
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	846.06230690	32.75300715	0.95757802	33.71058517	813.30929975
A_2	66987WAQ0	795.62076216	36.32446559	0.92292009	37.24738569	759.29629656
M_1	66987WAR8	1,000.00000000	0.00000000	1.49027780	1.49027780	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	2.37638895	2.37638895	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	2.69861133	2.69861133	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	3.42361133	3.42361133	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	3.98750000	3.98750000	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	9,204,034.20000000	9,204,034.20000000	1,000.00000000
<b>TOTALS</b>		853.77397721	29.58455543	1.69648478	31.28104021	824.18942177
X_1	66987XCM5	853.77397778	0.00000000	2.82573999	2.82573999	824.18942232
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

## PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	1.405000 %
A_2	1.440000 %
M_1	1.850000 %
M_2	2.950000 %
M_3	3.350000 %
B_1	4.250000 %
B_2	4.950000 %
O	.000000 %
P	.000000 %
X_1	4.108599 %
X_2	.000000 %

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

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JPMorgan Chase Bank - Structured Finance Services NY  
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## NovaStar Mortgage Funding Trust, Series 2003-2

May 25, 2004

	REMIC Available Funds - Group I	38,523,850.34
	REMIC Available Funds - Group II	13,377,560.38
Sec. 4.03	Principal	
	Group I Scheduled Principal	987,133.37
	Group I Prepayments in Full	31,539,927.72
	Group I Curtailments	82,078.43
	Group I Net Liquidation Proceeds	115,759.60
	Group I Realized Losses	38,083.39
	Group II Scheduled Principal	301,520.59
	Group II Prepayments in Full	11,294,889.46
	Group II Curtailments	17,443.58
	Group II Net Liquidation Proceeds	0.00
	Group II Realized Losses	0.00
	Total Scheduled Principal	1,288,653.96
	Total Prepayments in Full	42,834,817.18
	Total Curtailments	99,522.01
	Total Net Liquidation Proceeds	115,759.60
	Total Realized Losses	38,083.39

## NovaStar Mortgage Funding Trust, Series 2003-2

May 25, 2004

Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	32,753,007.15
	Class A-2	11,623,828.99
	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	957,578.02
	Class A-2	295,334.43
	Class M-1	95,005.21
	Class M-2	124,760.42
	Class M-3	40,479.17
	Class B-1	51,354.17
	Class B-2	59,812.50
	Class I	735,284.72
	Class P - Prepay Penalty	920,403.42

## NovaStar Mortgage Funding Trust, Series 2003-2

May 25, 2004

Sec. 4.03(a)(iii)	Pool Balances		
	Group I Beginning Pool Balance		982,413,670.55
	Group I Ending Pool Balance		949,650,688.04
	Group II Beginning Pool Balance		298,247,381.49
	Group II Ending Pool Balance		286,633,527.86
	Total Beginning Pool Balance		1,280,661,052.04
	Total Ending Pool Balance		1,236,284,215.90

Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
	Number of Mortgage Loans		9,017
	Aggregate Principal Balance of Mortgage Loans		1,236,284,215.90
	Beginning Weighted Average Mortgage Rate		7.2386 %
	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	26	3,106,062.01	0.33 %
60-89 days	19	1,653,343.50	0.17 %
90+days	4	611,475.07	0.06 %
<b>Total</b>	<b>49</b>	<b>5,370,880.58</b>	<b>0.56 %</b>

## NovaStar Mortgage Funding Trust, Series 2003-2

May 25, 2004

Group 2			
Period	Number	Principal Balance	Percentage
30-59 days	7	791,583.86	0.28 %
60-89 days	5	1,293,150.10	0.45 %
90+days	3	540,658.66	0.19 %
Total	15	2,625,392.62	0.92 %

Sec. 4.03 (a)(v) B

Group I and Group II Loans in foreclosure

Group 1		
Number	Principal Balance	Percentage
39	5,259,963.07	0.55 %

Group 2		
Number	Principal Balance	Percentage
11	1,420,955.53	0.50 %

Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

Group 1		
Number	Principal Balance	Percentage
18	2,295,323.62	0.24 %

Group 2		
Number	Principal Balance	Percentage
5	682,714.95	0.24 %

## NovaStar Mortgage Funding Trust, Series 2003-2

May 25, 2004

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		31,539,927.72
	Group II Prepayments		11,294,889.46
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		153,842.99
	Group I Net Liquidation Proceeds		115,759.60
	Group I Current Period Realized Losses		38,083.39
	Group I Recoveries of Prior Losses		0.00
	Group I Subsequent Losses		0.00
	Group I Cumulative Liquidated Loan Balance		1,889,479.93
	Group I Cumulative Net Liquidation Proceeds		1,489,002.56
	Group I Cumulative Recoveries of Prior Losses		9,359.34
	Group I Cumulative Subsequent Losses		6,606.85
	Group I Cumulative Realized Losses		397,724.88
	Group II Liquidated Loan Balance		0.00
	Group II Net Liquidation Proceeds		0.00
	Group II Current Period Realized Losses		0.00
	Group II Recoveries of Prior Losses		0.00
	Group II Subsequent Losses		0.00

## NovaStar Mortgage Funding Trust, Series 2003-2

May 25, 2004

Group II Cumulative Liquidated Loan Balance	218,280.13
Group II Cumulative Net Liquidation Proceeds	89,196.77
Group II Cumulative Recoveries of Prior Losses	0.00
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	129,083.36
Total Liquidated Loan Balance	153,842.99
Total Net Liquidation Proceeds	115,759.60
Total Current Period Realized Losses	38,083.39
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	2,107,760.06
Total Cumulative Net Liquidation Proceeds	1,578,199.33
Total Cumulative Recoveries of Prior Losses	9,359.34
Total Cumulative Subsequent Losses	6,606.85
Total Cumulative Realized Losses	526,808.24

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

## NovaStar Mortgage Funding Trust, Series 2003-2

May 25, 2004

	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	14.06 %
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

NovaStar Mortgage Funding Trust, Series 2003-2

May 25, 2004

Sec. 4.03 (a)(xiii)	REMIC Pass-Through Rates	
	REMIC Pass-Through Rate - A-1	1.4050 %
	REMIC Pass-Through Rate - A-2	1.4400 %
	REMIC Pass-Through Rate - M-1	1.8500 %
	REMIC Pass-Through Rate - M-2	2.9500 %
	REMIC Pass-Through Rate - M-3	3.3500 %
	REMIC Pass-Through Rate - B-1	4.2500 %
	REMIC Pass-Through Rate - B-2	4.9500 %
	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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May 25, 2004

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		1,217,534,214.65
	Swap Notional Amount		850,000,000.00
	Difference		367,534,214.65
	Funds paid to Swap Counterparty		735,284.72
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		4,276,693.67