

## NovaStar Mortgage Funding Trust, Series 2003-2

## Statement to Certificateholders

June 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	813,309,299.75	38,961,189.07	983,991.29	39,945,180.36	0.00	0.00	774,348,110.68
A_2	320,000,000.00	242,974,814.90	9,300,177.43	301,288.77	9,601,466.20	0.00	0.00	233,674,637.47
M_1	63,750,000.00	63,750,000.00	0.00	101,557.29	101,557.29	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	133,364.58	133,364.58	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	43,270.83	43,270.83	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	54,895.83	54,895.83	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	63,937.50	63,937.50	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	932,928.65	932,928.65	0.00	0.00	100.00
<b>TOTALS</b>	<b>1,500,000,101.00</b>	<b>1,236,284,215.90</b>	<b>48,261,366.50</b>	<b>2,615,234.74</b>	<b>50,876,601.24</b>	<b>0.00</b>	<b>0.00</b>	<b>1,188,022,849.40</b>
X_1	1,500,000,100.00	1,236,284,215.90	0.00	3,870,959.12	3,870,959.12	0.00	0.00	1,188,022,849.40
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	813.30929975	38.96118907	0.98399129	39.94518036	774.34811068
A_2	66987WAQ0	759.29629656	29.06305447	0.94152741	30.00458188	730.23324209
M_1	66987WAR8	1,000.00000000	0.00000000	1.59305553	1.59305553	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	2.54027771	2.54027771	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	2.88472200	2.88472200	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	3.65972200	3.65972200	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	4.26250000	4.26250000	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	9,329,286.50000000	9,329,286.50000000	1,000.00000000
<b>TOTALS</b>		824.18942177	32.17424217	1.74348971	33.91773188	792.01517960
X_1	66987XCM5	824.18942232	0.00000000	2.58063924	2.58063924	792.01518013
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	3.636144 %
X_2	.000000 %

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

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## NovaStar Mortgage Funding Trust, Series 2003-2

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	REMIC Available Funds - Group I	44,515,297.06
	REMIC Available Funds - Group II	10,921,012.82
Sec. 4.03	Principal	
	Group I Scheduled Principal	964,790.13
	Group I Prepayments in Full	37,293,025.87
	Group I Curtailments	125,749.87
	Group I Net Liquidation Proceeds	445,781.63
	Group I Realized Losses	141,887.29
	Group II Scheduled Principal	293,460.99
	Group II Prepayments in Full	8,953,483.88
	Group II Curtailments	21,761.50
	Group II Net Liquidation Proceeds	0.00
	Group II Realized Losses	21,425.34
	Total Scheduled Principal	1,258,251.12
	Total Prepayments in Full	46,246,509.75
	Total Curtailments	147,511.37
	Total Net Liquidation Proceeds	445,781.63
	Total Realized Losses	163,312.63

## NovaStar Mortgage Funding Trust, Series 2003-2

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Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	38,961,189.07
	Class A-2	9,300,177.43
	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	983,991.29
	Class A-2	301,288.77
	Class M-1	101,557.29
	Class M-2	133,364.58
	Class M-3	43,270.83
	Class B-1	54,895.83
	Class B-2	63,937.50
	Class I	683,340.28
	Class P - Prepay Penalty	932,928.65

## NovaStar Mortgage Funding Trust, Series 2003-2

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Sec. 4.03(a)(iii)	Pool Balances		
	Group I Beginning Pool Balance		949,650,688.04
	Group I Ending Pool Balance		910,679,453.25
	Group II Beginning Pool Balance		286,633,527.86
	Group II Ending Pool Balance		277,343,396.15
	Total Beginning Pool Balance		1,236,284,215.90
	Total Ending Pool Balance		1,188,022,849.40

Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
	Number of Mortgage Loans		8,683
	Aggregate Principal Balance of Mortgage Loans		1,188,022,849.40
	Beginning Weighted Average Mortgage Rate		7.2331 %
	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	29	3,456,177.51	0.38 %
60-89 days	12	1,264,750.42	0.14 %
90+days	6	979,658.70	0.11 %
<b>Total</b>	<b>47</b>	<b>5,700,586.63</b>	<b>0.63 %</b>

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Group 2			
Period	Number	Principal Balance	Percentage
30-59 days	9	1,557,686.56	0.56 %
60-89 days	2	256,901.83	0.09 %
90+days	3	353,412.32	0.13 %
Total	14	2,168,000.71	0.78 %

Sec. 4.03 (a)(v) B

Group I and Group II Loans in 60+ Day Foreclosure

Group 1		
Number	Principal Balance	Percentage
35	3,888,861.61	0.43 %

Group 2		
Number	Principal Balance	Percentage
11	1,907,918.12	0.69 %

Sec. 4.03 (a)(v) B

Group I and Group II Loans in 60+ Day Bankruptcy

Group 1		
Number	Principal Balance	Percentage
21	2,429,128.28	0.27 %

Group 2		
Number	Principal Balance	Percentage
3	209,174.61	0.08 %

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Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

Group 1		
Number	Principal Balance	Percentage
21	2,849,369.33	0.31 %

Group 2		
Number	Principal Balance	Percentage
6	1,078,315.09	0.39 %

Sec. 4.03(a)(vi)

Principal Prepayments

Group I Prepayments	37,293,025.87
Group II Prepayments	8,953,483.88

Sec. 4.03 (a)(vii)

Realized Losses

Group I Liquidated Loan Balance	587,668.92
Group I Net Liquidation Proceeds	445,781.63
Group I Current Period Realized Losses	141,887.29
Group I Recoveries of Prior Losses	0.00
Group I Subsequent Losses	0.00
Group I Cumulative Liquidated Loan Balance	2,477,148.85
Group I Cumulative Net Liquidation Proceeds	1,934,784.19
Group I Cumulative Recoveries of Prior Losses	9,359.34
Group I Cumulative Subsequent Losses	6,606.85

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Group I Cumulative Realized Losses	539,612.17
Group II Liquidated Loan Balance	21,425.34
Group II Net Liquidation Proceeds	0.00
Group II Current Period Realized Losses	21,425.34
Group II Recoveries of Prior Losses	0.00
Group II Subsequent Losses	0.00
Group II Cumulative Liquidated Loan Balance	239,705.47
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	150,508.70
Total Liquidated Loan Balance	609,094.26
Total Net Liquidation Proceeds	445,781.63
Total Current Period Realized Losses	163,312.63
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	2,716,854.32
Total Cumulative Net Liquidation Proceeds	2,023,980.96
Total Cumulative Recoveries of Prior Losses	9,359.34
Total Cumulative Subsequent Losses	6,606.85
Total Cumulative Realized Losses	690,120.87

## NovaStar Mortgage Funding Trust, Series 2003-2

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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
	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	14.56 %
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

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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

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	1.6050 %
Next REMIC Pass-Through Rate - A-2	1.6400 %
Next REMIC Pass-Through Rate - M-1	2.0500 %
Next REMIC Pass-Through Rate - M-2	3.1500 %
Next REMIC Pass-Through Rate - M-3	3.5500 %
Next REMIC Pass-Through Rate - B-1	4.4500 %
Next REMIC Pass-Through Rate - B-2	5.1500 %

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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		1,169,272,848.15
	Swap Notional Amount		850,000,000.00
	Difference		319,272,848.15
	Funds paid to Swap Counterparty		683,340.28
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		4,034,271.75