

## NovaStar Mortgage Funding Trust, Series 2003-2

## Statement to Certificateholders

July 26, 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	774,348,110.68	41,217,689.99	1,070,213.62	42,287,903.61	0.00	0.00	733,130,420.69
A_2	320,000,000.00	233,674,637.47	15,076,726.85	330,000.52	15,406,727.37	0.00	0.00	218,597,910.62
M_1	63,750,000.00	63,750,000.00	0.00	112,536.46	112,536.46	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	142,406.25	142,406.25	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	45,854.17	45,854.17	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	57,479.17	57,479.17	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	66,520.83	66,520.83	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	1,108,879.03	1,108,879.03	0.00	0.00	100.00
<b>TOTALS</b>	<b>1,500,000,101.00</b>	<b>1,188,022,849.40</b>	<b>56,294,416.84</b>	<b>2,933,890.05</b>	<b>59,228,306.89</b>	<b>0.00</b>	<b>0.00</b>	<b>1,131,728,432.56</b>
X_1	1,500,000,100.00	1,188,022,849.40	0.00	3,717,049.44	3,717,049.44	0.00	0.00	1,131,728,432.56
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	774.34811068	41.21768999	1.07021362	42.28790361	733.13042069
A_2	66987WAQ0	730.23324209	47.11477141	1.03125163	48.14602303	683.11847069
M_1	66987WAR8	1,000.00000000	0.00000000	1.76527780	1.76527780	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	2.71250000	2.71250000	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	3.05694467	3.05694467	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	3.83194467	3.83194467	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	4.43472200	4.43472200	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	11,088,790.30000000	11,088,790.30000000	1,000.00000000
<b>TOTALS</b>		792.01517960	37.52960870	1.95592657	39.48553527	754.48557090
X_1	66987XCM5	792.01518013	0.00000000	2.47803279	2.47803279	754.48557141
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

## PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	1.605000 %
A_2	1.640000 %
M_1	2.050000 %
M_2	3.150000 %
M_3	3.550000 %
B_1	4.450000 %
B_2	5.150000 %
O	.000000 %
P	.000000 %
X_1	3.633410 %
X_2	.000000 %

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

Elizabeth T. Smalls  
JPMorgan Chase Bank - Structured Finance Services NY  
4 NY PLAZA FLR 6, ITS SFS NY ABS  
New York, New York 10004  
Tel: (212) 623-5437  
Email: ELIZABETH.SMALLS@CHASE.COM

## NovaStar Mortgage Funding Trust, Series 2003-2

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	REMIC Available Funds - Group I	46,722,024.08
	REMIC Available Funds - Group II	16,765,159.50
Sec. 4.03	Principal	
	Group I Scheduled Principal	934,992.08
	Group I Prepayments in Full	39,911,825.98
	Group I Curtailments	86,495.89
	Group I Net Liquidation Proceeds	208,425.30
	Group I Realized Losses	92,301.48
	Group II Scheduled Principal	286,249.42
	Group II Prepayments in Full	14,674,565.90
	Group II Curtailments	99,560.79
	Group II Net Liquidation Proceeds	0.00
	Group II Realized Losses	0.00
	Total Scheduled Principal	1,221,241.50
	Total Prepayments in Full	54,586,391.88
	Total Curtailments	186,056.68
	Total Net Liquidation Proceeds	208,425.30
	Total Realized Losses	92,301.48

## NovaStar Mortgage Funding Trust, Series 2003-2

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Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	41,217,689.99
	Class A-2	15,076,726.85
	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	1,070,213.62
	Class A-2	330,000.52
	Class M-1	112,536.46
	Class M-2	142,406.25
	Class M-3	45,854.17
	Class B-1	57,479.17
	Class B-2	66,520.83
	Class I	536,951.39
	Class P - Prepay Penalty	1,108,879.03

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	910,679,453.25
		Group I Ending Pool Balance	869,445,412.52
		Group II Beginning Pool Balance	277,343,396.15
		Group II Ending Pool Balance	262,283,020.04
		Total Beginning Pool Balance	1,188,022,849.40
		Total Ending Pool Balance	1,131,728,432.56
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	8,323
		Aggregate Principal Balance of Mortgage Loans	1,131,728,432.56
		Beginning Weighted Average Mortgage Rate	7.2253 %
		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	Loans Delinquent		
	Contractual Delinquency - Group I		
		Balance of 0-30 Days	847,377,604.93
		Number of 0-30 Days	6,588
		Balance of 30-59 Days	4,965,496.05
		Number of 30-59 Days	36
		Balance of 60-89 Days	1,519,193.92

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Number of 60-89 Days	14
Balance of 90+ Days	443,783.42
Number of 90+ Days	7
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	4,024,810.77
Number of 0-30 Days	35
Balance of 30-59 Days	293,209.70
Number of 30-59 Days	2
Balance of 60-89 Days	406,593.11
Number of 60-89 Days	3
Balance of 90+ Days	2,418,969.20
Number of 90+ Days	17
Legal Delinquency - Group I	
Balance of 0-30 Days	847,377,604.93
Number of 0-30 Days	6,588
Balance of 30-59 Days	4,884,861.87
Number of 30-59 Days	35
Balance of 60-89 Days	1,519,193.92
Number of 60-89 Days	14
Balance of 90+ Days	443,783.42
Number of 90+ Days	7
Legal Bankruptcy - Group I	

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	Balance of 0-30 Days	5,471,196.52
	Number of 0-30 Days	46
	Balance of 30-59 Days	717,242.95
	Number of 30-59 Days	6
	Balance of 60-89 Days	448,242.68
	Number of 60-89 Days	3
	Balance of 90+ Days	587,534.81
	Number of 90+ Days	3
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	196,357.44
	Number of 0-30 Days	2
	Balance of 30-59 Days	156,309.34
	Number of 30-59 Days	1
	Balance of 60-89 Days	323,018.80
	Number of 60-89 Days	2
	Balance of 90+ Days	3,927,433.54
	Number of 90+ Days	36
Section 4.03(a)(v) A	Loans Delinquent	
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	254,857,171.49
	Number of 0-30 Days	1,501
	Balance of 30-59 Days	1,259,661.65
	Number of 30-59 Days	9

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Balance of 60-89 Days	911,412.87
Number of 60-89 Days	4
Balance of 90+ Days	314,214.23
Number of 90+ Days	2
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	1,093,559.07
Number of 0-30 Days	12
Balance of 30-59 Days	172,204.79
Number of 30-59 Days	2
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	209,025.56
Number of 90+ Days	3
Legal Delinquency - Group II	
Balance of 0-30 Days	254,857,171.49
Number of 0-30 Days	1,501
Balance of 30-59 Days	1,259,661.65
Number of 30-59 Days	9
Balance of 60-89 Days	911,412.87
Number of 60-89 Days	4
Balance of 90+ Days	314,214.23
Number of 90+ Days	2

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## Legal Bankruptcy - Group II

Balance of 0-30 Days	1,301,477.91
Number of 0-30 Days	15
Balance of 30-59 Days	93,526.01
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	79,785.50
Number of 90+ Days	1

## Sec. 4.03 (a)(v) B

## Loans in Foreclosure - Group II

Balance of 0-30 Days	0.00
Number of 0-30 Days	0
Balance of 30-59 Days	214,032.67
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	2,050,829.87
Number of 90+ Days	12

## Sec. 4.03(a)(v) C

## Group I and Group II Loans in REO

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Group 1		
Number	Principal Balance	Percentage
25	3,392,632.30	0.39 %

Group 2		
Number	Principal Balance	Percentage
9	1,200,907.84	0.46 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		39,911,825.98
	Group II Prepayments		14,674,565.90
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		300,726.78
	Group I Net Liquidation Proceeds		208,425.30
	Group I Current Period Realized Losses		92,301.48
	Group I Recoveries of Prior Losses		31,250.09
	Group I Subsequent Losses		0.00
	Group I Cumulative Liquidated Loan Balance		2,777,875.63
	Group I Cumulative Net Liquidation Proceeds		2,143,209.49
	Group I Cumulative Recoveries of Prior Losses		40,609.43
	Group I Cumulative Subsequent Losses		6,606.85
	Group I Cumulative Realized Losses		600,663.56

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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
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	300,726.78
Total Net Liquidation Proceeds	208,425.30
Total Current Period Realized Losses	92,301.48
Total Recoveries of Prior Losses	31,250.09
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	3,017,581.10
Total Cumulative Net Liquidation Proceeds	2,232,406.26
Total Cumulative Recoveries of Prior Losses	40,609.43
Total Cumulative Subsequent Losses	6,606.85
Total Cumulative Realized Losses	751,172.26

## 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	15.15 %
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

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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	1.6050 %
REMIC Pass-Through Rate - A-2	1.6400 %
REMIC Pass-Through Rate - M-1	2.0500 %
REMIC Pass-Through Rate - M-2	3.1500 %
REMIC Pass-Through Rate - M-3	3.5500 %
REMIC Pass-Through Rate - B-1	4.4500 %
REMIC Pass-Through Rate - B-2	5.1500 %
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	1,112,978,431.31
		Swap Notional Amount	850,000,000.00
		Difference	262,978,431.31
		Funds paid to Swap Counterparty	536,951.39
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		3,778,100.83