

**NOVASTAR NIM TRUST, SERIES 2004-N2****Statement to Certificateholders****July 27, 2004****DISTRIBUTION IN DOLLARS**

<b>CLASS</b>	<b>ORIGINAL FACE VALUE</b>	<b>BEGINNING PRINCIPAL BALANCE</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	<b>REALIZED LOSSES</b>	<b>DEFERRED INTEREST</b>	<b>ENDING PRINCIPAL BALANCE</b>
<b>N2</b>	157,500,000.00	157,500,000.00	10,983,106.52	58,511.25	11,041,617.77	0.00	0.00	146,516,893.48
<b>CERT</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	157,500,000.00	157,500,000.00	10,983,106.52	58,511.25	11,041,617.77	0.00	0.00	146,516,893.48

**FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE**

<b>CLASS</b>	<b>CUSIP</b>	<b>BEGINNING PRINCIPAL</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	<b>ENDING PRINCIPAL</b>
<b>N2</b>	669885AB1	1,000.00000000	69.73400965	0.37150000	70.10550965	930.26599035
<b>TOTALS</b>		1,000.00000000	69.73400965	0.37150000	70.10550965	930.26599035

**PASS-THROUGH RATES**

<b>CLASS</b>	<b>CURRENT PASS-THRU RATE</b>
<b>N2</b>	4.458000 %

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

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## NOVASTAR NIM TRUST, SERIES 2004-N2

July 27, 2004

Section 6.04(a)(i)	Available Funds	11,041,617.77
	Underlying Trust Fund 2004-1	
	Amounts Received From Underlying Certificates - Class X	6,247,428.70
	Amounts Received From Underlying Certificates - Class P	282,492.05
	Amounts Received From Underlying Certificates - Class O	0.00
	Underlying Trust Fund 2004-2	
	Amounts Received From Underlying Certificates - Class X	4,511,697.02
	Amounts Received From Underlying Certificates - Class P	0.00
	Amounts Received From Underlying Certificates - Class O	0.00
Section 6.04(a)(ii)	Payment Allocable to Interest	58,511.25
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	10,983,106.52
Section 6.04(a)(iv) Balance		146,516,893.48