

## NovaStar Mortgage Funding Trust, Series 2003-2

## Statement to Certificateholders

August 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	733,130,420.69	33,746,517.29	1,072,203.24	34,818,720.53	0.00	0.00	699,383,903.40
A_2	320,000,000.00	218,597,910.62	15,794,961.84	326,075.22	16,121,037.06	0.00	0.00	202,802,948.78
M_1	63,750,000.00	63,750,000.00	0.00	116,875.00	116,875.00	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	144,375.00	144,375.00	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	46,250.00	46,250.00	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	57,500.00	57,500.00	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	66,250.00	66,250.00	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	898,937.41	898,937.41	0.00	0.00	100.00
<b>TOTALS</b>	<b>1,500,000,101.00</b>	<b>1,131,728,432.56</b>	<b>49,541,479.13</b>	<b>2,728,465.87</b>	<b>52,269,945.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,082,186,953.43</b>
X_1	1,500,000,100.00	1,131,728,432.56	0.00	3,242,472.06	3,242,472.06	0.00	0.00	1,082,186,953.43
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	733.13042069	33.74651729	1.07220324	34.81872053	699.38390340
A_2	66987WAQ0	683.11847069	49.35925575	1.01898506	50.37824081	633.75921494
M_1	66987WAR8	1,000.00000000	0.00000000	1.83333333	1.83333333	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	2.75000000	2.75000000	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	3.08333333	3.08333333	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	3.83333333	3.83333333	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	4.41666667	4.41666667	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	8,989,374.10000000	8,989,374.10000000	1,000.00000000
<b>TOTALS</b>		754.48557090	33.02765053	1.81897712	34.84662765	721.45792038
X_1	66987XCM5	754.48557141	0.00000000	2.16164790	2.16164790	721.45792086
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

## PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	1.755000 %
A_2	1.790000 %
M_1	2.200000 %
M_2	3.300000 %
M_3	3.700000 %
B_1	4.600000 %
B_2	5.300000 %
O	.000000 %
P	.000000 %
X_1	3.438074 %
X_2	.000000 %

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

STANISLAV PERTSEV

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## NovaStar Mortgage Funding Trust, Series 2003-2

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	REMIC Available Funds - Group I	38,701,390.45
	REMIC Available Funds - Group II	17,277,076.91
Sec. 4.03	Principal	
	Group I Scheduled Principal	904,371.38
	Group I Prepayments in Full	31,616,264.72
	Group I Curtailments	162,573.54
	Group I Net Liquidation Proceeds	863,566.91
	Group I Realized Losses	241,278.06
	Group II Scheduled Principal	275,843.26
	Group II Prepayments in Full	15,012,573.68
	Group II Curtailments	12,784.64
	Group II Net Liquidation Proceeds	351,709.02
	Group II Realized Losses	100,513.83
	Total Scheduled Principal	1,180,214.64
	Total Prepayments in Full	46,628,838.40
	Total Curtailments	175,358.18
	Total Net Liquidation Proceeds	1,215,275.93
	Total Realized Losses	341,791.89

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Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	33,746,517.29
	Class A-2	15,794,961.84
	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	1,072,203.24
	Class A-2	326,075.22
	Class M-1	116,875.00
	Class M-2	144,375.00
	Class M-3	46,250.00
	Class B-1	57,500.00
	Class B-2	66,250.00
	Class I	461,395.83
	Class P - Prepay Penalty	898,937.41

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	869,445,412.52
		Group I Ending Pool Balance	835,657,357.83
		Group II Beginning Pool Balance	262,283,020.04
		Group II Ending Pool Balance	246,529,595.60
		Total Beginning Pool Balance	1,131,728,432.56
		Total Ending Pool Balance	1,082,186,953.43
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	8,004
		Aggregate Principal Balance of Mortgage Loans	1,082,186,953.43
		Beginning Weighted Average Mortgage Rate	7.2172 %
		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	811,749,656.32
		Number of 0-30 Days	6,328
		Balance of 30-59 Days	4,641,952.51
		Number of 30-59 Days	41
		Balance of 60-89 Days	2,897,388.83

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Number of 60-89 Days	22
Balance of 90+ Days	424,091.30
Number of 90+ Days	5
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	4,197,698.46
Number of 0-30 Days	37
Balance of 30-59 Days	284,757.19
Number of 30-59 Days	2
Balance of 60-89 Days	237,607.50
Number of 60-89 Days	2
Balance of 90+ Days	2,945,107.16
Number of 90+ Days	21
Legal Delinquency - Group I	
Balance of 0-30 Days	811,749,656.32
Number of 0-30 Days	6,328
Balance of 30-59 Days	4,641,952.51
Number of 30-59 Days	41
Balance of 60-89 Days	2,897,388.83
Number of 60-89 Days	22
Balance of 90+ Days	424,091.30
Number of 90+ Days	5
Legal Bankruptcy - Group I	

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	Balance of 0-30 Days	5,504,741.92
	Number of 0-30 Days	48
	Balance of 30-59 Days	745,611.85
	Number of 30-59 Days	5
	Balance of 60-89 Days	439,519.37
	Number of 60-89 Days	4
	Balance of 90+ Days	975,297.17
	Number of 90+ Days	5
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	263,054.65
	Number of 0-30 Days	3
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	156,205.49
	Number of 60-89 Days	1
	Balance of 90+ Days	4,683,195.28
	Number of 90+ Days	41
Section 4.03(a)(v) A	Loans Delinquent	
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	238,840,703.82
	Number of 0-30 Days	1,411
	Balance of 30-59 Days	1,008,606.73
	Number of 30-59 Days	9

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Balance of 60-89 Days	822,191.34
Number of 60-89 Days	9
Balance of 90+ Days	663,614.87
Number of 90+ Days	3
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	906,423.96
Number of 0-30 Days	11
Balance of 30-59 Days	335,460.33
Number of 30-59 Days	3
Balance of 60-89 Days	172,066.97
Number of 60-89 Days	2
Balance of 90+ Days	129,161.94
Number of 90+ Days	2
Legal Delinquency - Group II	
Balance of 0-30 Days	238,840,703.82
Number of 0-30 Days	1,411
Balance of 30-59 Days	1,008,606.73
Number of 30-59 Days	9
Balance of 60-89 Days	822,191.34
Number of 60-89 Days	9
Balance of 90+ Days	663,614.87
Number of 90+ Days	3

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## Legal Bankruptcy - Group II

Balance of 0-30 Days	1,074,912.84
Number of 0-30 Days	13
Balance of 30-59 Days	374,747.34
Number of 30-59 Days	4
Balance of 60-89 Days	93,453.02
Number of 60-89 Days	1
Balance of 90+ Days	0.00
Number of 90+ Days	0

## 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	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	213,884.68
Number of 60-89 Days	1
Balance of 90+ Days	2,396,245.80
Number of 90+ Days	14

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

## Group I and Group II Loans in REO

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Group 1		
Number	Principal Balance	Percentage
28	3,176,643.14	0.38 %

Group 2		
Number	Principal Balance	Percentage
8	1,041,235.16	0.42 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		31,616,264.72
	Group II Prepayments		15,012,573.68
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		1,104,844.97
	Group I Net Liquidation Proceeds		863,566.91
	Group I Current Period Realized Losses		241,278.06
	Group I Recoveries of Prior Losses		190.67
	Group I Subsequent Losses		3,714.82
	Group I Cumulative Liquidated Loan Balance		3,882,720.60
	Group I Cumulative Net Liquidation Proceeds		3,006,776.40
	Group I Cumulative Recoveries of Prior Losses		40,800.10
	Group I Cumulative Subsequent Losses		10,321.67
	Group I Cumulative Realized Losses		845,465.77

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Group II Liquidated Loan Balance	452,222.85
Group II Net Liquidation Proceeds	351,709.02
Group II Current Period Realized Losses	100,513.83
Group II Recoveries of Prior Losses	46,913.68
Group II Subsequent Losses	0.00
Group II Cumulative Liquidated Loan Balance	691,928.32
Group II Cumulative Net Liquidation Proceeds	440,905.79
Group II Cumulative Recoveries of Prior Losses	46,913.68
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	204,108.85
Total Liquidated Loan Balance	1,557,067.82
Total Net Liquidation Proceeds	1,215,275.93
Total Current Period Realized Losses	341,791.89
Total Recoveries of Prior Losses	47,104.35
Total Subsequent Losses	3,714.82
Total Cumulative Liquidated Loan Balance	4,574,648.92
Total Cumulative Net Liquidation Proceeds	3,447,682.19
Total Cumulative Recoveries of Prior Losses	87,713.78
Total Cumulative Subsequent Losses	10,321.67
Total Cumulative Realized Losses	1,049,574.62

## 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	15.90 %
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	1.7550 %
REMIC Pass-Through Rate - A-2	1.7900 %
REMIC Pass-Through Rate - M-1	2.2000 %
REMIC Pass-Through Rate - M-2	3.3000 %
REMIC Pass-Through Rate - M-3	3.7000 %
REMIC Pass-Through Rate - B-1	4.6000 %
REMIC Pass-Through Rate - B-2	5.3000 %
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		1,063,436,952.18
	Swap Notional Amount		850,000,000.00
	Difference		213,436,952.18
	Funds paid to Swap Counterparty		461,395.83
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		3,540,874.51