

## NovaStar Mortgage Funding Trust, Series 2004-2

## Statement to Certificateholders

August 25, 2004

Revised

## DISTRIBUTION IN DOLLARS

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A1	944,800,000.00	941,174,625.85	10,309,416.18	1,395,974.65	11,705,390.83	0.00	0.00	930,865,209.67
A2	100,000,000.00	99,715,788.35	1,516,319.71	148,316.50	1,664,636.21	0.00	0.00	98,199,468.64
A3	55,000,000.00	54,599,261.58	2,138,010.79	72,338.79	2,210,349.58	0.00	0.00	52,461,250.79
A4	68,000,000.00	68,000,000.00	0.00	98,592.86	98,592.86	0.00	0.00	68,000,000.00
A5	18,000,000.00	18,000,000.00	0.00	29,247.88	29,247.88	0.00	0.00	18,000,000.00
M1	77,000,000.00	77,000,000.00	0.00	130,248.91	130,248.91	0.00	0.00	77,000,000.00
M2	21,000,000.00	21,000,000.00	0.00	37,272.30	37,272.30	0.00	0.00	21,000,000.00
M3	17,500,000.00	17,500,000.00	0.00	37,184.81	37,184.81	0.00	0.00	17,500,000.00
M4	21,000,000.00	21,000,000.00	0.00	46,371.64	46,371.64	0.00	0.00	21,000,000.00
M5	14,000,000.00	14,000,000.00	0.00	34,414.18	34,414.18	0.00	0.00	14,000,000.00
B1	14,000,000.00	14,000,000.00	0.00	39,663.80	39,663.80	0.00	0.00	14,000,000.00
B2	10,500,000.00	10,500,000.00	0.00	31,060.25	31,060.25	0.00	0.00	10,500,000.00
B3	14,000,000.00	14,000,000.00	0.00	57,745.83	57,745.83	0.00	0.00	14,000,000.00
P	100.00	100.00	0.00	118,116.15	118,116.15	0.00	0.00	100.00
O	25,199,900.00	25,200,000.00	0.00	0.00	0.00	0.00	0.00	25,200,000.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	<b>1,400,000,000.00</b>	<b>1,395,689,775.78</b>	<b>13,963,746.68</b>	<b>2,276,548.55</b>	<b>16,240,295.23</b>	<b>0.00</b>	<b>0.00</b>	<b>1,381,726,029.10</b>
<b>X</b>	<b>1,400,000,000.00</b>	<b>1,395,689,775.78</b>	<b>0.00</b>	<b>4,757,971.11</b>	<b>4,757,971.11</b>	<b>0.00</b>	<b>0.00</b>	<b>1,381,726,029.10</b>

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August 25, 2004

Revised

## FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A1	66987XEN1	996.16281314	10.91174448	1.47753456	12.38927903	985.25106866
A2	66987XEP6	997.15788350	15.16319710	1.48316500	16.64636210	981.99468640
A3	66987XEQ4	992.71384691	38.87292345	1.31525073	40.18817418	953.84092345
A4	66987XER2	1,000.00000000	0.00000000	1.44989500	1.44989500	1,000.00000000
A5	66987XES0	1,000.00000000	0.00000000	1.62488222	1.62488222	1,000.00000000
M1	66987XET8	1,000.00000000	0.00000000	1.69154429	1.69154429	1,000.00000000
M2	66987XEU5	1,000.00000000	0.00000000	1.77487143	1.77487143	1,000.00000000
M3	66987XEV3	1,000.00000000	0.00000000	2.12484629	2.12484629	1,000.00000000
M4	66987XEW1	1,000.00000000	0.00000000	2.20817333	2.20817333	1,000.00000000
M5	66987XEX9	1,000.00000000	0.00000000	2.45815571	2.45815571	1,000.00000000
B1	66987XEY7	1,000.00000000	0.00000000	2.83312857	2.83312857	1,000.00000000
B2	66987XEZ4	1,000.00000000	0.00000000	2.95811905	2.95811905	1,000.00000000
B3	66987XFA8	1,000.00000000	0.00000000	4.12470214	4.12470214	1,000.00000000
P	66987XFB6	1,000.00000000	0.00000000	1,181,161.50000000	1,181,161.50000000	1,000.00000000
O	66987XFE0	1,000.00396827	0.00000000	0.00000000	0.00000000	1,000.00396827
<b>TOTALS</b>		996.92126841	9.97410477	1.62610611	11.60021088	986.94716364
X	66987XFD2	996.92126841	0.00000000	3.39855079	3.39855079	986.94716364

## PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A1	1.780000 %
A2	1.785000 %
A3	1.590000 %
A4	1.740000 %
A5	1.950000 %
M1	2.030000 %
M2	2.130000 %
M3	2.550000 %
M4	2.650000 %
M5	2.950000 %
B1	3.400000 %
B2	3.550000 %
B3	4.941819 %
P	.000000 %
O	.000000 %
X	4.090856 %

**NovaStar Mortgage Funding Trust, Series 2004-2**

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**August 25, 2004**

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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 2004-2

August 25, 2004

Revised

	REMIC Available Funds - Group I	16,256,235.40
	REMIC Available Funds - Group II	5,358,172.69
Sec. 4.03	Principal	
	Group I Scheduled Principal	846,055.46
	Group I Prepayments in Full	9,382,561.65
	Group I Curtailments	80,799.08
	Group I Net Liquidation Proceeds	0.00
	Group I Realized Losses	0.00
	Group II Scheduled Principal	172,565.40
	Group II Prepayments in Full	3,472,620.47
	Group II Curtailments	9,144.64
	Group II Net Liquidation Proceeds	0.00
	Group II Realized Losses	0.00
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	10,309,416.18
	Class A-2	1,516,319.71
	Class A-3	2,138,010.79
	Class A-4	0.00
	Class A-5	0.00

## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

Class M-1	0.00
Class M-4	0.00
Class M-5	0.00
Class M-2	0.00
Class M-3	0.00
Class B-1	0.00
Class B-2	0.00
Class B-3	0.00
Class P	0.00

Sec. 4.03(a)(ii)

Distributions of Interest

Class A-1	1,395,974.65
Class A-2	148,316.50
Class A-3	72,338.79
Class A-4	98,592.86
Class A-5	29,247.88
Class M-1	130,248.91
Class M-2	37,272.30
Class M-3	37,184.81
Class M-4	46,371.64
Class M-5	34,414.18
Class B-1	39,663.80
Class B-2	31,060.25

## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

		Class B-3	57,745.83
		Class I	531,754.17
		Class P - Prepay Penalty	118,116.15
Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	1,111,871,460.10
		Group I Ending Pool Balance	1,101,562,043.93
		Group II Beginning Pool Balance	283,818,315.68
		Group II Ending Pool Balance	280,163,985.17
		Total Beginning Pool Balance	1,395,689,775.78
		Total Ending Pool Balance	1,381,726,029.10
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	9,359
		Aggregate Principal Balance of Mortgage Loans	1,381,726,029.10
		Beginning Weighted Average Mortgage Rate	7.4808 %
		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		

## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

Balance of 0-30 Days	1,096,382,390.84
Number of 0-30 Days	7,667
Balance of 30-59 Days	3,398,266.50
Number of 30-59 Days	24
Balance of 60-89 Days	579,606.42
Number of 60-89 Days	4
Balance of 90+ Days	0.00
Number of 90+ Days	0
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	522,585.11
Number of 0-30 Days	5
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Legal Delinquency - Group I	
Balance of 0-30 Days	1,096,382,390.84
Number of 0-30 Days	7,667
Balance of 30-59 Days	3,398,226.50
Number of 30-59 Days	24

## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

	Balance of 60-89 Days	579,606.42
	Number of 60-89 Days	4
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	522,585.11
	Number of 0-30 Days	5
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	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	655,703.98
	Number of 60-89 Days	3
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0

## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

## Contractual Delinquency - Group II

Balance of 0-30 Days	278,363,084.54
Number of 0-30 Days	1,639
Balance of 30-59 Days	1,064,389.67
Number of 30-59 Days	10
Balance of 60-89 Days	67,378.81
Number of 60-89 Days	1
Balance of 90+ Days	0.00
Number of 90+ Days	0

## Contractual Bankruptcy - Group II

Balance of 0-30 Days	22,980.06
Number of 0-30 Days	1
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	0.00
Number of 90+ Days	0

## Legal Delinquency - Group II

Balance of 0-30 Days	278,363,084.84
Number of 0-30 Days	1,639

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

	Balance of 30-59 Days	1,064,389.67
	Number of 30-59 Days	10
	Balance of 60-89 Days	67,378.81
	Number of 60-89 Days	1
	Balance of 90+ Days	0.00
	Number of 90+ Days	0
	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	22,980.06
	Number of 0-30 Days	1
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 90+ Days	0.00
	Number of 90+ Days	0
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	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	658,365.98
	Number of 60-89 Days	4

**NovaStar Mortgage Funding Trust, Series 2004-2**  
**August 25, 2004**  
**Revised**

Balance of 90+ Days 0.00  
 Number of 90+ Days 0

Sec. 4.03(a)(v) C      Loans in REO

Group 1		
Number	Principal Balance	Percentage
0	0.00	0.00 %

  

Group 2		
Number	Principal Balance	Percentage
0	0.00	0.00 %

Sec. 4.03(a)(vi)      Principal Prepayments

Group I Prepayments 9,382,561.65  
 Group II Prepayments 3,472,620.47

Sec. 4.03 (a)(vii)      Realized Losses

Group I Liquidated Loan Balance 0.00  
 Group I Net Liquidation Proceeds 0.00  
 Group I Current Period Realized Losses 0.00  
 Group I Recoveries of Prior Losses 0.00  
 Group I Subsequent Losses 0.00

## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

Group I Cumulative Liquidated Loan Balance	0.00
Group I Cumulative Net Liquidation Proceeds	0.00
Group I Cumulative Recoveries of Prior Losses	0.00
Group I Cumulative Subsequent Losses	0.00
Group I Cumulative Realized Losses	0.00
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	0.00
Group II Cumulative Net Liquidation Proceeds	0.00
Group II Cumulative Recoveries of Prior Losses	0.00
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	0.00
Total Liquidated Loan Balance	0.00
Total Net Liquidation Proceeds	0.00
Total Current Period Realized Losses	0.00
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

Total Cumulative Liquidated Loan Balance	0.00
Total Cumulative Net Liquidation Proceeds	0.00
Total Cumulative Recoveries of Prior Losses	0.00
Total Cumulative Subsequent Losses	0.00
Total Cumulative Realized Losses	0.00

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 - A-3	0.00
Unpaid Interest Shortfall - A-4	0.00
Unpaid Interest Shortfall - A-5	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 - M-4	0.00
Unpaid Interest Shortfall - M-5	0.00
Unpaid Interest Shortfall - B-1	0.00
Unpaid Interest Shortfall - B-2	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 156.22



## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

PPIS Interest Reduction Class A1		101.04
PPIS Interest Reduction Class A2		10.74
PPIS Interest Reduction Class A3		5.24
PPIS Interest Reduction Class A4		7.14
PPIS Interest Reduction Class A5		2.12
PPIS Interest Reduction Class M1		9.43
PPIS Interest Reduction Class M2		2.70
PPIS Interest Reduction Class M3		2.69
PPIS Interest Reduction Class M4		3.36
PPIS Interest Reduction Class M5		2.49
PPIS Interest Reduction Class B1		2.87
PPIS Interest Reduction Class B2		2.25
PPIS Interest Reduction Class B3		4.17
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	15.35 %
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	Available Funds Cap Carryforward Amount - A-1	0.00
	Available Funds Cap Carryforward Amount - A-2	0.00
	Available Funds Cap Carryforward Amount - A-3	0.00
	Available Funds Cap Carryforward Amount - A-4	0.00
	Available Funds Cap Carryforward Amount - A-5	0.00
	Available Funds Cap Carryforward Amount - M-1	0.00

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

Available Funds Cap Carryforward Amount - M-2	0.00
Available Funds Cap Carryforward Amount - M-3	0.00
Available Funds Cap Carryforward Amount - M-4	0.00
Available Funds Cap Carryforward Amount - M-5	0.00
Available Funds Cap Carryforward Amount - B-1	0.00
Available Funds Cap Carryforward Amount - B-2	0.00
Available Funds Cap Carryforward Amount - B-3	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 - A-3	0.00
Remaining Available Funds Cap Carryforward Amount - A-4	0.00
Remaining Available Funds Cap Carryforward Amount - A-5	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 - M-4	0.00
Remaining Available Funds Cap Carryforward Amount - M-5	0.00
Remaining Available Funds Cap Carryforward Amount - B-1	0.00
Remaining Available Funds Cap Carryforward Amount - B-2	0.00
Remaining Available Funds Cap Carryforward Amount - B-3	0.00

Sec. 4.03 (a)(xiii)

REMIC Pass-Through Rates



## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

REMIC Pass-Through Rate - A-1	1.7800 %
REMIC Pass-Through Rate - A-2	1.7850 %
REMIC Pass-Through Rate - A-3	1.5900 %
REMIC Pass-Through Rate - A-4	1.7400 %
REMIC Pass-Through Rate - A-5	1.9500 %
REMIC Pass-Through Rate - M-1	2.0300 %
REMIC Pass-Through Rate - M-2	2.1300 %
REMIC Pass-Through Rate - M-3	2.5500 %
REMIC Pass-Through Rate - M-4	2.6500 %
REMIC Pass-Through Rate - M-5	2.9500 %
REMIC Pass-Through Rate - B-1	3.4000 %
REMIC Pass-Through Rate - B-2	3.5500 %
REMIC Pass-Through Rate - B-3	4.9418 %
Next REMIC Pass-Through Rate - A-1	1.9450 %
Next REMIC Pass-Through Rate - A-2	1.9500 %
Next REMIC Pass-Through Rate - A-3	1.7550 %
Next REMIC Pass-Through Rate - A-4	1.9050 %
Next REMIC Pass-Through Rate - A-5	2.1150 %
Next REMIC Pass-Through Rate - M-1	2.1950 %
Next REMIC Pass-Through Rate - M-2	2.2950 %
Next REMIC Pass-Through Rate - M-3	2.7150 %
Next REMIC Pass-Through Rate - M-4	2.8150 %
Next REMIC Pass-Through Rate - M-5	3.1150 %
Next REMIC Pass-Through Rate - B-1	3.5650 %

## NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

	Next REMIC Pass-Through Rate - B-2	3.7150 %
	Next REMIC Pass-Through Rate - B-3	5.1150 %
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 - A-3	0.00
	Supplemental Interest Payment - A-4	0.00
	Supplemental Interest Payment - A-5	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 - M-4	0.00
	Supplemental Interest Payment - M-5	0.00
	Supplemental Interest Payment - B-1	0.00
	Supplemental Interest Payment - B-2	0.00
	Supplemental Interest Payment - B-3	95.45
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance	
	Underwritten Certificates Principal Balance	1,356,526,029.10
	Swap Notional Amount	825,000,000.00
	Difference	531,526,029.10

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**August 25, 2004**

**Revised**

Funds paid to Swap Counterparty

531,754.17

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2004

Revised

Sec. 4.03 (a)(xvi)	Overcollateralization Amounts		
		Required Overcollateralization Amount	25,200,000.00
		Overcollateralization Amount	25,200,000.00
Sec. 4.03 (a)(xvi)	Excess Cashflow		4,758,066.55