

## NovaStar Mortgage Funding Trust, Series 2003-2

## Statement to Certificateholders

September 27, 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	699,383,903.40	41,327,471.18	1,230,915.67	42,558,386.85	0.00	0.00	658,056,432.22
A_2	320,000,000.00	202,802,948.78	12,414,873.73	363,439.78	12,778,313.51	0.00	0.00	190,388,075.05
M_1	63,750,000.00	63,750,000.00	0.00	138,204.69	138,204.69	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	166,753.13	166,753.13	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	53,143.75	53,143.75	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	65,518.75	65,518.75	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	75,143.75	75,143.75	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	1,118,523.41	1,118,523.41	0.00	0.00	100.00
<b>TOTALS</b>	<b>1,500,000,101.00</b>	<b>1,082,186,953.43</b>	<b>53,742,344.91</b>	<b>3,211,642.93</b>	<b>56,953,987.84</b>	<b>0.00</b>	<b>0.00</b>	<b>1,028,444,608.52</b>
X_1	1,500,000,100.00	1,082,186,953.43	0.00	3,093,677.82	3,093,677.82	0.00	0.00	1,028,444,608.52
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	699.38390340	41.32747118	1.23091567	42.55838685	658.05643222
A_2	66987WAQ0	633.75921494	38.79648041	1.13574931	39.93222972	594.96273453
M_1	66987WAR8	1,000.00000000	0.00000000	2.16791671	2.16791671	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	3.17625010	3.17625010	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	3.54291667	3.54291667	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	4.36791667	4.36791667	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	5.00958333	5.00958333	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	11,185,234.10000000	11,185,234.10000000	1,000.00000000
<b>TOTALS</b>		721.45792038	35.82822753	2.14109514	37.96932267	685.62969285
X_1	66987XCM5	721.45792086	0.00000000	2.06245174	2.06245174	685.62969330
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

## PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	1.920000 %
A_2	1.955000 %
M_1	2.365000 %
M_2	3.465000 %
M_3	3.865000 %
B_1	4.765000 %
B_2	5.465000 %
O	.000000 %
P	.000000 %
X_1	3.118612 %
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	46,404,492.77
	REMIC Available Funds - Group II	13,877,760.46
Sec. 4.03	Principal	
	Group I Scheduled Principal	878,853.63
	Group I Prepayments in Full	39,729,305.40
	Group I Curtailments	76,925.19
	Group I Net Liquidation Proceeds	549,339.27
	Group I Realized Losses	116,076.80
	Group II Scheduled Principal	262,229.32
	Group II Prepayments in Full	11,756,922.42
	Group II Curtailments	16,971.53
	Group II Net Liquidation Proceeds	340,370.84
	Group II Realized Losses	15,350.52
	Total Scheduled Principal	1,141,082.95
	Total Prepayments in Full	51,486,227.82
	Total Curtailments	93,896.72
	Total Net Liquidation Proceeds	889,710.11
	Total Realized Losses	131,427.32

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Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	41,327,471.18
	Class A-2	12,414,873.73
	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	1,230,915.67
	Class A-2	363,439.78
	Class M-1	138,204.69
	Class M-2	166,753.13
	Class M-3	53,143.75
	Class B-1	65,518.75
	Class B-2	75,143.75
	Class I	230,125.00
	Class P - Prepay Penalty	1,118,523.41

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	835,657,357.83
		Group I Ending Pool Balance	794,306,857.56
		Group II Beginning Pool Balance	246,529,595.60
		Group II Ending Pool Balance	234,137,750.96
		Total Beginning Pool Balance	1,082,186,953.43
		Total Ending Pool Balance	1,028,444,608.52
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	7,637
		Aggregate Principal Balance of Mortgage Loans	1,028,444,608.52
		Beginning Weighted Average Mortgage Rate	7.2136 %
		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	768,482,295.53
		Number of 0-30 Days	6,012
		Balance of 30-59 Days	5,015,088.86
		Number of 30-59 Days	45
		Balance of 60-89 Days	2,132,922.91

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Number of 60-89 Days	19
Balance of 90+ Days	1,569,995.07
Number of 90+ Days	11
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	4,992,946.16
Number of 0-30 Days	43
Balance of 30-59 Days	119,087.52
Number of 30-59 Days	1
Balance of 60-89 Days	295,011.61
Number of 60-89 Days	2
Balance of 90+ Days	3,157,699.66
Number of 90+ Days	25
Legal Delinquency - Group I	
Balance of 0-30 Days	768,482,295.53
Number of 0-30 Days	6,012
Balance of 30-59 Days	5,015,088.86
Number of 30-59 Days	45
Balance of 60-89 Days	2,132,922.91
Number of 60-89 Days	19
Balance of 90+ Days	1,569,995.07
Number of 90+ Days	11
Legal Bankruptcy - Group I	

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	Balance of 0-30 Days	6,757,760.94
	Number of 0-30 Days	57
	Balance of 30-59 Days	423,003.78
	Number of 30-59 Days	4
	Balance of 60-89 Days	509,854.32
	Number of 60-89 Days	3
	Balance of 90+ Days	874,125.91
	Number of 90+ Days	7
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	120,560.18
	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	4,956,566.49
	Number of 90+ Days	43
Section 4.03(a)(v) A	Loans Delinquent	
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	225,986,155.56
	Number of 0-30 Days	1,343
	Balance of 30-59 Days	1,849,269.13
	Number of 30-59 Days	9

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Balance of 60-89 Days	377,439.33
Number of 60-89 Days	5
Balance of 90+ Days	941,257.37
Number of 90+ Days	7
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	862,760.83
Number of 0-30 Days	11
Balance of 30-59 Days	83,828.28
Number of 30-59 Days	1
Balance of 60-89 Days	64,378.14
Number of 60-89 Days	1
Balance of 90+ Days	307,115.22
Number of 90+ Days	2
Legal Delinquency - Group II	
Balance of 0-30 Days	225,986,155.56
Number of 0-30 Days	1,343
Balance of 30-59 Days	1,849,269.13
Number of 30-59 Days	9
Balance of 60-89 Days	377,439.33
Number of 60-89 Days	5
Balance of 90+ Days	941,257.37
Number of 90+ Days	7

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## Legal Bankruptcy - Group II

Balance of 0-30 Days	1,160,324.77
Number of 0-30 Days	13
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	64,378.14
Number of 60-89 Days	1
Balance of 90+ Days	93,379.56
Number of 90+ Days	1

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

## Loans in Foreclosure - Group II

Balance of 0-30 Days	421,224.60
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	2,215,142.10
Number of 90+ Days	16

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

## Group I and Group II Loans in REO

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Group 1		
Number	Principal Balance	Percentage
30	3,464,683.57	0.44 %

Group 2		
Number	Principal Balance	Percentage
9	1,029,180.40	0.44 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		39,729,305.40
	Group II Prepayments		11,756,922.42
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		665,416.07
	Group I Net Liquidation Proceeds		549,339.27
	Group I Current Period Realized Losses		116,076.80
	Group I Recoveries of Prior Losses		2,318.41
	Group I Subsequent Losses		40,322.78
	Group I Cumulative Liquidated Loan Balance		4,548,136.67
	Group I Cumulative Net Liquidation Proceeds		3,556,115.67
	Group I Cumulative Recoveries of Prior Losses		43,118.51
	Group I Cumulative Subsequent Losses		50,644.45
	Group I Cumulative Realized Losses		999,546.94

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Group II Liquidated Loan Balance	355,721.36
Group II Net Liquidation Proceeds	340,370.84
Group II Current Period Realized Losses	15,350.52
Group II Recoveries of Prior Losses	0.00
Group II Subsequent Losses	988.74
Group II Cumulative Liquidated Loan Balance	1,047,649.68
Group II Cumulative Net Liquidation Proceeds	781,276.63
Group II Cumulative Recoveries of Prior Losses	46,913.68
Group II Cumulative Subsequent Losses	988.74
Group II Cumulative Realized Losses	220,448.11
Total Liquidated Loan Balance	1,021,137.43
Total Net Liquidation Proceeds	889,710.11
Total Current Period Realized Losses	131,427.32
Total Recoveries of Prior Losses	2,318.41
Total Subsequent Losses	41,311.52
Total Cumulative Liquidated Loan Balance	5,595,786.35
Total Cumulative Net Liquidation Proceeds	4,337,392.30
Total Cumulative Recoveries of Prior Losses	90,032.19
Total Cumulative Subsequent Losses	51,633.19
Total Cumulative Realized Losses	1,219,995.05

## 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	16.63 %
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	1.9200 %
REMIC Pass-Through Rate - A-2	1.9550 %
REMIC Pass-Through Rate - M-1	2.3650 %
REMIC Pass-Through Rate - M-2	3.4650 %
REMIC Pass-Through Rate - M-3	3.8650 %
REMIC Pass-Through Rate - B-1	4.7650 %
REMIC Pass-Through Rate - B-2	5.4650 %
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	1,009,694,607.27
		Swap Notional Amount	850,000,000.00
		Difference	159,694,607.27
		Funds paid to Swap Counterparty	230,125.00
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		3,264,098.23