

NOVASTAR NIM TRUST, SERIES 2004-N2**Statement to Certificateholders****September 28, 2004****DISTRIBUTION IN DOLLARS**

CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
N2	157,500,000.00	135,553,814.86	10,674,881.59	503,582.42	11,178,464.01	0.00	0.00	124,878,933.27
CERT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	157,500,000.00	135,553,814.86	10,674,881.59	503,582.42	11,178,464.01	0.00	0.00	124,878,933.27

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
N2	669885AB1	860.65914197	67.77702597	3.19734870	70.97437467	792.88211600
TOTALS		860.65914197	67.77702597	3.19734870	70.97437467	792.88211600

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
N2	4.458000 %

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

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Section 6.04(a)(i)	Available Funds	11,178,464.01
	Underlying Trust Fund 2004-1	
	Amounts Received From Underlying Certificates - Class X	5,761,216.55
	Amounts Received From Underlying Certificates - Class P	699,058.32
	Amounts Received From Underlying Certificates - Class O	0.00
	Underlying Trust Fund 2004-2	
	Amounts Received From Underlying Certificates - Class X	4,510,918.71
	Amounts Received From Underlying Certificates - Class P	207,270.43
	Amounts Received From Underlying Certificates - Class O	0.00
Section 6.04(a)(ii)	Payment Allocable to Interest	503,582.42
	Interest Shortfall Paid	0.00
	Current Interest Shortfall	0.00
	Outstanding Interest Shortfall	0.00
Section 6.04(a)(iii)	Payment Allocable to Principal	10,674,881.59
Section 6.04(a)(iv)	Balance	124,878,933.27