

NovaStar Mortgage Funding Trust, Series 2004-2

Statement to Certificateholders

November 26, 2004

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	906,263,328.48	21,857,155.56	1,822,390.04	23,679,545.60	0.00	0.00	884,406,172.92
A2	100,000,000.00	93,319,993.47	3,005,710.12	188,070.35	3,193,780.47	0.00	0.00	90,314,283.35
A3	55,000,000.00	45,581,190.80	4,238,051.28	83,961.18	4,322,012.46	0.00	0.00	41,343,139.52
A4	68,000,000.00	68,000,000.00	0.00	134,322.58	134,322.58	0.00	0.00	68,000,000.00
A5	18,000,000.00	18,000,000.00	0.00	38,915.60	38,915.60	0.00	0.00	18,000,000.00
M1	77,000,000.00	77,000,000.00	0.00	171,947.21	171,947.21	0.00	0.00	77,000,000.00
M2	21,000,000.00	21,000,000.00	0.00	48,761.15	48,761.15	0.00	0.00	21,000,000.00
M3	17,500,000.00	17,500,000.00	0.00	47,166.89	47,166.89	0.00	0.00	17,500,000.00
M4	21,000,000.00	21,000,000.00	0.00	58,466.72	58,466.72	0.00	0.00	21,000,000.00
M5	14,000,000.00	14,000,000.00	0.00	42,710.72	42,710.72	0.00	0.00	14,000,000.00
B1	14,000,000.00	14,000,000.00	0.00	48,310.09	48,310.09	0.00	0.00	14,000,000.00
B2	10,500,000.00	10,500,000.00	0.00	37,632.41	37,632.41	0.00	0.00	10,500,000.00
B3	14,000,000.00	14,000,000.00	0.00	67,597.47	67,597.47	0.00	0.00	14,000,000.00
P	100.00	100.00	0.00	417,551.78	417,551.78	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
TOTALS	1,400,000,000.00	1,345,364,612.75	29,100,916.96	3,207,804.19	32,308,721.15	0.00	0.00	1,316,263,695.79
X	1,400,000,000.00	1,345,364,612.75	0.00	4,268,006.70	4,268,006.70	0.00	0.00	1,316,263,695.79

NovaStar Mortgage Funding Trust, Series 2004-2

Statement to Certificateholders

November 26, 2004

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A1	66987XEN1	959.21182100	23.13416126	1.92886329	25.06302456	936.07765974
A2	66987XEP6	933.19993470	30.05710120	1.88070350	31.93780470	903.14283350
A3	66987XEQ4	828.74892364	77.05547782	1.52656691	78.58204473	751.69344582
A4	66987XER2	1,000.00000000	0.00000000	1.97533206	1.97533206	1,000.00000000
A5	66987XES0	1,000.00000000	0.00000000	2.16197778	2.16197778	1,000.00000000
M1	66987XET8	1,000.00000000	0.00000000	2.23308065	2.23308065	1,000.00000000
M2	66987XEU5	1,000.00000000	0.00000000	2.32195952	2.32195952	1,000.00000000
M3	66987XEV3	1,000.00000000	0.00000000	2.69525086	2.69525086	1,000.00000000
M4	66987XEW1	1,000.00000000	0.00000000	2.78412952	2.78412952	1,000.00000000
M5	66987XEX9	1,000.00000000	0.00000000	3.05076571	3.05076571	1,000.00000000
B1	66987XEY7	1,000.00000000	0.00000000	3.45072071	3.45072071	1,000.00000000
B2	66987XEZ4	1,000.00000000	0.00000000	3.58403905	3.58403905	1,000.00000000
B3	66987XFA8	1,000.00000000	0.00000000	4.82839071	4.82839071	1,000.00000000
P	66987XFB6	1,000.00000000	0.00000000	4,175,517.80000000	4,175,517.80000000	1,000.00000000
O	66987XFE0	1,000.00396827	0.00000000	0.00000000	0.00000000	1,000.00396827
TOTALS		960.97472339	20.78636926	2.29128871	23.07765796	940.18835414
X	66987XFD2	960.97472339	0.00000000	3.04857621	3.04857621	940.18835414

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A1	2.262500 %
A2	2.267500 %
A3	2.072500 %
A4	2.222500 %
A5	2.432500 %
M1	2.512500 %
M2	2.612500 %
M3	3.032500 %
M4	3.132500 %
M5	3.432500 %
B1	3.882500 %
B2	4.032500 %
B3	4.954094 %
P	.000000 %
O	.000000 %
X	3.568927 %

NovaStar Mortgage Funding Trust, Series 2004-2

Statement to Certificateholders

November 26, 2004

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

STANISLAV PERTSEV

JPMorgan Chase Bank, N.A. - Structured Finance Services NY

4 NEW YORK PLAZA FLR 6, SBS-ABS 6/ 4NYP

New York, New York 10004

Tel: (212) 623-5379 / Fax: (212) 623-5933

Email: STANISLAV.PERTSEV@JPMORGAN.COM

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

	REMIC Available Funds - Group I	27,873,806.32
	REMIC Available Funds - Group II	8,895,664.33
Sec. 4.03	Principal	
	Group I Scheduled Principal	839,782.49
	Group I Prepayments in Full	20,735,648.34
	Group I Curtailments	163,657.51
	Group I Net Liquidation Proceeds	108,583.85
	Group I Realized Losses	12,626.32
	Group II Scheduled Principal	167,067.01
	Group II Prepayments in Full	7,057,626.55
	Group II Curtailments	15,924.92
	Group II Net Liquidation Proceeds	0.00
	Group II Realized Losses	0.00
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	21,857,155.56
	Class A-2	3,005,710.12
	Class A-3	4,238,051.28
	Class A-4	0.00
	Class A-5	0.00
	Class M-1	0.00

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

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	1,822,390.04
Class A-2	188,070.35
Class A-3	83,961.18
Class A-4	134,322.58
Class A-5	38,915.60
Class M-1	171,947.21
Class M-2	48,761.15
Class M-3	47,166.89
Class M-4	58,466.72
Class M-5	42,710.72
Class B-1	48,310.09
Class B-2	37,632.41
Class B-3	67,597.47
Class I	140,519.44

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

		Class P - Prepay Penalty	417,551.78
Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	1,076,960,162.75
		Group I Ending Pool Balance	1,055,099,864.27
		Group II Beginning Pool Balance	268,404,450.00
		Group II Ending Pool Balance	261,163,831.52
		Total Beginning Pool Balance	1,345,364,612.75
		Total Ending Pool Balance	1,316,263,695.79
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	9,016
		Aggregate Principal Balance of Mortgage Loans	1,316,263,695.79
		Beginning Weighted Average Mortgage Rate	7.4787 %
		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	1,036,379,055.87
		Number of 0-30 Days	7,303
		Balance of 30-59 Days	4,817,587.20

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

Number of 30-59 Days	37
Balance of 60-89 Days	3,037,278.88
Number of 60-89 Days	21
Balance of 90+ Days	2,009,731.54
Number of 90+ Days	13
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	1,484,841.98
Number of 0-30 Days	11
Balance of 30-59 Days	156,047.35
Number of 30-59 Days	2
Balance of 60-89 Days	1,075,197.49
Number of 60-89 Days	8
Balance of 60-89 Days	196,427.82
Number of 60-89 Days	3
Legal Delinquency - Group I	
Balance of 0-30 Days	1,036,379,055.87
Number of 0-30 Days	7,303
Balance of 30-59 Days	4,817,587.20
Number of 30-59 Days	37
Balance of 60-89 Days	3,037,278.88
Number of 60-89 Days	21
Balance of 60-89 Days	2,009,731.54
Number of 60-89 Days	13

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

Legal Bankruptcy - Group I

Balance of 0-30 Days	2,404,228.37
Number of 0-30 Days	21
Balance of 30-59 Days	47,610.54
Number of 30-59 Days	1
Balance of 60-89 Days	460,675.73
Number of 60-89 Days	2
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	223,564.97
Number of 0-30 Days	2
Balance of 30-59 Days	236,924.58
Number of 30-59 Days	1
Balance of 60-89 Days	492,363.52
Number of 60-89 Days	4
Balance of 60-89 Days	4,405,953.02
Number of 60-89 Days	30

Contractual Delinquency - Group II

Balance of 0-30 Days	252,709,062.32
Number of 0-30 Days	1,511
Balance of 30-59 Days	1,784,883.99

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

Number of 30-59 Days	18
Balance of 60-89 Days	1,084,155.14
Number of 60-89 Days	10
Balance of 90+ Days	352,213.60
Number of 90+ Days	6
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	625,508.91
Number of 0-30 Days	4
Balance of 30-59 Days	177,809.08
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	424,917.72
Number of 90+ Days	4
Legal Delinquency - Group II	
Balance of 0-30 Days	252,709,062.32
Number of 0-30 Days	1,511
Balance of 30-59 Days	1,784,883.99
Number of 30-59 Days	18
Balance of 60-89 Days	1,084,155.14
Number of 60-89 Days	10
Balance of 90+ Days	352,213.60
Number of 90+ Days	6

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

Legal Bankruptcy - Group II

Balance of 0-30 Days	1,064,332.77
Number of 0-30 Days	7
Balance of 30-59 Days	49,976.85
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	113,926.09
Number of 90+ Days	1

Sec. 4.03 (a)(v) B

Loans in Foreclosure - Group II

	0.00
Balance of 0-30 Days	357,840.08
Number of 0-30 Days	2
Balance of 30-59 Days	59,420.47
Number of 30-59 Days	1
Balance of 60-89 Days	1,353,247.26
Number of 60-89 Days	4
Balance of 90+ Days	1,970,670.50
Number of 90+ Days	13

Sec. 4.03(a)(v) C

Loans in REO

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

Group 1		
Number	Principal Balance	Percentage
4	584,890.05	0.06 %

Group 2		
Number	Principal Balance	Percentage
3	264,102.45	0.10 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		20,735,648.34
	Group II Prepayments		7,057,626.55
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		121,210.17
	Group I Net Liquidation Proceeds		108,583.85
	Group I Current Period Realized Losses		12,626.32
	Group I Recoveries of Prior Losses		0.00
	Group I Subsequent Losses		0.00
	Group I Cumulative Liquidated Loan Balance		121,210.17
	Group I Cumulative Net Liquidation Proceeds		108,583.85
	Group I Cumulative Recoveries of Prior Losses		0.00
	Group I Cumulative Subsequent Losses		0.00
	Group I Cumulative Realized Losses		12,626.32

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

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	121,210.17
Total Net Liquidation Proceeds	108,583.85
Total Current Period Realized Losses	12,626.32
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	121,210.17
Total Cumulative Net Liquidation Proceeds	108,583.85
Total Cumulative Recoveries of Prior Losses	0.00
Total Cumulative Subsequent Losses	0.00
Total Cumulative Realized Losses	12,626.32

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

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	315.06
	PPIS Interest Reduction Class A1	206.21
	PPIS Interest Reduction Class A2	21.28
	PPIS Interest Reduction Class A3	9.50
	PPIS Interest Reduction Class A4	15.20
	PPIS Interest Reduction Class A5	4.40
	PPIS Interest Reduction Class M1	19.46
	PPIS Interest Reduction Class M2	5.52

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

PPIS Interest Reduction Class M3		5.34
PPIS Interest Reduction Class M4		6.62
PPIS Interest Reduction Class M5		4.83
PPIS Interest Reduction Class B1		5.47
PPIS Interest Reduction Class B2		4.26
PPIS Interest Reduction Class B3		6.98
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	15.92 %
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
	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

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

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

REMIC Pass-Through Rate - A-1	2.2625 %
REMIC Pass-Through Rate - A-2	2.2675 %
REMIC Pass-Through Rate - A-3	2.0725 %
REMIC Pass-Through Rate - A-4	2.2225 %
REMIC Pass-Through Rate - A-5	2.4325 %
REMIC Pass-Through Rate - M-1	2.5125 %
REMIC Pass-Through Rate - M-2	2.6125 %
REMIC Pass-Through Rate - M-3	3.0325 %
REMIC Pass-Through Rate - M-4	3.1325 %

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

REMIC Pass-Through Rate - M-5	3.4325 %
REMIC Pass-Through Rate - B-1	3.8825 %
REMIC Pass-Through Rate - B-2	4.0325 %
REMIC Pass-Through Rate - B-3	4.9541 %
Next REMIC Pass-Through Rate - A-1	2.5100 %
Next REMIC Pass-Through Rate - A-2	2.5150 %
Next REMIC Pass-Through Rate - A-3	2.3200 %
Next REMIC Pass-Through Rate - A-4	2.4700 %
Next REMIC Pass-Through Rate - A-5	2.6800 %
Next REMIC Pass-Through Rate - M-1	2.7600 %
Next REMIC Pass-Through Rate - M-2	2.8600 %
Next REMIC Pass-Through Rate - M-3	3.2800 %
Next REMIC Pass-Through Rate - M-4	3.3800 %
Next REMIC Pass-Through Rate - M-5	3.6800 %
Next REMIC Pass-Through Rate - B-1	4.1300 %
Next REMIC Pass-Through Rate - B-2	4.2800 %
Next REMIC Pass-Through Rate - B-3	5.6800 %

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

NovaStar Mortgage Funding Trust, Series 2004-2

November 26, 2004

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	5,953.50

Sec. 4.03 (a)(xv)

Swap Notional Amount and the Underwritten Certificates Principal Balance

Underwritten Certificates Principal Balance	1,291,063,695.79
Swap Notional Amount	825,000,000.00
Difference	466,063,695.79
Funds paid to Swap Counterparty	111,462.50

NovaStar Mortgage Funding Trust, Series 2004-2
November 26, 2004

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		4,257,529.54