

NovaStar Mortgage Funding Trust, Series 2003-2

Statement to Certificateholders

December 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	585,679,503.88	32,809,124.62	1,253,272.79	34,062,397.41	0.00	0.00	552,870,379.26
A_2	320,000,000.00	168,995,342.09	9,699,924.62	366,719.89	10,066,644.51	0.00	0.00	159,295,417.47
M_1	63,750,000.00	63,750,000.00	0.00	160,844.79	160,844.79	0.00	0.00	63,750,000.00
M_2	52,500,000.00	52,500,000.00	0.00	182,189.58	182,189.58	0.00	0.00	52,500,000.00
M_3	15,000,000.00	15,000,000.00	0.00	57,220.83	57,220.83	0.00	0.00	15,000,000.00
B_1	15,000,000.00	15,000,000.00	0.00	68,845.83	68,845.83	0.00	0.00	15,000,000.00
B_2	15,000,000.00	15,000,000.00	0.00	77,887.50	77,887.50	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	803,377.20	803,377.20	0.00	0.00	100.00
TOTALS	1,500,000,101.00	934,674,947.22	42,509,049.24	2,970,358.41	45,479,407.65	0.00	0.00	892,165,897.98
X_1	1,500,000,100.00	934,674,947.22	0.00	2,292,696.52	2,292,696.52	0.00	0.00	892,165,897.98
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	585.67950388	32.80912462	1.25327279	34.06239741	552.87037926
A_2	66987WAQ0	528.11044403	30.31226444	1.14599966	31.45826409	497.79817959
M_1	66987WAR8	1,000.00000000	0.00000000	2.52305553	2.52305553	1,000.00000000
M_2	66987WAS6	1,000.00000000	0.00000000	3.47027771	3.47027771	1,000.00000000
M_3	66987WAT4	1,000.00000000	0.00000000	3.81472200	3.81472200	1,000.00000000
B_1	66987WAU1	1,000.00000000	0.00000000	4.58972200	4.58972200	1,000.00000000
B_2	66987WAV9	1,000.00000000	0.00000000	5.19250000	5.19250000	1,000.00000000
O	66987XCN3	1,000.00001333	0.00000000	0.00000000	0.00000000	1,000.00001333
P	66987XCL7	1,000.00000000	0.00000000	8,033,772.00000000	8,033,772.00000000	1,000.00000000
TOTALS		623.11658952	28.33936425	1.98023881	30.31960306	594.77722527
X_1	66987XCM5	623.11658994	0.00000000	1.52846424	1.52846424	594.77722567
X_2	66987XCM5	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A_1	2.485000 %
A_2	2.520000 %
M_1	2.930000 %
M_2	4.030000 %
M_3	4.430000 %
B_1	5.330000 %
B_2	6.030000 %
O	.000000 %
P	.000000 %
X_1	2.848569 %
X_2	.000000 %

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

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	REMIC Available Funds - Group I	36,824,573.61
	REMIC Available Funds - Group II	10,844,501.40
Sec. 4.03	Principal	
	Group I Scheduled Principal	786,704.78
	Group I Prepayments in Full	31,414,818.43
	Group I Curtailments	92,799.62
	Group I Net Liquidation Proceeds	161,782.94
	Group I Realized Losses	366,499.91
	Group II Scheduled Principal	235,895.60
	Group II Prepayments in Full	9,300,157.12
	Group II Curtailments	46,969.21
	Group II Net Liquidation Proceeds	12,533.67
	Group II Realized Losses	90,887.96
	Total Scheduled Principal	1,022,600.38
	Total Prepayments in Full	40,714,975.55
	Total Curtailments	139,768.83
	Total Net Liquidation Proceeds	342,451.24
	Total Realized Losses	289,253.24

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Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	32,809,124.62
	Class A-2	9,699,924.62
	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	1,253,272.79
	Class A-2	366,719.89
	Class M-1	160,844.79
	Class M-2	182,189.58
	Class M-3	57,220.83
	Class B-1	68,845.83
	Class B-2	77,887.50
	Class I	-131,372.60
	Class P - Prepay Penalty	803,377.20

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	721,947,204.80
		Group I Ending Pool Balance	689,124,599.12
		Group II Beginning Pool Balance	212,727,742.42
		Group II Ending Pool Balance	203,041,298.86
		Total Beginning Pool Balance	934,674,947.22
		Total Ending Pool Balance	892,165,897.98
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	6,739
		Aggregate Principal Balance of Mortgage Loans	892,165,897.98
		Beginning Weighted Average Mortgage Rate	7.1967 %
		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	662,187,213.19
		Number of 0-30 Days	5,264
		Balance of 30-59 Days	3,795,830.94
		Number of 30-59 Days	35
		Balance of 60-89 Days	1,619,312.40

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Number of 60-89 Days	14
Balance of 90+ Days	1,840,937.20
Number of 90+ Days	16
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	3,200,442.84
Number of 0-30 Days	30
Balance of 30-59 Days	664,227.82
Number of 30-59 Days	5
Balance of 60-89 Days	471,012.32
Number of 60-89 Days	6
Balance of 90+ Days	3,379,127.61
Number of 90+ Days	28
Legal Delinquency - Group I	
Balance of 0-30 Days	662,187,213.19
Number of 0-30 Days	5,264
Balance of 30-59 Days	3,795,830.94
Number of 30-59 Days	35
Balance of 60-89 Days	1,619,312.40
Number of 60-89 Days	14
Balance of 90+ Days	1,840,937.20
Number of 90+ Days	16
Legal Bankruptcy - Group I	

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	Balance of 0-30 Days	5,986,288.47
	Number of 0-30 Days	54
	Balance of 30-59 Days	958,734.91
	Number of 30-59 Days	9
	Balance of 60-89 Days	430,354.91
	Number of 60-89 Days	3
	Balance of 90+ Days	339,432.30
	Number of 90+ Days	3
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	173,762.02
	Number of 0-30 Days	2
	Balance of 30-59 Days	155,782.69
	Number of 30-59 Days	1
	Balance of 60-89 Days	120,369.83
	Number of 60-89 Days	1
	Balance of 90+ Days	6,780,471.36
	Number of 90+ Days	58
Section 4.03(a)(v) A	Loans Delinquent	
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	195,336,679.80
	Number of 0-30 Days	1,173
	Balance of 30-59 Days	921,949.17
	Number of 30-59 Days	8

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Balance of 60-89 Days	503,612.83
Number of 60-89 Days	3
Balance of 90+ Days	718,623.98
Number of 90+ Days	5
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	1,708,771.16
Number of 0-30 Days	15
Balance of 30-59 Days	215,117.64
Number of 30-59 Days	2
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	736,201.90
Number of 90+ Days	6
Legal Delinquency - Group II	
Balance of 0-30 Days	195,336,679.80
Number of 0-30 Days	1,173
Balance of 30-59 Days	921,949.17
Number of 30-59 Days	8
Balance of 60-89 Days	503,612.83
Number of 60-89 Days	3
Balance of 90+ Days	718,623.98
Number of 90+ Days	5

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Legal Bankruptcy - Group II

Balance of 0-30 Days	2,315,333.83
Number of 0-30 Days	21
Balance of 30-59 Days	344,756.87
Number of 30-59 Days	2
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

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	0.00
Number of 60-89 Days	0
Balance of 90+ Days	1,555,588.28
Number of 90+ Days	12

Sec. 4.03(a)(v) C

Group I and Group II Loans in REO

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Group 1		
Number	Principal Balance	Percentage
41	4,736,108.90	0.69 %

Group 2		
Number	Principal Balance	Percentage
14	1,344,754.10	0.66 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		31,414,818.43
	Group II Prepayments		9,300,157.12
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		528,282.85
	Group I Net Liquidation Proceeds		161,782.94
	Group I Current Period Net Realized Losses		366,499.91
	Group I Recoveries of Prior Losses		0.00
	Group I Subsequent Losses		128,706.99
	Group I Cumulative Liquidated Loan Balance		5,507,401.88
	Group I Cumulative Net Liquidation Proceeds		4,155,717.24
	Group I Cumulative Recoveries of Prior Losses		43,278.33
	Group I Cumulative Subsequent Losses		181,004.32
	Group I Cumulative Realized Losses		1,489,410.63

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Group II Liquidated Loan Balance	103,421.63
Group II Net Liquidation Proceeds	12,533.67
Group II Current Period Net Realized Losses	90,887.96
Group II Recoveries of Prior Losses	1,365.48
Group II Subsequent Losses	40,793.12
Group II Cumulative Liquidated Loan Balance	1,512,659.14
Group II Cumulative Net Liquidation Proceeds	1,131,964.20
Group II Cumulative Recoveries of Prior Losses	51,002.00
Group II Cumulative Subsequent Losses	41,781.86
Group II Cumulative Realized Losses	371,474.80
Total Liquidated Loan Balance	631,704.48
Total Net Liquidation Proceeds	342,451.24
Total Current Period Net Realized Losses	457,387.87
Total Recoveries of Prior Losses	1,365.48
Total Subsequent Losses	169,500.11
Total Cumulative Liquidated Loan Balance	7,020,061.02
Total Cumulative Net Liquidation Proceeds	5,287,681.44
Total Cumulative Recoveries of Prior Losses	94,280.33
Total Cumulative Subsequent Losses	222,786.18
Total Cumulative Realized Losses	1,860,885.43

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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	24,212.88
Sec. 4.03 (a)(x)	Prepayment Interest Shortfalls not covered by the Servicer	0.00
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	19.26 %
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	2.4850 %
REMIC Pass-Through Rate - A-2	2.5200 %
REMIC Pass-Through Rate - M-1	2.9300 %
REMIC Pass-Through Rate - M-2	4.0300 %
REMIC Pass-Through Rate - M-3	4.4300 %
REMIC Pass-Through Rate - B-1	5.3300 %
REMIC Pass-Through Rate - B-2	6.0300 %
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		873,415,896.73
	Swap Notional Amount		850,000,000.00
	Difference		23,415,896.73
	Funds paid to Swap Counterparty		-107,159.72
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		2,774,297.27