

NovaStar Mortgage Funding Trust, Series 2004-2

Statement to Certificateholders

May 25, 2005

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	721,605,071.00	36,613,291.04	2,014,480.82	38,627,771.86	0.00	0.00	684,991,779.96
A2	100,000,000.00	69,333,187.86	4,273,326.27	193,844.04	4,467,170.31	0.00	0.00	65,059,861.59
A3	55,000,000.00	11,759,794.89	6,025,390.05	30,967.46	6,056,357.51	0.00	0.00	5,734,404.84
A4	68,000,000.00	68,000,000.00	0.00	187,566.67	187,566.67	0.00	0.00	68,000,000.00
A5	18,000,000.00	18,000,000.00	0.00	52,800.00	52,800.00	0.00	0.00	18,000,000.00
M1	77,000,000.00	77,000,000.00	0.00	231,000.00	231,000.00	0.00	0.00	77,000,000.00
M2	21,000,000.00	21,000,000.00	0.00	64,750.00	64,750.00	0.00	0.00	21,000,000.00
M3	17,500,000.00	17,500,000.00	0.00	60,083.33	60,083.33	0.00	0.00	17,500,000.00
M4	21,000,000.00	21,000,000.00	0.00	73,850.00	73,850.00	0.00	0.00	21,000,000.00
M5	14,000,000.00	14,000,000.00	0.00	52,733.33	52,733.33	0.00	0.00	14,000,000.00
B1	14,000,000.00	14,000,000.00	0.00	57,983.33	57,983.33	0.00	0.00	14,000,000.00
B2	10,500,000.00	10,500,000.00	0.00	44,800.00	44,800.00	0.00	0.00	10,500,000.00
B3	14,000,000.00	14,000,000.00	0.00	76,066.67	76,066.67	0.00	0.00	14,000,000.00
P	100.00	100.00	0.00	720,590.98	720,590.98	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	1,102,898,153.75	46,912,007.36	3,861,516.63	50,773,523.99	0.00	0.00	1,055,986,146.39
X	1,400,000,000.00	1,102,898,153.75	0.00	3,021,625.22	3,021,625.22	0.00	0.00	1,055,986,146.39

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL
A1	66987XEN1	763.76489310	38.75242489	2.13217699	40.88460188	725.01246820
A2	66987XEP6	693.33187860	42.73326270	1.93844040	44.67170310	650.59861590
A3	66987XEQ4	213.81445255	109.55254636	0.56304473	110.11559109	104.26190618
A4	66987XER2	1,000.00000000	0.00000000	2.75833338	2.75833338	1,000.00000000
A5	66987XES0	1,000.00000000	0.00000000	2.93333333	2.93333333	1,000.00000000
M1	66987XET8	1,000.00000000	0.00000000	3.00000000	3.00000000	1,000.00000000
M2	66987XEU5	1,000.00000000	0.00000000	3.08333333	3.08333333	1,000.00000000
M3	66987XEV3	1,000.00000000	0.00000000	3.43333314	3.43333314	1,000.00000000
M4	66987XEW1	1,000.00000000	0.00000000	3.51666667	3.51666667	1,000.00000000
M5	66987XEX9	1,000.00000000	0.00000000	3.76666643	3.76666643	1,000.00000000
B1	66987XEY7	1,000.00000000	0.00000000	4.14166643	4.14166643	1,000.00000000
B2	66987XEZ4	1,000.00000000	0.00000000	4.26666667	4.26666667	1,000.00000000
B3	66987XFA8	1,000.00000000	0.00000000	5.43333357	5.43333357	1,000.00000000
P	66987XFB6	1,000.00000000	0.00000000	7,205,909.80000000	7,205,909.80000000	1,000.00000000
O	66987XFE0	1,000.00396827	0.00000000	0.00000000	0.00000000	1,000.00396827
TOTALS		787.78439554	33.50857669	2.75822616	36.26680285	754.27581885
X	66987XFD2	787.78439554	0.00000000	2.15830373	2.15830373	754.27581885

PASS-THROUGH RATES

CLASS	CURRENT PASS-THRU RATE
A1	3.350000 %
A2	3.350000 %
A3	3.160000 %
A4	3.310000 %
A5	3.520000 %
M1	3.600000 %
M2	3.700000 %
M3	4.120000 %
M4	4.220000 %
M5	4.520000 %
B1	4.970000 %
B2	5.120000 %
B3	6.520000 %
P	.000000 %
O	.000000 %
X	3.287656 %

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

Indira A. Javier

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	REMIC Available Funds - Group I	41,687,716.60
	REMIC Available Funds - Group II	11,624,725.33
Sec. 4.03	Principal	
	Group I Scheduled Principal	740,042.53
	Group I Prepayments in Full	35,068,254.72
	Group I Curtailments	76,588.33
	Group I Net Liquidation Proceeds	515,090.41
	Group I Realized Losses	183,398.15
	Group II Scheduled Principal	143,914.60
	Group II Prepayments in Full	9,768,095.47
	Group II Curtailments	8,266.65
	Group II Net Liquidation Proceeds	318,437.59
	Group II Realized Losses	89,918.91
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	36,613,291.04
	Class A-2	4,273,326.27
	Class A-3	6,025,390.05
	Class A-4	0.00
	Class A-5	0.00
	Class M-1	0.00

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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	2,014,480.82
Class A-2	193,844.04
Class A-3	30,967.46
Class A-4	187,566.67
Class A-5	52,800.00
Class M-1	231,000.00
Class M-2	64,750.00
Class M-3	60,083.33
Class M-4	73,850.00
Class M-5	52,733.33
Class B-1	57,983.33
Class B-2	44,800.00
Class B-3	76,066.67
Class I	0.00

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		Class P - Prepay Penalty	720,590.98
Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	892,497,564.27
		Group I Ending Pool Balance	855,914,190.13
		Group II Beginning Pool Balance	210,400,589.48
		Group II Ending Pool Balance	200,071,956.26
		Total Beginning Pool Balance	1,102,898,153.75
		Total Ending Pool Balance	1,055,986,146.39
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	7,528
		Aggregate Principal Balance of Mortgage Loans	1,055,986,146.39
		Beginning Weighted Average Mortgage Rate	7.4666 %
		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	828,216,849.35
		Number of 0-30 Days	6,043
		Balance of 30-59 Days	4,480,229.45

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Number of 30-59 Days	34
Balance of 60-89 Days	1,625,564.58
Number of 60-89 Days	12
Balance of 90+ Days	1,269,677.68
Number of 90+ Days	12
Contractual Bankruptcy - Group I	
Balance of 0-30 Days	4,122,282.82
Number of 0-30 Days	35
Balance of 30-59 Days	133,150.24
Number of 30-59 Days	2
Balance of 60-89 Days	369,856.13
Number of 60-89 Days	5
Balance of 60-89 Days	3,283,075.69
Number of 60-89 Days	30
Legal Delinquency - Group I	
Balance of 0-30 Days	828,216,849.35
Number of 0-30 Days	6,043
Balance of 30-59 Days	4,480,229.45
Number of 30-59 Days	34
Balance of 60-89 Days	1,625,564.58
Number of 60-89 Days	12
Balance of 60-89 Days	1,269,677.68
Number of 60-89 Days	12

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Legal Bankruptcy - Group I

Balance of 0-30 Days	5,741,237.97
Number of 0-30 Days	52
Balance of 30-59 Days	768,333.43
Number of 30-59 Days	9
Balance of 60-89 Days	453,105.91
Number of 60-89 Days	5
Balance of 60-89 Days	945,687.57
Number of 60-89 Days	6

Sec. 4.03 (a)(v) B

Loans in Foreclosure - Group I

Balance of 0-30 Days	157,372.66
Number of 0-30 Days	2
Balance of 30-59 Days	136,749.68
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 60-89 Days	8,072,171.87
Number of 60-89 Days	62

Contractual Delinquency - Group II

Balance of 0-30 Days	187,259,984.39
Number of 0-30 Days	1,163
Balance of 30-59 Days	2,550,859.42

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Number of 30-59 Days	18
Balance of 60-89 Days	101,589.01
Number of 60-89 Days	1
Balance of 90+ Days	760,119.67
Number of 90+ Days	7
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	600,484.79
Number of 0-30 Days	10
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	354,682.46
Number of 60-89 Days	1
Balance of 90+ Days	1,939,307.83
Number of 90+ Days	19
Legal Delinquency - Group II	
Balance of 0-30 Days	187,259,984.39
Number of 0-30 Days	1,163
Balance of 30-59 Days	2,550,859.42
Number of 30-59 Days	18
Balance of 60-89 Days	101,589.01
Number of 60-89 Days	1
Balance of 90+ Days	760,119.67
Number of 90+ Days	7

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Legal Bankruptcy - Group II

Balance of 0-30 Days	2,162,028.55
Number of 0-30 Days	21
Balance of 30-59 Days	362,373.20
Number of 30-59 Days	3
Balance of 60-89 Days	28,857.98
Number of 60-89 Days	1
Balance of 90+ Days	341,215.35
Number of 90+ Days	5

Sec. 4.03 (a)(v) B

Loans in Foreclosure - Group II

	0.00
Balance of 0-30 Days	113,936.76
Number of 0-30 Days	1
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	789,223.29
Number of 60-89 Days	1
Balance of 90+ Days	3,602,564.40
Number of 90+ Days	27

Sec. 4.03(a)(v) C

Loans in REO

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Group 1		
Number	Principal Balance	Percentage
30	4,047,209.98	0.47 %

Group 2		
Number	Principal Balance	Percentage
12	1,999,204.24	1.00 %

Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		35,068,254.72
	Group II Prepayments		9,768,095.47
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		698,488.56
	Group I Net Liquidation Proceeds		515,090.41
	Group I Recoveries of Prior Losses		0.00
	Group I Subsequent Losses		0.00
	Group I Current Period Realized Losses		183,398.15
	Group I Cumulative Liquidated Loan Balance		2,956,351.72
	Group I Cumulative Net Liquidation Proceeds		2,354,211.53
	Group I Cumulative Recoveries of Prior Losses		1,105.71
	Group I Cumulative Subsequent Losses		0.00
	Group I Cumulative Realized Losses		601,034.48

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Group II Liquidated Loan Balance	408,356.50
Group II Net Liquidation Proceeds	318,437.59
Group II Recoveries of Prior Losses	0.00
Group II Subsequent Losses	0.00
Group II Current Period Realized Losses	89,918.91
Group II Cumulative Liquidated Loan Balance	1,559,521.25
Group II Cumulative Net Liquidation Proceeds	1,073,091.90
Group II Cumulative Recoveries of Prior Losses	0.00
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	494,149.23
Total Liquidated Loan Balance	1,106,845.06
Total Net Liquidation Proceeds	833,528.00
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Current Period Realized Losses	273,317.06
Total Cumulative Liquidated Loan Balance	4,515,872.97
Total Cumulative Net Liquidation Proceeds	3,427,303.43
Total Cumulative Recoveries of Prior Losses	1,105.71
Total Cumulative Subsequent Losses	0.00
Total Cumulative Realized Losses	1,095,183.71

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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 - 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	0.00
	PPIS Interest Reduction Class A1	0.00
	PPIS Interest Reduction Class A2	0.00
	PPIS Interest Reduction Class A3	0.00
	PPIS Interest Reduction Class A4	0.00
	PPIS Interest Reduction Class A5	0.00
	PPIS Interest Reduction Class M1	0.00
	PPIS Interest Reduction Class M2	0.00

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PPIS Interest Reduction Class M3		0.00
PPIS Interest Reduction Class M4		0.00
PPIS Interest Reduction Class M5		0.00
PPIS Interest Reduction Class B1		0.00
PPIS Interest Reduction Class B2		0.00
PPIS Interest Reduction Class B3		0.00
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	19.42 %
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

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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	3.3500 %
REMIC Pass-Through Rate - A-2	3.3550 %
REMIC Pass-Through Rate - A-3	3.1600 %
REMIC Pass-Through Rate - A-4	3.3100 %
REMIC Pass-Through Rate - A-5	3.5200 %
REMIC Pass-Through Rate - M-1	3.6000 %
REMIC Pass-Through Rate - M-2	3.7000 %
REMIC Pass-Through Rate - M-3	4.1200 %
REMIC Pass-Through Rate - M-4	4.2200 %

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REMIC Pass-Through Rate - M-5	4.5200 %
REMIC Pass-Through Rate - B-1	4.9700 %
REMIC Pass-Through Rate - B-2	5.1200 %
REMIC Pass-Through Rate - B-3	6.5200 %
Next REMIC Pass-Through Rate - A-1	0.3300 %
Next REMIC Pass-Through Rate - A-2	0.3350 %
Next REMIC Pass-Through Rate - A-3	0.1400 %
Next REMIC Pass-Through Rate - A-4	0.2900 %
Next REMIC Pass-Through Rate - A-5	0.5000 %
Next REMIC Pass-Through Rate - M-1	0.5800 %
Next REMIC Pass-Through Rate - M-2	0.6800 %
Next REMIC Pass-Through Rate - M-3	1.1000 %
Next REMIC Pass-Through Rate - M-4	1.2000 %
Next REMIC Pass-Through Rate - M-5	1.5000 %
Next REMIC Pass-Through Rate - B-1	1.9500 %
Next REMIC Pass-Through Rate - B-2	2.1000 %
Next REMIC Pass-Through Rate - B-3	3.5000 %

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

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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	12,744.48

Sec. 4.03 (a)(xv)

Swap Notional Amount and the Underwritten Certificates Principal Balance

Underwritten Certificates Principal Balance	1,030,786,146.39
Swap Notional Amount	825,000,000.00
Difference	205,786,146.39
Funds paid to Swap Counterparty	-547,620.83

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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		2,760,065.93