

NovaStar Mortgage Funding Trust, Series 2005-2

Statement to Certificateholders

July 25, 2005

Non-Payment Revision

DISTRIBUTION IN DOLLARS								
CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A1A	781,000,000.00	779,668,516.37	5,320,151.69	2,149,343.39	7,469,495.08	0.00	0.00	774,348,364.68
A1B	195,300,000.00	194,967,043.85	1,330,378.52	545,055.50	1,875,434.02	0.00	0.00	193,636,665.33
A2A	206,300,000.00	205,145,211.30	6,505,077.27	543,193.98	7,048,271.25	0.00	0.00	198,640,134.03
A2B	148,500,000.00	148,500,000.00	0.00	400,135.89	400,135.89	0.00	0.00	148,500,000.00
A2C	103,000,000.00	103,000,000.00	0.00	282,342.00	282,342.00	0.00	0.00	103,000,000.00
A2D	59,000,000.00	59,000,000.00	0.00	169,072.10	169,072.10	0.00	0.00	59,000,000.00
M1	89,100,000.00	89,100,000.00	0.00	259,485.53	259,485.53	0.00	0.00	89,100,000.00
M2	34,200,000.00	34,200,000.00	0.00	100,132.51	100,132.51	0.00	0.00	34,200,000.00
M3	27,000,000.00	27,000,000.00	0.00	79,681.98	79,681.98	0.00	0.00	27,000,000.00
M4	33,300,000.00	33,300,000.00	0.00	101,641.44	101,641.44	0.00	0.00	33,300,000.00
M5	24,300,000.00	24,300,000.00	0.00	74,737.78	74,737.78	0.00	0.00	24,300,000.00
M6	13,500,000.00	13,500,000.00	0.00	42,045.99	42,045.99	0.00	0.00	13,500,000.00
M7	13,500,000.00	13,500,000.00	0.00	50,547.70	50,547.70	0.00	0.00	13,500,000.00
M8	13,500,000.00	13,500,000.00	0.00	53,873.13	53,873.13	0.00	0.00	13,500,000.00
M9	13,500,000.00	13,500,000.00	0.00	63,408.29	63,408.29	0.00	0.00	13,500,000.00
M10	18,000,000.00	18,000,000.00	0.00	123,007.79	123,007.79	0.00	0.00	18,000,000.00
M11	18,000,000.00	18,000,000.00	0.00	123,007.79	123,007.79	0.00	0.00	18,000,000.00
C	9,000,000.00	9,000,000.00	0.00	4,443,147.22	4,443,147.22	0.00	0.00	9,000,000.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	1,800,000,000.00	1,797,180,771.52	13,155,607.48	9,603,860.01	22,759,467.49	0.00	0.00	1,784,025,164.04

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
A1A	66987WCF2	998.29515540	6.81197399	2.75204019	9.56401419	991.48318141	A1A	3.544380 %
A1B	66987WCG0	998.29515540	6.81197399	2.79086278	9.60283676	991.48318141	A1B	3.594380 %
A2A	66987WCH8	994.40238148	31.53212443	2.63302947	34.16515390	962.87025705	A2A	3.404380 %
A2B	66987WCJ4	1,000.00000000	0.00000000	2.69451778	2.69451778	1,000.00000000	A2B	3.464380 %
A2C	66987WCK1	1,000.00000000	0.00000000	2.74118447	2.74118447	1,000.00000000	A2C	3.524380 %
A2D	66987WCL9	1,000.00000000	0.00000000	2.86562881	2.86562881	1,000.00000000	A2D	3.684380 %
M1	66987WCM7	1,000.00000000	0.00000000	2.91229551	2.91229551	1,000.00000000	M1	3.744380 %
M2	66987WCN5	1,000.00000000	0.00000000	2.92785117	2.92785117	1,000.00000000	M2	3.764380 %
M3	66987WCP0	1,000.00000000	0.00000000	2.95118444	2.95118444	1,000.00000000	M3	3.794380 %
M4	66987WCQ8	1,000.00000000	0.00000000	3.05229550	3.05229550	1,000.00000000	M4	3.924380 %

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
M5	66987WCR6	1,000.00000000	0.00000000	3.07562881	3.07562881	1,000.00000000	M5	3.954380 %
M6	66987WCS4	1,000.00000000	0.00000000	3.11451778	3.11451778	1,000.00000000	M6	4.004380 %
M7	66987WCT2	1,000.00000000	0.00000000	3.74427407	3.74427407	1,000.00000000	M7	4.814067 %
M8	66987WCU9	1,000.00000000	0.00000000	3.99060222	3.99060222	1,000.00000000	M8	5.130775 %
M9	66987WCV7	1,000.00000000	0.00000000	4.69691037	4.69691037	1,000.00000000	M9	6.038885 %
M10	66987WCW5	1,000.00000000	0.00000000	6.83376611	6.83376611	1,000.00000000	M10	8.786271 %
M11	66987WCX3	1,000.00000000	0.00000000	6.83376611	6.83376611	1,000.00000000	M11	8.786271 %
C	66987WCZ8	1,000.00000000	0.00000000	493.68302444	493.68302444	1,000.00000000	C	0.000000 %
TOTALS		998.43376196	7.30867082	5.33547778	12.64414861	991.12509113		

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	13,208,614.76
	REMIC Available Funds - Group II	10,162,416.78
Sec. 4.03	Principal	
	Group I Scheduled Principal	691,309.95
	Group I Prepayments in Full	5,898,110.22
	Group I Curtailments	61,110.04
	Group I Net Liquidation Proceeds	0.00
	Group I Realized Losses	0.00
	Group II Scheduled Principal	347,782.25
	Group II Prepayments in Full	6,103,462.09
	Group II Curtailments	53,832.93
	Group II Net Liquidation Proceeds	0.00
	Group II Realized Losses	0.00
	Total Scheduled Principal	1,039,092.20
	Total Prepayments in Full	12,001,572.31
	Total Curtailments	114,942.97
	Total Net Liquidation Proceeds	0.00
	Total Realized Losses	0.00
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	5,320,151.69
	Class A-1B	1,330,378.52
	Class A-2A	6,505,077.27
	Class A-2B	0.00
	Class A-2C	0.00
	Class A-2D	0.00

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Class M-1	-0.00
Class M-4	0.00
Class M-5	0.00
Class M-6	0.00
Class M-2	0.00
Class M-3	0.00
Class M7	0.00
Class M8	0.00
Class M9	0.00
Class M10	0.00
Class M11	0.00

Sec. 4.03(a)(ii)

Distributions of Interest

Class A-1A	2,149,343.39
Class A-1B	545,055.50
Class A-2A	543,193.98
Class A-2b	400,135.89
Class A-2C	282,342.00
Class A-2D	169,072.10
Class M-1	259,485.53
Class M-2	100,132.51
Class M-3	79,681.98
Class M-4	101,641.44
Class M-5	74,737.78
Class M-6	42,045.99
Class M7	50,547.70
Class M8	53,873.13
Class M9	63,408.29
Class M10	123,007.79
Class M11	123,007.79

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	1,033,024,499.49
		Group I Ending Pool Balance	1,026,373,969.28
		Group II Beginning Pool Balance	613,444,960.47
		Group II Ending Pool Balance	606,939,883.20
		Total Beginning Pool Balance	1,646,469,459.96
		Total Ending Pool Balance	1,633,313,852.48
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	10,636
		Aggregate Principal Balance of Mortgage Loans	1,633,313,852.48
		Beginning Weighted Average Mortgage Rate	7.7329%
		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	150,711,312.05
Section 4.03(a)(v) A	Loans Delinquent		
	Contractual Delinquency - Group I		
		Balance of 0-30 Days	1,024,421,240.72
		Number of 0-30 Days	7,451
		Balance of 30-59 Days	1,534,029.96
		Number of 30-59 Days	12
		Balance of 60-89 Days	122,980.49
		Number of 60-89 Days	1
		Balance of 90+ Days	0.00
		Number of 90+ Days	0
	Contractual Bankruptcy - Group I		
		Balance of 0-30 Days	278,297.25

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	Number of 0-30 Days	2
	Balance of 30-59 Days	17,420.86
	Number of 30-59 Days	1
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Legal Delinquency - Group I	
	Balance of 0-30 Days	1,024,421,240.72
	Number of 0-30 Days	7,451
	Balance of 30-59 Days	1,534,029.96
	Number of 30-59 Days	12
	Balance of 60-89 Days	122,980.49
	Number of 60-89 Days	1
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	295,718.11
	Number of 0-30 Days	3
	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 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	0.00
	Number of 0-30 Days	0

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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 60-89 Days	0.00
Number of 60-89 Days	0
 Contractual Delinquency - Group II	
Balance of 0-30 Days	605,121,984.59
Number of 0-30 Days	3,158
Balance of 30-59 Days	1,669,148.61
Number of 30-59 Days	10
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	0.00
Number of 90+ Days	0
 Contractual Bankruptcy - 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	0.00
Number of 90+ Days	0
 Legal Delinquency - Group II	
Balance of 0-30 Days	605,121,984.59
Number of 0-30 Days	3,158
Balance of 30-59 Days	1,669,148.61

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	Number of 30-59 Days	10
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 90+ Days	0.00
	Number of 90+ Days	0
	Legal Bankruptcy - 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	0.00
	Number of 90+ Days	0
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	0.00
	Number of 0-30 Days	0
	Balance of 30-59 Days	148,750.00
	Number of 30-59 Days	1
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 90+ Days	0.00
	Number of 90+ Days	0

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Sec. 4.03(a)(v) C

Loans in REO

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REO by Group			
Group Number	Number of Loans	Principal Balance	Percentage
1	0	0.00	0.00%
2	0	0.00	0.00%

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Sec. 4.03(a)(vi)	Principal Prepayments		
		Group I Prepayments	5,898,110.22
		Group II Prepayments	6,103,462.09
Sec. 4.03 (a)(vii)	Realized Losses		
		Group I Liquidated Loan Balance	0.00
		Group I Net Liquidation Proceeds	0.00
		Group I Current Period Realized Losses	0.00
		Group I Recoveries of Prior Losses	0.00
		Group I Subsequent Losses	0.00
		Group I Cumulative Liquidated Loan Balance	0.00
		Group I Cumulative Net Liquidation Proceeds	0.00
		Group I Cumulative Recoveries of Prior Losses	0.00
		Group I Cumulative Subsequent Losses	0.00
		Group I Cumulative Realized Losses	0.00
		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

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Total Liquidated Loan Balance	0.00
Total Net Liquidation Proceeds	0.00
Total Current Period Realized Losses	0.00
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	0.00
Total Cumulative Net Liquidation Proceeds	0.00
Total Cumulative Recoveries of Prior Losses	0.00
Total Cumulative Subsequent Losses	0.00
Total Cumulative Realized Losses	0.00

Sec. 4.03 (a)(ix)

Unpaid Interest Shortfall Amounts

Unpaid Interest Shortfall - A-1A	0.00
Unpaid Interest Shortfall - A-1B	0.00
Unpaid Interest Shortfall - A-2A	0.00
Unpaid Interest Shortfall - A-2B	0.00
Unpaid Interest Shortfall - A-2C	0.00
Unpaid Interest Shortfall - A-2D	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 - M-6	0.00
Unpaid Interest Shortfall - M7	0.00
Unpaid Interest Shortfall - M8	0.00
Unpaid Interest Shortfall - M9	0.00
Unpaid Interest Shortfall - M10	0.00

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	Unpaid Interest Shortfall - M11	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	39.89%
Sec. 4.03 (a)(xii)	Available Funds Cap Carryforward Amount	
	Current Period Available Funds Cap Carryforward Amount - A-1A	0.00
	Current Period Available Funds Cap Carryforward Amount - A-1B	0.00
	Current Period Available Funds Cap Carryforward Amount - A-2A	0.00
	Current Period Available Funds Cap Carryforward Amount - A-2B	0.00
	Current Period Available Funds Cap Carryforward Amount - A-2C	0.00
	Current Period Available Funds Cap Carryforward Amount - A-2D	0.00
	Current Period Available Funds Cap Carryforward Amount - M-1	0.00
	Current Period Available Funds Cap Carryforward Amount - M-2	0.00
	Current Period Available Funds Cap Carryforward Amount - M-3	0.00
	Current Period Available Funds Cap Carryforward Amount - M-4	0.00
	Current Period Available Funds Cap Carryforward Amount - M-5	0.00
	Current Period Available Funds Cap Carryforward Amount - M-6	0.00
	Current Period Available Funds Cap Carryforward Amount - M7	3,986.71
	Current Period Available Funds Cap Carryforward Amount - M8	5,737.14
	Current Period Available Funds Cap Carryforward Amount - M9	10,757.30
	Current Period Available Funds Cap Carryforward Amount - M10	34,606.47
	Current Period Available Funds Cap Carryforward Amount - M11	34,606.47
	Available Funds Cap Carryforward Amount Repaid This Period- A-1A	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-1B	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-2A	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-2B	0.00
	Available Funds Cap Carryforward Amount Repaid This Period- A-2C	0.00

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Available Funds Cap Carryforward Amount Repaid This Period- A-2D	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M-1	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M-2	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M-3	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M-4	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M-5	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M-6	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M7	3,986.71
Available Funds Cap Carryforward Amount Repaid This Period- M8	5,737.14
Available Funds Cap Carryforward Amount Repaid This Period- M9	10,757.30
Available Funds Cap Carryforward Amount Repaid This Period- M10	34,606.47
Available Funds Cap Carryforward Amount Repaid This Period- M11	34,606.47
Remaining Available Funds Cap Carryforward Amount - A-1A	0.00
Remaining Available Funds Cap Carryforward Amount - A-1B	0.00
Remaining Available Funds Cap Carryforward Amount - A-2A	0.00
Remaining Available Funds Cap Carryforward Amount - A-2B	0.00
Remaining Available Funds Cap Carryforward Amount - A-2C	0.00
Remaining Available Funds Cap Carryforward Amount - A-2D	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 - M-6	0.00
Remaining Available Funds Cap Carryforward Amount - M7	0.00
Remaining Available Funds Cap Carryforward Amount - M8	0.00
Remaining Available Funds Cap Carryforward Amount - M9	0.00
Remaining Available Funds Cap Carryforward Amount - M10	0.00
Remaining Available Funds Cap Carryforward Amount - M11	0.00

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Sec. 4.03 (a)(xiii)

REMIC Pass-Through Rates

REMIC Pass-Through Rate - A-1A	3.5444%
REMIC Pass-Through Rate - A-1B	3.5944%
REMIC Pass-Through Rate - A-2A	3.4044%
REMIC Pass-Through Rate - A-2B	3.4644%
REMIC Pass-Through Rate - A-2C	3.5244%
REMIC Pass-Through Rate - A-2D	3.6844%
REMIC Pass-Through Rate - M-1	3.7444%
REMIC Pass-Through Rate - M-2	3.7644%
REMIC Pass-Through Rate - M-3	3.7944%
REMIC Pass-Through Rate - M-4	3.9244%
REMIC Pass-Through Rate - M-5	3.9544%
REMIC Pass-Through Rate - M-6	4.0044%
REMIC Pass-Through Rate - M7	4.8141%
REMIC Pass-Through Rate - M8	5.1308%
REMIC Pass-Through Rate - M9	6.0389%
REMIC Pass-Through Rate - M10	8.7863%
REMIC Pass-Through Rate - M11	8.7863%
Next REMIC Pass-Through Rate - A-1A	3.6900%
Next REMIC Pass-Through Rate - A-1B	3.7400%
Next REMIC Pass-Through Rate - A-2A	3.5500%
Next REMIC Pass-Through Rate - A-2B	3.6100%
Next REMIC Pass-Through Rate - A-2C	3.6700%
Next REMIC Pass-Through Rate - A-2D	3.8300%
Next REMIC Pass-Through Rate - M-1	3.8900%
Next REMIC Pass-Through Rate - M-2	3.9100%
Next REMIC Pass-Through Rate - M-3	3.9400%
Next REMIC Pass-Through Rate - M-4	4.0700%
Next REMIC Pass-Through Rate - M-5	4.1000%
Next REMIC Pass-Through Rate - M-6	4.1500%

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	Next REMIC Pass-Through Rate - M7	4.5800%
	Next REMIC Pass-Through Rate - M8	4.7300%
	Next REMIC Pass-Through Rate - M9	5.1600%
	Next REMIC Pass-Through Rate - M10	6.4600%
	Next REMIC Pass-Through Rate - M11	0.0000%
Sec. 4.03 (a)(xiv)	Supplemental Interest Payment	
	Supplemental Interest Payment - A-1A	0.00
	Supplemental Interest Payment - A-1B	0.00
	Supplemental Interest Payment - A-2A	0.00
	Supplemental Interest Payment - A-2B	0.00
	Supplemental Interest Payment - A-2C	0.00
	Supplemental Interest Payment - A-2D	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 - M-4	0.00
	Supplemental Interest Payment - M-5	0.00
	Supplemental Interest Payment - M-6	0.00
	Supplemental Interest Payment - M7	3,986.71
	Supplemental Interest Payment - M8	5,737.14
	Supplemental Interest Payment - M9	10,757.30
	Supplemental Interest Payment - M10	34,606.47
	Supplemental Interest Payment - M11	34,606.47
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance	
	Underwritten Certificates Principal Balance	1,775,025,164.04
	Swap Notional Amount	725,000,000.00
	Cap Notional Amount	320,000,000.00

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Total Notional Amount	1,045,000,000.00
Difference	730,025,164.04
Funds paid to Swap Counterparty	517,107.94
Funds paid to Cap Counterparty	0.00

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Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	9,000,000.00
	Overcollateralization Amount	9,000,000.49
Sec. 4.03 (a)(xvii)	Excess Cashflow	0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance	
	MI Premiums	974,812.51
	Insurance Proceeds	0.00