

NovaStar Mortgage Funding Trust, Series 2004-2

Statement to Certificateholders

August 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	591,363,191.54	40,111,872.55	1,929,979.48	42,041,852.03	0.00	0.00	551,251,318.99
A2	100,000,000.00	57,597,276.48	3,644,279.60	188,223.10	3,832,502.70	0.00	0.00	53,952,996.88
A3	55,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A4	68,000,000.00	63,212,159.85	5,138,434.23	204,122.60	5,342,556.83	0.00	0.00	58,073,725.62
A5	18,000,000.00	18,000,000.00	0.00	61,380.00	61,380.00	0.00	0.00	18,000,000.00
M1	77,000,000.00	77,000,000.00	0.00	267,874.44	267,874.44	0.00	0.00	77,000,000.00
M2	21,000,000.00	21,000,000.00	0.00	74,865.00	74,865.00	0.00	0.00	21,000,000.00
M3	17,500,000.00	17,500,000.00	0.00	68,716.67	68,716.67	0.00	0.00	17,500,000.00
M4	21,000,000.00	21,000,000.00	0.00	84,268.33	84,268.33	0.00	0.00	21,000,000.00
M5	14,000,000.00	14,000,000.00	0.00	59,795.56	59,795.56	0.00	0.00	14,000,000.00
B1	14,000,000.00	14,000,000.00	0.00	65,220.56	65,220.56	0.00	0.00	14,000,000.00
B2	10,500,000.00	10,500,000.00	0.00	50,271.67	50,271.67	0.00	0.00	10,500,000.00
B3	14,000,000.00	14,000,000.00	0.00	83,906.67	83,906.67	0.00	0.00	14,000,000.00
P	100.00	100.00	0.00	864,877.24	864,877.24	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	944,372,727.87	48,894,586.38	4,003,501.32	52,898,087.70	0.00	0.00	895,478,141.49
X	1,400,000,000.00	944,372,727.88	0.00	2,483,954.80	2,483,954.80	0.00	0.00	895,478,141.49

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
A1	66987XEN1	625.91362356	42.45541125	2.04273865	44.49814990	583.45821231	A1	3.790000 %
A2	66987XEP6	575.97276480	36.44279600	1.88223100	38.32502700	539.52996880	A2	3.795000 %
A3	66987XEQ4	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	A3	0.000000 %
A4	66987XER2	929.59058603	75.56520926	3.00180294	78.56701221	854.02537676	A4	3.750000 %
A5	66987XES0	1,000.00000000	0.00000000	3.41000000	3.41000000	1,000.00000000	A5	3.960000 %
M1	66987XET8	1,000.00000000	0.00000000	3.47888883	3.47888883	1,000.00000000	M1	4.040000 %
M2	66987XEU5	1,000.00000000	0.00000000	3.56500000	3.56500000	1,000.00000000	M2	4.140000 %
M3	66987XEV3	1,000.00000000	0.00000000	3.92666686	3.92666686	1,000.00000000	M3	4.560000 %
M4	66987XEW1	1,000.00000000	0.00000000	4.01277762	4.01277762	1,000.00000000	M4	4.660000 %
M5	66987XEX9	1,000.00000000	0.00000000	4.27111143	4.27111143	1,000.00000000	M5	4.960000 %
B1	66987XEY7	1,000.00000000	0.00000000	4.65861143	4.65861143	1,000.00000000	B1	5.410000 %
B2	66987XEZ4	1,000.00000000	0.00000000	4.78777810	4.78777810	1,000.00000000	B2	5.560000 %

NovaStar Mortgage Funding Trust, Series 2004-2

Statement to Certificateholders

August 25, 2005

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
B3	66987XFA8	1,000.00000000	0.00000000	5.99333357	5.99333357	1,000.00000000	B3	6.960000 %
P	66987XFB6	1,000.00000000	0.00000000	8,648,772.40000000	8,648,772.40000000	1,000.00000000	P	0.000000 %
O	66987XFE0	1,000.00396827	0.00000000	0.00000000	0.00000000	1,000.00396827	O	0.000000 %
TOTALS		674.55194848	34.92470456	2.85964380	37.78434836	639.62724392		
X	66987XFD2	674.55194849	0.00000000	1.77425343	1.77425343	639.62724392	X	3.054507 %

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

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NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

	REMIC Available Funds - Group I	44,551,878.84
	REMIC Available Funds - Group II	9,954,148.24
Sec. 4.03	Principal	
	Group I Scheduled Principal	660,377.19
	Group I Prepayments in Full	37,752,422.10
	Group I Curtailments	114,912.35
	Group I Net Liquidation Proceeds	1,221,074.49
	Group I Realized Losses	220,547.52
	Group II Scheduled Principal	128,723.22
	Group II Prepayments in Full	8,265,261.47
	Group II Curtailments	11,609.73
	Group II Net Liquidation Proceeds	314,929.84
	Group II Realized Losses	125,670.46
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	40,111,872.55
	Class A-2	3,644,279.60
	Class A-3	0.00
	Class A-4	5,138,434.23
	Class A-5	0.00
	Class M-1	0.00
	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

NovaStar Mortgage Funding Trust, Series 2004-2
August 25, 2005

Sec. 4.03(a)(ii)	Distributions of Interest		
		Class A-1	1,929,979.48
		Class A-2	188,223.10
		Class A-3	0.00
		Class A-4	204,122.60
		Class A-5	61,380.00
		Class M-1	267,874.44
		Class M-2	74,865.00
		Class M-3	68,716.67
		Class M-4	84,268.33
		Class M-5	59,795.56
		Class B-1	65,220.56
		Class B-2	50,271.67
		Class B-3	83,906.67
		Class I	0.00
		Class P - Prepay Penalty	864,877.24
Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	762,382,071.23
		Group I Ending Pool Balance	722,333,679.56
		Group II Beginning Pool Balance	181,990,656.65
		Group II Ending Pool Balance	173,144,461.93
		Total Beginning Pool Balance	944,372,727.88
		Total Ending Pool Balance	895,478,141.49
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	6,491
		Aggregate Principal Balance of Mortgage Loans	895,478,141.49
		Beginning Weighted Average Mortgage Rate	7.4568%

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

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	690,356,938.00
Number of 0-30 Days	5,140
Balance of 30-59 Days	6,766,441.57
Number of 30-59 Days	56
Balance of 60-89 Days	2,454,063.32
Number of 60-89 Days	17
Balance of 90+ Days	1,057,118.31
Number of 90+ Days	10

Contractual Bankruptcy - Group I

Balance of 0-30 Days	4,655,024.06
Number of 0-30 Days	40
Balance of 30-59 Days	676,480.67
Number of 30-59 Days	6
Balance of 60-89 Days	407,554.75
Number of 60-89 Days	5
Balance of 60-89 Days	3,362,655.38
Number of 60-89 Days	31

Legal Delinquency - Group I

Balance of 0-30 Days	690,356,938.00
Number of 0-30 Days	5,140
Balance of 30-59 Days	6,766,441.57
Number of 30-59 Days	56
Balance of 60-89 Days	2,454,063.32
Number of 60-89 Days	17
Balance of 60-89 Days	1,057,118.31

NovaStar Mortgage Funding Trust, Series 2004-2
August 25, 2005

	Number of 60-89 Days	10
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	6,497,324.79
	Number of 0-30 Days	57
	Balance of 30-59 Days	1,413,907.29
	Number of 30-59 Days	14
	Balance of 60-89 Days	190,471.69
	Number of 60-89 Days	2
	Balance of 60-89 Days	1,000,011.09
	Number of 60-89 Days	9
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	297,854.89
	Number of 0-30 Days	3
	Balance of 30-59 Days	207,730.47
	Number of 30-59 Days	1
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 60-89 Days	6,784,721.19
	Number of 60-89 Days	55
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	159,600,803.90
	Number of 0-30 Days	975
	Balance of 30-59 Days	1,953,666.76
	Number of 30-59 Days	18
	Balance of 60-89 Days	708,230.48
	Number of 60-89 Days	10
	Balance of 90+ Days	236,191.37
	Number of 90+ Days	3
	Contractual Bankruptcy - Group II	

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

Balance of 0-30 Days	510,643.47
Number of 0-30 Days	9
Balance of 30-59 Days	344,744.70
Number of 30-59 Days	3
Balance of 60-89 Days	162,878.66
Number of 60-89 Days	2
Balance of 90+ Days	2,847,270.85
Number of 90+ Days	19

Legal Delinquency - Group II

Balance of 0-30 Days	159,600,803.90
Number of 0-30 Days	975
Balance of 30-59 Days	1,953,666.76
Number of 30-59 Days	18
Balance of 60-89 Days	708,230.48
Number of 60-89 Days	10
Balance of 90+ Days	236,191.37
Number of 90+ Days	3

Legal Bankruptcy - Group II

Balance of 0-30 Days	2,891,778.14
Number of 0-30 Days	25
Balance of 30-59 Days	412,502.37
Number of 30-59 Days	5
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	561,257.17
Number of 90+ Days	3

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

NovaStar Mortgage Funding Trust, Series 2004-2
August 25, 2005

Number of 30-59 Days	0
Balance of 60-89 Days	84,499.23
Number of 60-89 Days	1
Balance of 90+ Days	3,624,090.51
Number of 90+ Days	27

Sec. 4.03(a)(v) C

Loans in REO

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

REO by Group			
Group Number	Number of Loans	Principal Balance	Percentage
1	39	5,307,096.95	0.73%
2	21	3,071,442.00	1.77%

Sec. 4.03(a)(vi)

Principal Prepayments

Group I Prepayments	37,752,422.10
Group II Prepayments	8,265,261.47

Sec. 4.03 (a)(vii)

Realized Losses

Group I Liquidated Loan Balance	1,520,680.06
Group I Net Liquidation Proceeds	1,221,074.49
Group I Recoveries of Prior Losses	79,448.36
Group I Subsequent Losses	390.31
Group I Current Period Realized Losses	220,547.52
Group I Cumulative Liquidated Loan Balance	6,750,863.62
Group I Cumulative Net Liquidation Proceeds	5,458,230.88
Group I Cumulative Recoveries of Prior Losses	105,544.41
Group I Cumulative Subsequent Losses	4,019.82
Group I Cumulative Realized Losses	1,198,965.88
Group II Liquidated Loan Balance	440,600.30
Group II Net Liquidation Proceeds	314,929.84
Group II Recoveries of Prior Losses	0.00
Group II Subsequent Losses	0.00
Group II Current Period Realized Losses	125,670.46

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

Group II Cumulative Liquidated Loan Balance	2,609,079.64
Group II Cumulative Net Liquidation Proceeds	1,809,717.94
Group II Cumulative Recoveries of Prior Losses	66.87
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	807,014.71
Total Liquidated Loan Balance	1,961,280.36
Total Net Liquidation Proceeds	1,536,004.33
Total Recoveries of Prior Losses	79,448.36
Total Subsequent Losses	390.31
Total Current Period Realized Losses	346,217.98
Total Cumulative Liquidated Loan Balance	9,359,943.26
Total Cumulative Net Liquidation Proceeds	7,267,948.82
Total Cumulative Recoveries of Prior Losses	105,611.28
Total Cumulative Subsequent Losses	4,019.82
Total Cumulative Realized Losses	2,005,980.59

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

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

	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
	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	22.68%
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

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

Available Funds Cap Carryforward Amount - B-3	0.00
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	3.7900%
REMIC Pass-Through Rate - A-2	3.7950%
REMIC Pass-Through Rate - A-3	0.0000%
REMIC Pass-Through Rate - A-4	3.7500%
REMIC Pass-Through Rate - A-5	3.9600%
REMIC Pass-Through Rate - M-1	4.0400%
REMIC Pass-Through Rate - M-2	4.1400%
REMIC Pass-Through Rate - M-3	4.5600%
REMIC Pass-Through Rate - M-4	4.6600%
REMIC Pass-Through Rate - M-5	4.9600%
REMIC Pass-Through Rate - B-1	5.4100%
REMIC Pass-Through Rate - B-2	5.5600%
REMIC Pass-Through Rate - B-3	6.9600%
Next REMIC Pass-Through Rate - A-1	3.9713%
Next REMIC Pass-Through Rate - A-2	3.9763%

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

Next REMIC Pass-Through Rate - A-3	3.7813%
Next REMIC Pass-Through Rate - A-4	3.9313%
Next REMIC Pass-Through Rate - A-5	4.1413%
Next REMIC Pass-Through Rate - M-1	4.2213%
Next REMIC Pass-Through Rate - M-2	4.3213%
Next REMIC Pass-Through Rate - M-3	4.7413%
Next REMIC Pass-Through Rate - M-4	4.8413%
Next REMIC Pass-Through Rate - M-5	5.1413%
Next REMIC Pass-Through Rate - B-1	5.5913%
Next REMIC Pass-Through Rate - B-2	5.7413%
Next REMIC Pass-Through Rate - B-3	7.1413%

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
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	1,921.33
Supplemental Interest Payment - B-2	2,797.24
Supplemental Interest Payment - B-3	20,607.44

Sec. 4.03 (a)(xv) Swap Notional Amount and the Underwritten Certificates Principal Balance

Underwritten Certificates Principal Balance	870,278,141.49
Swap Notional Amount	825,000,000.00
Difference	45,278,141.49

NovaStar Mortgage Funding Trust, Series 2004-2

August 25, 2005

Funds paid to Swap Counterparty

-929,412.50

NovaStar Mortgage Funding Trust, Series 2004-2
August 25, 2005

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	1,926,086.24