

## NovaStar Mortgage Funding Trust, Series 2004-4

## Statement to Certificateholders

September 26, 2005

DISTRIBUTION IN DOLLARS								
CLASS	ORIGINAL FACE VALUE	BEGINNING PRINCIPAL BALANCE	PRINCIPAL	INTEREST	TOTAL	REALIZED LOSSES	DEFERRED INTEREST	ENDING PRINCIPAL BALANCE
A1A	1,279,000,000.00	991,444,968.35	67,606,446.95	3,508,613.58	71,115,060.53	0.00	0.00	923,838,521.40
A1B	319,800,000.00	247,900,000.67	16,904,254.68	890,511.89	17,794,766.57	0.00	0.00	230,995,745.99
A2A	268,000,000.00	119,945,532.86	25,146,638.97	408,481.18	25,555,120.15	0.00	0.00	94,798,893.89
A2B	131,100,000.00	131,100,000.00	0.00	463,948.33	463,948.33	0.00	0.00	131,100,000.00
A2C	107,100,000.00	107,100,000.00	0.00	394,247.00	394,247.00	0.00	0.00	107,100,000.00
M1	95,000,000.00	95,000,000.00	0.00	359,838.89	359,838.89	0.00	0.00	95,000,000.00
M2	51,250,000.00	51,250,000.00	0.00	196,401.39	196,401.39	0.00	0.00	51,250,000.00
M3	43,750,000.00	43,750,000.00	0.00	169,604.17	169,604.17	0.00	0.00	43,750,000.00
M4	22,500,000.00	22,500,000.00	0.00	94,825.00	94,825.00	0.00	0.00	22,500,000.00
M5	32,500,000.00	32,500,000.00	0.00	138,413.89	138,413.89	0.00	0.00	32,500,000.00
M6	25,000,000.00	25,000,000.00	0.00	108,694.44	108,694.44	0.00	0.00	25,000,000.00
B1	25,000,000.00	25,000,000.00	0.00	118,694.44	118,694.44	0.00	0.00	25,000,000.00
B2	25,000,000.00	25,000,000.00	0.00	120,916.67	120,916.67	0.00	0.00	25,000,000.00
B3	25,000,000.00	25,000,000.00	0.00	149,805.56	149,805.56	0.00	0.00	25,000,000.00
B4	18,750,000.00	18,750,000.00	0.00	119,020.83	119,020.83	0.00	0.00	18,750,000.00
R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	<b>2,468,750,000.00</b>	<b>1,961,240,501.88</b>	<b>109,657,340.60</b>	<b>7,242,017.26</b>	<b>116,899,357.86</b>	<b>0.00</b>	<b>0.00</b>	<b>1,851,583,161.28</b>
<b>C</b>	<b>2,500,000,000.00</b>	<b>1,992,490,762.57</b>	<b>0.00</b>	<b>6,156,167.93</b>	<b>6,156,167.93</b>	<b>0.00</b>	<b>0.00</b>	<b>1,882,833,421.97</b>

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	66987WBN6	775.17198464	52.85883264	2.74324752	55.60208016	722.31315199	A1A	3.981250 %
A1B	66987WBP1	775.17198458	52.85883265	2.78459003	55.64342267	722.31315194	A1B	4.041250 %
A2A	66987WBQ9	447.55795843	93.83074243	1.52418351	95.35492593	353.72721601	A2A	3.831250 %
A2B	66987WBR7	1,000.00000000	0.00000000	3.53888886	3.53888886	1,000.00000000	A2B	3.981250 %
A2C	66987WBS5	1,000.00000000	0.00000000	3.68111111	3.68111111	1,000.00000000	A2C	4.141250 %
M1	66987WBT3	1,000.00000000	0.00000000	3.78777779	3.78777779	1,000.00000000	M1	4.261250 %
M2	66987WBU0	1,000.00000000	0.00000000	3.83222224	3.83222224	1,000.00000000	M2	4.311250 %
M3	66987WBV8	1,000.00000000	0.00000000	3.87666674	3.87666674	1,000.00000000	M3	4.361250 %
M4	66987WBW6	1,000.00000000	0.00000000	4.21444444	4.21444444	1,000.00000000	M4	4.741250 %
M5	66987WBX4	1,000.00000000	0.00000000	4.25888892	4.25888892	1,000.00000000	M5	4.791250 %
M6	66987WBY2	1,000.00000000	0.00000000	4.34777760	4.34777760	1,000.00000000	M6	4.891250 %
B1	66987WBZ9	1,000.00000000	0.00000000	4.74777760	4.74777760	1,000.00000000	B1	5.341250 %
B2	66987WCA3	1,000.00000000	0.00000000	4.83666680	4.83666680	1,000.00000000	B2	5.441250 %

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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
B3	66987WCB1	1,000.00000000	0.00000000	5.99222240	5.99222240	1,000.00000000	B3	6.741250 %
B4	66987WCC9	1,000.00000000	0.00000000	6.34777760	6.34777760	1,000.00000000	B4	7.141250 %
<b>TOTALS</b>		794.42653241	44.41816328	2.93347535	47.35163863	750.00836913		
C	66987WCE5	796.99630503	0.00000000	2.46246717	2.46246717	753.13336879	C	0.000000 %

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	94,085,983.98
	REMIC Available Funds - Group II	27,945,224.77
Sec. 4.03	Principal	
	Group I Scheduled Principal	1,094,027.56
	Group I Prepayments in Full	82,828,051.79
	Group I Curtailments	153,972.76
	Group I Net Liquidation Proceeds	283,195.07
	Group I Realized Losses	153,726.35
	Group II Scheduled Principal	310,627.63
	Group II Prepayments in Full	24,607,101.97
	Group II Curtailments	78,592.39
	Group II Net Liquidation Proceeds	105,250.85
	Group II Realized Losses	42,794.08
	Total Scheduled Principal	1,404,655.19
	Total Prepayments in Full	107,435,153.76
	Total Curtailments	232,565.15
	Total Net Liquidation Proceeds	388,445.92
	Total Realized Losses	196,520.43
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	67,606,446.95
	Class A-1B	16,904,254.68
	Class A-2A	25,146,638.97
	Class A-2B	0.00
	Class A-2C	0.00
	Class M-1	0.00
	Class M-4	0.00
	Class M-5	0.00

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Class M-6	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 B-4	0.00

Sec. 4.03(a)(ii)

Distributions of Interest

Class A-1A	3,508,613.58
Class A-1B	890,511.89
Class A-2A	408,481.18
Class A-2b	463,948.33
Class A-2C	394,247.00
Class M-1	359,838.89
Class M-2	196,401.39
Class M-3	169,604.17
Class M-4	94,825.00
Class M-5	138,413.89
Class M-6	108,694.44
Class B-1	118,694.44
Class B-2	120,916.67
Class B-3	149,805.56
Class B-4	119,020.83

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	1,539,290,570.87
		Group I Ending Pool Balance	1,454,777,597.20
		Group II Beginning Pool Balance	453,199,931.01
		Group II Ending Pool Balance	428,055,564.08
		Total Beginning Pool Balance	1,992,490,501.88
		Total Ending Pool Balance	1,882,833,161.28
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	12,588
		Aggregate Principal Balance of Mortgage Loans	1,882,833,161.28
		Beginning Weighted Average Mortgage Rate	7.6119%
		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	1,394,608,163.15
		Number of 0-30 Days	9,940
		Balance of 30-59 Days	12,043,631.54
		Number of 30-59 Days	102
		Balance of 60-89 Days	8,050,037.74
		Number of 60-89 Days	61
		Balance of 90+ Days	3,675,125.95
		Number of 90+ Days	34
	Contractual Bankruptcy - Group I		
		Balance of 0-30 Days	4,629,321.05
		Number of 0-30 Days	36
		Balance of 30-59 Days	445,191.83

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Number of 30-59 Days	3
Balance of 60-89 Days	721,070.47
Number of 60-89 Days	4
Balance of 60-89 Days	4,534,737.25
Number of 60-89 Days	42

Legal Delinquency - Group I

Balance of 0-30 Days	1,394,608,163.15
Number of 0-30 Days	9,940
Balance of 30-59 Days	12,043,631.54
Number of 30-59 Days	102
Balance of 60-89 Days	8,050,037.74
Number of 60-89 Days	61
Balance of 60-89 Days	3,675,125.95
Number of 60-89 Days	34

Legal Bankruptcy - Group I

Balance of 0-30 Days	6,668,185.56
Number of 0-30 Days	55
Balance of 30-59 Days	1,216,151.11
Number of 30-59 Days	10
Balance of 60-89 Days	878,876.83
Number of 60-89 Days	6
Balance of 60-89 Days	1,567,107.10
Number of 60-89 Days	14

Sec. 4.03 (a)(v) B

Loans in Foreclosure - Group I

Balance of 0-30 Days	785,192.29
Number of 0-30 Days	8
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	906,291.87
Number of 60-89 Days	8

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Balance of 60-89 Days	17,285,241.96
Number of 60-89 Days	126
Contractual Delinquency - Group II	
Balance of 0-30 Days	411,999,916.89
Number of 0-30 Days	2,087
Balance of 30-59 Days	2,676,021.74
Number of 30-59 Days	14
Balance of 60-89 Days	1,569,797.95
Number of 60-89 Days	7
Balance of 90+ Days	150,227.50
Number of 90+ Days	0
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	861,147.64
Number of 0-30 Days	5
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	257,678.01
Number of 60-89 Days	3
Balance of 90+ Days	1,453,979.49
Number of 90+ Days	7
Legal Delinquency - Group II	
Balance of 0-30 Days	411,999,916.89
Number of 0-30 Days	2,087
Balance of 30-59 Days	2,676,021.74
Number of 30-59 Days	14
Balance of 60-89 Days	1,569,797.95
Number of 60-89 Days	7
Balance of 90+ Days	150,227.50
Number of 90+ Days	0

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	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	1,533,745.37
	Number of 0-30 Days	8
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	257,678.01
	Number of 60-89 Days	3
	Balance of 90+ Days	781,381.76
	Number of 90+ Days	4
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	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	675,031.13
	Number of 60-89 Days	2
	Balance of 90+ Days	6,833,658.31
	Number of 90+ Days	34

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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	58	7,093,592.10	0.49%
2	7	1,578,105.42	0.37%

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Sec. 4.03(a)(vi)	Principal Prepayments		
		Group I Prepayments	82,828,051.79
		Group II Prepayments	24,607,101.97
Sec. 4.03 (a)(vii)	Realized Losses		
		Group I Liquidated Loan Balance	436,921.42
		Group I Net Liquidation Proceeds	283,195.07
		Group I Current Period Realized Losses	153,726.35
		Group I Recoveries of Prior Losses	0.00
		Group I Subsequent Losses	0.00
		Group I Cumulative Liquidated Loan Balance	2,182,730.24
		Group I Cumulative Net Liquidation Proceeds	1,577,135.71
		Group I Cumulative Recoveries of Prior Losses	840.09
		Group I Cumulative Subsequent Losses	0.00
		Group I Cumulative Realized Losses	604,754.44
		Group II Liquidated Loan Balance	148,044.93
		Group II Net Liquidation Proceeds	105,250.85
		Group II Current Period Realized Losses	42,794.08
		Group II Recoveries of Prior Losses	0.00
		Group II Subsequent Losses	0.00
		Group II Cumulative Liquidated Loan Balance	698,959.63
		Group II Cumulative Net Liquidation Proceeds	651,271.35
		Group II Cumulative Recoveries of Prior Losses	521.02
		Group II Cumulative Subsequent Losses	66.25
		Group II Cumulative Realized Losses	47,233.51
		Total Liquidated Loan Balance	584,966.35

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Total Net Liquidation Proceeds	388,445.92
Total Current Period Realized Losses	196,520.43
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	2,881,689.87
Total Cumulative Net Liquidation Proceeds	2,228,407.06
Total Cumulative Recoveries of Prior Losses	1,361.11
Total Cumulative Subsequent Losses	66.25
Total Cumulative Realized Losses	651,987.95

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 - 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 - B-1	0.00
Unpaid Interest Shortfall - B-2	0.00
Unpaid Interest Shortfall - B-3	0.00
Unpaid Interest Shortfall - B-4	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

19.82%

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Sec. 4.03 (a)(xii)

Available Funds Cap Carryforward Amount

Available Funds Cap Carryforward Amount - A-1A	0.00
Available Funds Cap Carryforward Amount - A-1B	0.00
Available Funds Cap Carryforward Amount - A-2A	0.00
Available Funds Cap Carryforward Amount - A-2B	0.00
Available Funds Cap Carryforward Amount - A-2C	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 - M-6	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
Available Funds Cap Carryforward Amount - B-4	0.00
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 - 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 - B-1	0.00
Remaining Available Funds Cap Carryforward Amount - B-2	0.00
Remaining Available Funds Cap Carryforward Amount - B-3	0.00
Remaining Available Funds Cap Carryforward Amount - B-4	0.00

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Sec. 4.03 (a)(xiii)

## REMIC Pass-Through Rates

REMIC Pass-Through Rate - A-1A	3.9813%
REMIC Pass-Through Rate - A-1B	4.0413%
REMIC Pass-Through Rate - A-2A	3.8313%
REMIC Pass-Through Rate - A-2B	3.9813%
REMIC Pass-Through Rate - A-2C	4.1413%
REMIC Pass-Through Rate - M-1	4.2613%
REMIC Pass-Through Rate - M-2	4.3113%
REMIC Pass-Through Rate - M-3	4.3613%
REMIC Pass-Through Rate - M-4	4.7413%
REMIC Pass-Through Rate - M-5	4.7913%
REMIC Pass-Through Rate - M-6	4.8913%
REMIC Pass-Through Rate - B-1	5.3413%
REMIC Pass-Through Rate - B-2	5.4413%
REMIC Pass-Through Rate - B-3	6.7413%
REMIC Pass-Through Rate - B-4	7.1413%
Next REMIC Pass-Through Rate - A-1A	4.1700%
Next REMIC Pass-Through Rate - A-1B	4.2300%
Next REMIC Pass-Through Rate - A-2A	4.0200%
Next REMIC Pass-Through Rate - A-2B	4.1700%
Next REMIC Pass-Through Rate - A-2C	4.3300%
Next REMIC Pass-Through Rate - M-1	4.4500%
Next REMIC Pass-Through Rate - M-2	4.5000%
Next REMIC Pass-Through Rate - M-3	4.5500%
Next REMIC Pass-Through Rate - M-4	4.9300%
Next REMIC Pass-Through Rate - M-5	4.9800%
Next REMIC Pass-Through Rate - M-6	5.0800%
Next REMIC Pass-Through Rate - B-1	5.5300%
Next REMIC Pass-Through Rate - B-2	5.6300%
Next REMIC Pass-Through Rate - B-3	6.9300%
Next REMIC Pass-Through Rate - B-3	7.3300%

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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 - 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 - B-1		0.00
	Supplemental Interest Payment - B-2		0.00
	Supplemental Interest Payment - B-3		0.00
	Supplemental Interest Payment - B-4		0.00
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		1,851,583,161.28
	Swap Notional Amount		1,435,000,000.00
	Difference		416,583,161.28
	Funds paid to Swap Counterparty		-1,032,766.67

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Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	31,250,000.00
	Overcollateralization Amount	31,250,000.00
Sec. 4.03 (a)(xvii)	Excess Cashflow	0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance	
	MI Premiums	1,048,698.24
	Insurance Proceeds	0.00