

NovaStar Mortgage Funding Trust, Series 2004-2

Statement to Certificateholders

November 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	468,727,592.89	31,108,582.72	1,762,838.91	32,871,421.63	0.00	0.00	437,619,010.17
A2	100,000,000.00	45,027,908.82	4,013,678.58	169,539.46	4,183,218.04	0.00	0.00	41,014,230.24
A3	55,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A4	68,000,000.00	45,489,351.44	5,659,286.80	169,514.17	5,828,800.97	0.00	0.00	39,830,064.64
A5	18,000,000.00	18,000,000.00	0.00	70,331.25	70,331.25	0.00	0.00	18,000,000.00
M1	77,000,000.00	77,000,000.00	0.00	306,165.90	306,165.90	0.00	0.00	77,000,000.00
M2	21,000,000.00	21,000,000.00	0.00	85,308.13	85,308.13	0.00	0.00	21,000,000.00
M3	17,500,000.00	17,500,000.00	0.00	77,419.27	77,419.27	0.00	0.00	17,500,000.00
M4	21,000,000.00	21,000,000.00	0.00	94,711.46	94,711.46	0.00	0.00	21,000,000.00
M5	14,000,000.00	14,000,000.00	0.00	66,757.64	66,757.64	0.00	0.00	14,000,000.00
B1	14,000,000.00	14,000,000.00	0.00	72,182.64	72,182.64	0.00	0.00	14,000,000.00
B2	10,500,000.00	10,500,000.00	0.00	55,493.23	55,493.23	0.00	0.00	10,500,000.00
B3	14,000,000.00	14,000,000.00	0.00	90,868.75	90,868.75	0.00	0.00	14,000,000.00
P	100.00	100.00	0.00	752,315.28	752,315.28	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	791,444,953.15	40,781,548.10	3,773,446.09	44,554,994.19	0.00	0.00	750,663,405.05
X	1,400,000,000.00	791,444,953.15	0.00	2,193,677.94	2,193,677.94	0.00	0.00	750,663,405.05

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	496.11303227	32.92610364	1.86583289	34.79193653	463.18692863	A1	4.367500 %
A2	66987XEP6	450.27908820	40.13678580	1.69539460	41.83218040	410.14230240	A2	4.372500 %
A3	66987XEQ4	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	A3	0.000000 %
A4	66987XER2	668.96105059	83.22480588	2.49285544	85.71766132	585.73624471	A4	4.327500 %
A5	66987XES0	1,000.00000000	0.00000000	3.90729167	3.90729167	1,000.00000000	A5	4.537500 %
M1	66987XET8	1,000.00000000	0.00000000	3.97618052	3.97618052	1,000.00000000	M1	4.617500 %
M2	66987XEU5	1,000.00000000	0.00000000	4.06229190	4.06229190	1,000.00000000	M2	4.717500 %
M3	66987XEV3	1,000.00000000	0.00000000	4.42395829	4.42395829	1,000.00000000	M3	5.137500 %
M4	66987XEW1	1,000.00000000	0.00000000	4.51006952	4.51006952	1,000.00000000	M4	5.237500 %
M5	66987XEX9	1,000.00000000	0.00000000	4.76840286	4.76840286	1,000.00000000	M5	5.537500 %
B1	66987XEY7	1,000.00000000	0.00000000	5.15590286	5.15590286	1,000.00000000	B1	5.987500 %
B2	66987XEZ4	1,000.00000000	0.00000000	5.28506952	5.28506952	1,000.00000000	B2	6.137500 %
B3	66987XFA8	1,000.00000000	0.00000000	6.49062500	6.49062500	1,000.00000000	B3	7.537500 %

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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
P	66987XFB6	1,000.00000000	0.00000000	7,523,152.80000000	7,523,152.80000000	1,000.00000000	P	0.000000 %
O	66987XFE0	1,000.00396827	0.00000000	0.00000000	0.00000000	1,000.00396827	O	0.000000 %
TOTALS		565.31782368	29.12967721	2.69531864	31.82499585	536.18814646		
X	66987XFD2	565.31782368	0.00000000	1.56691281	1.56691281	536.18814646	X	3.218792 %

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	34,917,708.85
	REMIC Available Funds - Group II	10,661,393.21
Sec. 4.03	Principal	
	Group I Scheduled Principal	576,604.10
	Group I Prepayments in Full	29,504,159.20
	Group I Curtailments	75,353.31
	Group I Net Liquidation Proceeds	789,627.30
	Group I Realized Losses	180,631.21
	Group II Scheduled Principal	112,925.77
	Group II Prepayments in Full	9,436,571.29
	Group II Curtailments	9,657.63
	Group II Net Liquidation Proceeds	63,159.26
	Group II Realized Losses	32,916.92
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1	31,108,582.72
	Class A-2	4,013,678.58
	Class A-3	0.00
	Class A-4	5,659,286.80
	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

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Sec. 4.03(a)(ii)	Distributions of Interest		
		Class A-1	1,762,838.91
		Class A-2	169,539.46
		Class A-3	0.00
		Class A-4	169,514.17
		Class A-5	70,331.25
		Class M-1	306,165.90
		Class M-2	85,308.13
		Class M-3	77,419.27
		Class M-4	94,711.46
		Class M-5	66,757.64
		Class B-1	72,182.64
		Class B-2	55,493.23
		Class B-3	90,868.75
		Class I	0.00
		Class P - Prepay Penalty	752,315.28
Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	640,171,806.25
		Group I Ending Pool Balance	609,045,489.01
		Group II Beginning Pool Balance	151,273,146.90
		Group II Ending Pool Balance	141,617,916.04
		Total Beginning Pool Balance	791,444,953.15
		Total Ending Pool Balance	750,663,405.05
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	5,529
		Aggregate Principal Balance of Mortgage Loans	750,663,405.05
		Beginning Weighted Average Mortgage Rate	7.4433%

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	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	567,225,650.68
	Number of 0-30 Days	4,279
	Balance of 30-59 Days	6,260,604.28
	Number of 30-59 Days	53
	Balance of 60-89 Days	1,832,279.85
	Number of 60-89 Days	16
	Balance of 90+ Days	2,877,406.25
	Number of 90+ Days	22
	Contractual Bankruptcy - Group I	
	Balance of 0-30 Days	8,893,487.97
	Number of 0-30 Days	75
	Balance of 30-59 Days	342,097.11
	Number of 30-59 Days	4
	Balance of 60-89 Days	1,113,702.60
	Number of 60-89 Days	9
	Balance of 90+ Days	5,454,005.68
	Number of 90+ Days	47
	Legal Delinquency - Group I	
	Balance of 0-30 Days	567,225,650.68
	Number of 0-30 Days	4,279
	Balance of 30-59 Days	6,260,604.28
	Number of 30-59 Days	53
	Balance of 60-89 Days	1,832,279.85
	Number of 60-89 Days	16
	Balance of 90+ Days	2,877,406.25

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	Number of 90+ Days	22
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	11,903,915.82
	Number of 0-30 Days	101
	Balance of 30-59 Days	1,535,391.87
	Number of 30-59 Days	13
	Balance of 60-89 Days	882,759.17
	Number of 60-89 Days	8
	Balance of 90+ Days	1,481,226.50
	Number of 90+ Days	13
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	232,415.31
	Number of 0-30 Days	3
	Balance of 30-59 Days	248,374.13
	Number of 30-59 Days	2
	Balance of 60-89 Days	327,315.28
	Number of 60-89 Days	2
	Balance of 90+ Days	7,150,248.35
	Number of 90+ Days	59
	Contractual Delinquency - Group II	
	Balance of 0-30 Days	125,929,118.25
	Number of 0-30 Days	770
	Balance of 30-59 Days	2,410,590.15
	Number of 30-59 Days	23
	Balance of 60-89 Days	1,059,310.64
	Number of 60-89 Days	8
	Balance of 90+ Days	243,981.92
	Number of 90+ Days	3
	Contractual Bankruptcy - Group II	

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	Balance of 0-30 Days	886,524.94
	Number of 0-30 Days	13
	Balance of 30-59 Days	618,095.49
	Number of 30-59 Days	4
	Balance of 60-89 Days	834,057.68
	Number of 60-89 Days	6
	Balance of 90+ Days	2,540,762.22
	Number of 90+ Days	20
	 Legal Delinquency - Group II	
	Balance of 0-30 Days	125,929,118.25
	Number of 0-30 Days	770
	Balance of 30-59 Days	2,410,590.15
	Number of 30-59 Days	23
	Balance of 60-89 Days	1,059,310.64
	Number of 60-89 Days	8
	Balance of 90+ Days	243,981.92
	Number of 90+ Days	3
	 Legal Bankruptcy - Group II	
	Balance of 0-30 Days	3,060,716.39
	Number of 0-30 Days	25
	Balance of 30-59 Days	413,998.02
	Number of 30-59 Days	6
	Balance of 60-89 Days	375,874.63
	Number of 60-89 Days	4
	Balance of 90+ Days	1,028,851.29
	Number of 90+ Days	8
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	252,967.48
	Number of 0-30 Days	2
	Balance of 30-59 Days	113,521.87

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Number of 30-59 Days	1
Balance of 60-89 Days	96,133.10
Number of 60-89 Days	1
Balance of 90+ Days	2,060,929.02
Number of 90+ Days	21

Sec. 4.03(a)(v) C Loans in REO

REO by Group			
Group Number	Number of Loans	Principal Balance	Percentage
1	53	7,087,901.52	1.16%
2	33	4,571,923.28	3.23%

Sec. 4.03(a)(vi) Principal Prepayments

Group I Prepayments	29,504,159.20
Group II Prepayments	9,436,571.29

Sec. 4.03 (a)(vii) Realized Losses

Group I Liquidated Loan Balance	970,200.60
Group I Net Liquidation Proceeds	789,627.30
Group I Recoveries of Prior Losses	0.00
Group I Subsequent Losses	57.91
Group I Current Period Realized Losses	180,631.21
Group I Cumulative Liquidated Loan Balance	8,709,348.62
Group I Cumulative Net Liquidation Proceeds	6,911,207.62
Group I Cumulative Recoveries of Prior Losses	159,152.73
Group I Cumulative Subsequent Losses	4,252.73

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Group I Cumulative Realized Losses	1,662,111.26
Group II Liquidated Loan Balance	96,076.18
Group II Net Liquidation Proceeds	63,159.26
Group II Recoveries of Prior Losses	0.00
Group II Subsequent Losses	0.00
Group II Current Period Realized Losses	32,916.92
Group II Cumulative Liquidated Loan Balance	4,013,258.71
Group II Cumulative Net Liquidation Proceeds	2,683,272.95
Group II Cumulative Recoveries of Prior Losses	66.87
Group II Cumulative Subsequent Losses	0.00
Group II Cumulative Realized Losses	1,343,820.42
Total Liquidated Loan Balance	1,066,276.78
Total Net Liquidation Proceeds	852,786.56
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	57.91
Total Current Period Realized Losses	213,548.13
Total Cumulative Liquidated Loan Balance	12,722,607.33
Total Cumulative Net Liquidation Proceeds	9,594,480.57
Total Cumulative Recoveries of Prior Losses	159,219.60
Total Cumulative Subsequent Losses	4,252.73
Total Cumulative Realized Losses	3,005,931.68
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

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	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
	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	27.06%
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

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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
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	4.3675%
REMIC Pass-Through Rate - A-2	4.3725%
REMIC Pass-Through Rate - A-3	0.0000%
REMIC Pass-Through Rate - A-4	4.3275%
REMIC Pass-Through Rate - A-5	4.5375%
REMIC Pass-Through Rate - M-1	4.6175%
REMIC Pass-Through Rate - M-2	4.7175%

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REMIC Pass-Through Rate - M-3	5.1375%
REMIC Pass-Through Rate - M-4	5.2375%
REMIC Pass-Through Rate - M-5	5.5375%
REMIC Pass-Through Rate - B-1	5.9875%
REMIC Pass-Through Rate - B-2	6.1375%
REMIC Pass-Through Rate - B-3	7.5375%
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
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	3,590.22
Supplemental Interest Payment - B-1	9,015.22

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Supplemental Interest Payment - B-2

8,117.67

Supplemental Interest Payment - B-3

27,701.33

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Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		725,463,405.05
	Beginning Swap Notional Amount		755,000,000.00
	Beginning Cap Notional Amount		9,078,949.00
	Total Beginning Notional Amount		764,078,949.00
	Ending Swap Notional Amount		715,000,000.00
	Ending Cap Notional Amount		9,078,949.00
	Total Ending Notional Amount		724,078,949.00
	Difference		1,384,456.05
	Funds paid to Swap Counterparty		-1,212,098.26
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		1,243,552.26