

NovaStar Mortgage Funding Trust, Series 2004-4

Statement to Certificateholders

January 25, 2006

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	744,364,853.64	54,081,661.65	2,829,491.05	56,911,152.70	0.00	0.00	690,283,191.99
A1B	319,800,000.00	186,120,312.88	13,522,529.63	716,479.19	14,239,008.82	0.00	0.00	172,597,783.25
A2A	268,000,000.00	25,042,693.91	22,709,600.79	92,166.68	22,801,767.47	0.00	0.00	2,333,093.12
A2B	131,100,000.00	131,100,000.00	0.00	498,339.32	498,339.32	0.00	0.00	131,100,000.00
A2C	107,100,000.00	107,100,000.00	0.00	420,914.16	420,914.16	0.00	0.00	107,100,000.00
M1	95,000,000.00	95,000,000.00	0.00	382,543.23	382,543.23	0.00	0.00	95,000,000.00
M2	51,250,000.00	51,250,000.00	0.00	208,436.24	208,436.24	0.00	0.00	51,250,000.00
M3	43,750,000.00	43,750,000.00	0.00	179,695.53	179,695.53	0.00	0.00	43,750,000.00
M4	22,500,000.00	22,500,000.00	0.00	99,302.34	99,302.34	0.00	0.00	22,500,000.00
M5	32,500,000.00	32,500,000.00	0.00	144,745.75	144,745.75	0.00	0.00	32,500,000.00
M6	25,000,000.00	25,000,000.00	0.00	113,356.77	113,356.77	0.00	0.00	25,000,000.00
B1	25,000,000.00	25,000,000.00	0.00	122,419.27	122,419.27	0.00	0.00	25,000,000.00
B2	25,000,000.00	25,000,000.00	0.00	124,433.16	124,433.16	0.00	0.00	25,000,000.00
B3	25,000,000.00	25,000,000.00	0.00	150,613.72	150,613.72	0.00	0.00	25,000,000.00
B4	18,750,000.00	18,750,000.00	0.00	119,001.95	119,001.95	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
TOTALS	2,468,750,000.00	1,557,477,860.43	90,313,792.07	6,201,938.36	96,515,730.43	0.00	0.00	1,467,164,068.36
C	2,500,000,000.00	1,588,728,121.12	0.00	4,766,658.74	4,766,658.74	0.00	0.00	1,498,414,329.05

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
A1A	66987WBN6	581.98972138	42.28433280	2.21226822	44.49660102	539.70538858	A1A	4.718750 %
A1B	66987WBP1	581.98972133	42.28433280	2.24039772	44.52473052	539.70538852	A1B	4.778750 %
A2A	66987WBQ9	93.44288772	84.73731638	0.34390552	85.08122190	8.70557134	A2A	4.568750 %
A2B	66987WBR7	1,000.00000000	0.00000000	3.80121526	3.80121526	1,000.00000000	A2B	4.718750 %
A2C	66987WBS5	1,000.00000000	0.00000000	3.93010420	3.93010420	1,000.00000000	A2C	4.878750 %
M1	66987WBT3	1,000.00000000	0.00000000	4.02677084	4.02677084	1,000.00000000	M1	4.998750 %
M2	66987WBU0	1,000.00000000	0.00000000	4.06704859	4.06704859	1,000.00000000	M2	5.048750 %
M3	66987WBV8	1,000.00000000	0.00000000	4.10732640	4.10732640	1,000.00000000	M3	5.098750 %
M4	66987WBW6	1,000.00000000	0.00000000	4.41343733	4.41343733	1,000.00000000	M4	5.478750 %
M5	66987WBX4	1,000.00000000	0.00000000	4.45371538	4.45371538	1,000.00000000	M5	5.528750 %
M6	66987WBY2	1,000.00000000	0.00000000	4.53427080	4.53427080	1,000.00000000	M6	5.628750 %
B1	66987WBZ9	1,000.00000000	0.00000000	4.89677080	4.89677080	1,000.00000000	B1	6.078750 %
B2	66987WCA3	1,000.00000000	0.00000000	4.97732640	4.97732640	1,000.00000000	B2	6.178750 %

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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	6.02454880	6.02454880	1,000.00000000	B3	7.478750 %
B4	66987WCC9	1,000.00000000	0.00000000	6.34677067	6.34677067	1,000.00000000	B4	7.878750 %
TOTALS		630.87710802	36.58280185	2.51217756	39.09497941	594.29430617		
C	66987WCE5	635.49124845	0.00000000	1.90666350	1.90666350	599.36573162	C	0.000000 %

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

Ariella Kaminer
 JPMorgan Chase Bank, N.A. - Structured Finance Services
 4 New York Plaza, Floor 6,
 New York, New York 10004
 Tel: (212) 623-5431 / Fax: (212) 623-5931
 Email: ariella.x.kaminer@jpmchase.com

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	REMIC Available Funds - Group I	75,023,201.13
	REMIC Available Funds - Group II	24,816,140.27
Sec. 4.03	Principal	
	Group I Scheduled Principal	916,379.89
	Group I Prepayments in Full	64,797,590.64
	Group I Curtailments	382,718.93
	Group I Net Liquidation Proceeds	1,241,169.88
	Group I Realized Losses	557,069.98
	Group II Scheduled Principal	260,277.39
	Group II Prepayments in Full	21,739,304.46
	Group II Curtailments	12,710.27
	Group II Net Liquidation Proceeds	557,116.00
	Group II Realized Losses	9,818.07
	Total Scheduled Principal	1,176,657.28
	Total Prepayments in Full	86,536,895.10
	Total Curtailments	395,429.20
	Total Net Liquidation Proceeds	1,798,285.88
	Total Realized Losses	566,888.05
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	54,081,661.65
	Class A-1B	13,522,529.63
	Class A-2A	22,709,600.79
	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	2,829,491.05
Class A-1B	716,479.19
Class A-2A	92,166.68
Class A-2b	498,339.32
Class A-2C	420,914.16
Class M-1	382,543.23
Class M-2	208,436.24
Class M-3	179,695.53
Class M-4	99,302.34
Class M-5	144,745.75
Class M-6	113,356.77
Class B-1	122,419.27
Class B-2	124,433.16
Class B-3	150,613.72
Class B-4	119,001.95

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Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	1,230,366,528.12
		Group I Ending Pool Balance	1,162,631,962.24
		Group II Beginning Pool Balance	358,361,332.31
		Group II Ending Pool Balance	335,782,106.12
		Total Beginning Pool Balance	1,588,727,860.43
		Total Ending Pool Balance	1,498,414,068.36
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	10,382
		Aggregate Principal Balance of Mortgage Loans	1,498,414,068.36
		Beginning Weighted Average Mortgage Rate	7.5964%
		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	1,083,156,587.24
		Number of 0-30 Days	7,966
		Balance of 30-59 Days	8,757,806.85
		Number of 30-59 Days	74
		Balance of 60-89 Days	7,515,642.97
		Number of 60-89 Days	60
		Balance of 90+ Days	5,265,172.01
		Number of 90+ Days	49
	Contractual Bankruptcy - Group I		
		Balance of 0-30 Days	8,612,909.44
		Number of 0-30 Days	72
		Balance of 30-59 Days	1,349,991.32

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	Number of 30-59 Days	9
	Balance of 60-89 Days	722,482.13
	Number of 60-89 Days	7
	Balance of 60-89 Days	10,324,339.86
	Number of 60-89 Days	80
	Legal Delinquency - Group I	
	Balance of 0-30 Days	1,083,156,587.24
	Number of 0-30 Days	7,966
	Balance of 30-59 Days	8,757,806.85
	Number of 30-59 Days	74
	Balance of 60-89 Days	7,515,642.97
	Number of 60-89 Days	60
	Balance of 60-89 Days	5,265,172.01
	Number of 60-89 Days	49
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	12,608,069.60
	Number of 0-30 Days	102
	Balance of 30-59 Days	3,185,469.71
	Number of 30-59 Days	22
	Balance of 60-89 Days	1,023,230.01
	Number of 60-89 Days	12
	Balance of 60-89 Days	4,192,953.43
	Number of 60-89 Days	32
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	866,471.68
	Number of 0-30 Days	9
	Balance of 30-59 Days	161,467.36
	Number of 30-59 Days	1
	Balance of 60-89 Days	494,615.85
	Number of 60-89 Days	5

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Balance of 60-89 Days	20,375,565.97
Number of 60-89 Days	160
Contractual Delinquency - Group II	
Balance of 0-30 Days	319,171,506.71
Number of 0-30 Days	1,660
Balance of 30-59 Days	1,723,768.91
Number of 30-59 Days	14
Balance of 60-89 Days	1,403,597.81
Number of 60-89 Days	8
Balance of 90+ Days	1,862,349.58
Number of 90+ Days	10
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	1,789,852.34
Number of 0-30 Days	11
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	227,798.36
Number of 60-89 Days	2
Balance of 90+ Days	2,122,092.50
Number of 90+ Days	15
Legal Delinquency - Group II	
Balance of 0-30 Days	319,171,506.71
Number of 0-30 Days	1,660
Balance of 30-59 Days	1,723,768.91
Number of 30-59 Days	14
Balance of 60-89 Days	1,403,597.81
Number of 60-89 Days	8
Balance of 90+ Days	1,862,349.58
Number of 90+ Days	10

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	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	2,417,332.00
	Number of 0-30 Days	17
	Balance of 30-59 Days	314,263.55
	Number of 30-59 Days	2
	Balance of 60-89 Days	532,842.49
	Number of 60-89 Days	3
	Balance of 90+ Days	875,305.16
	Number of 90+ Days	6
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	428,995.60
	Number of 60-89 Days	2
	Balance of 90+ Days	3,529,801.10
	Number of 90+ Days	22

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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	124	15,028,909.56	1.29%
2	22	3,522,343.21	1.05%

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Sec. 4.03(a)(vi)	Principal Prepayments		
	Group I Prepayments		64,797,590.64
	Group II Prepayments		21,739,304.46
Sec. 4.03 (a)(vii)	Realized Losses		
	Group I Liquidated Loan Balance		1,637,876.42
	Group I Net Liquidation Proceeds		1,241,169.88
	Group I Current Period Realized Losses		557,069.98
	Group I Recoveries of Prior Losses		2,896.24
	Group I Subsequent Losses		153,903.73
	Group I Cumulative Liquidated Loan Balance		7,012,575.95
	Group I Cumulative Net Liquidation Proceeds		5,029,838.96
	Group I Cumulative Recoveries of Prior Losses		6,073.50
	Group I Cumulative Subsequent Losses		153,903.73
	Group I Cumulative Realized Losses		2,145,581.17
	Group II Liquidated Loan Balance		566,934.07
	Group II Net Liquidation Proceeds		557,116.00
	Group II Current Period Realized Losses		9,818.07
	Group II Recoveries of Prior Losses		0.00
	Group II Subsequent Losses		0.00
	Group II Cumulative Liquidated Loan Balance		2,898,079.87
	Group II Cumulative Net Liquidation Proceeds		2,619,152.85
	Group II Cumulative Recoveries of Prior Losses		521.02
	Group II Cumulative Subsequent Losses		168.25
	Group II Cumulative Realized Losses		278,574.25
	Total Liquidated Loan Balance		2,204,810.49

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Total Net Liquidation Proceeds	1,798,285.88
Total Current Period Realized Losses	566,888.05
Total Recoveries of Prior Losses	2,896.24
Total Subsequent Losses	153,903.73
Total Cumulative Liquidated Loan Balance	9,910,655.82
Total Cumulative Net Liquidation Proceeds	7,648,991.81
Total Cumulative Recoveries of Prior Losses	6,594.52
Total Cumulative Subsequent Losses	154,071.98
Total Cumulative Realized Losses	2,424,155.42

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

24.86%

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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	4.7188%
REMIC Pass-Through Rate - A-1B	4.7788%
REMIC Pass-Through Rate - A-2A	4.5688%
REMIC Pass-Through Rate - A-2B	4.7188%
REMIC Pass-Through Rate - A-2C	4.8788%
REMIC Pass-Through Rate - M-1	4.9988%
REMIC Pass-Through Rate - M-2	5.0488%
REMIC Pass-Through Rate - M-3	5.0988%
REMIC Pass-Through Rate - M-4	5.4788%
REMIC Pass-Through Rate - M-5	5.5288%
REMIC Pass-Through Rate - M-6	5.6288%
REMIC Pass-Through Rate - B-1	6.0788%
REMIC Pass-Through Rate - B-2	6.1788%
REMIC Pass-Through Rate - B-3	7.4788%
REMIC Pass-Through Rate - B-4	7.8788%
Next REMIC Pass-Through Rate - A-1A	0.3400%
Next REMIC Pass-Through Rate - A-1B	0.4000%
Next REMIC Pass-Through Rate - A-2A	0.1900%
Next REMIC Pass-Through Rate - A-2B	0.3400%
Next REMIC Pass-Through Rate - A-2C	0.5000%
Next REMIC Pass-Through Rate - M-1	0.6200%
Next REMIC Pass-Through Rate - M-2	0.6700%
Next REMIC Pass-Through Rate - M-3	0.7200%
Next REMIC Pass-Through Rate - M-4	1.1000%
Next REMIC Pass-Through Rate - M-5	1.1500%
Next REMIC Pass-Through Rate - M-6	1.2500%
Next REMIC Pass-Through Rate - B-1	1.7000%
Next REMIC Pass-Through Rate - B-2	1.8000%
Next REMIC Pass-Through Rate - B-3	3.1000%
Next REMIC Pass-Through Rate - B-3	3.5000%

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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		1,467,164,068.36
	Swap Notional Amount		1,435,000,000.00
	Difference		32,164,068.36
	Funds paid to Swap Counterparty		-1,449,863.37

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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	808,347.39
	Insurance Proceeds	0.00