

## NovaStar Mortgage Funding Trust, Series 2005-2

## 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	781,000,000.00	671,310,510.53	26,748,250.03	2,492,310.20	29,240,560.23	0.00	0.00	644,562,260.50
A1B	195,300,000.00	167,870,605.29	6,688,774.95	629,998.56	7,318,773.51	0.00	0.00	161,181,830.34
A2A	206,300,000.00	121,273,310.17	17,066,790.97	436,562.86	17,503,353.83	0.00	0.00	104,206,519.20
A2B	148,500,000.00	148,500,000.00	0.00	541,751.72	541,751.72	0.00	0.00	148,500,000.00
A2C	103,000,000.00	103,000,000.00	0.00	380,738.78	380,738.78	0.00	0.00	103,000,000.00
A2D	59,000,000.00	59,000,000.00	0.00	225,697.53	225,697.53	0.00	0.00	59,000,000.00
M1	89,100,000.00	89,100,000.00	0.00	345,148.03	345,148.03	0.00	0.00	89,100,000.00
M2	34,200,000.00	34,200,000.00	0.00	133,032.06	133,032.06	0.00	0.00	34,200,000.00
M3	27,000,000.00	27,000,000.00	0.00	105,677.81	105,677.81	0.00	0.00	27,000,000.00
M4	33,300,000.00	33,300,000.00	0.00	133,823.22	133,823.22	0.00	0.00	33,300,000.00
M5	24,300,000.00	24,300,000.00	0.00	98,242.03	98,242.03	0.00	0.00	24,300,000.00
M6	13,500,000.00	13,500,000.00	0.00	55,122.66	55,122.66	0.00	0.00	13,500,000.00
M7	13,500,000.00	13,500,000.00	0.00	59,798.91	59,798.91	0.00	0.00	13,500,000.00
M8	13,500,000.00	13,500,000.00	0.00	61,430.16	61,430.16	0.00	0.00	13,500,000.00
M9	13,500,000.00	13,500,000.00	0.00	66,106.41	66,106.41	0.00	0.00	13,500,000.00
M10	18,000,000.00	18,000,000.00	0.00	106,991.88	106,991.88	0.00	0.00	18,000,000.00
M11	18,000,000.00	18,000,000.00	0.00	106,991.88	106,991.88	0.00	0.00	18,000,000.00
C	1,800,000,000.00	9,000,000.00	0.00	3,418,577.48	3,418,577.48	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
<b>TOTALS</b>	<b>3,591,000,000.00</b>	<b>1,577,854,425.99</b>	<b>50,503,815.95</b>	<b>9,398,002.18</b>	<b>59,901,818.13</b>	<b>0.00</b>	<b>0.00</b>	<b>1,527,350,610.04</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	66987WCF2	859.55251028	34.24871963	3.19117823	37.43989786	825.30379065	A1A	4.608750 %
A1B	66987WCG0	859.55251045	34.24871966	3.22579908	37.47451874	825.30379078	A1B	4.658750 %
A2A	66987WCH8	587.84929796	82.72802215	2.11615540	84.84417756	505.12127581	A2A	4.468750 %
A2B	66987WCJ4	1,000.00000000	0.00000000	3.64815973	3.64815973	1,000.00000000	A2B	4.528750 %
A2C	66987WCK1	1,000.00000000	0.00000000	3.69649301	3.69649301	1,000.00000000	A2C	4.588750 %
A2D	66987WCL9	1,000.00000000	0.00000000	3.82538186	3.82538186	1,000.00000000	A2D	4.748750 %
M1	66987WCM7	1,000.00000000	0.00000000	3.87371526	3.87371526	1,000.00000000	M1	4.808750 %
M2	66987WCN5	1,000.00000000	0.00000000	3.88982632	3.88982632	1,000.00000000	M2	4.828750 %
M3	66987WCP0	1,000.00000000	0.00000000	3.91399296	3.91399296	1,000.00000000	M3	4.858750 %
M4	66987WCQ8	1,000.00000000	0.00000000	4.01871532	4.01871532	1,000.00000000	M4	4.988750 %
M5	66987WCR6	1,000.00000000	0.00000000	4.04288189	4.04288189	1,000.00000000	M5	5.018750 %
M6	66987WCS4	1,000.00000000	0.00000000	4.08316000	4.08316000	1,000.00000000	M6	5.068750 %

## NovaStar Mortgage Funding Trust, Series 2005-2

## Statement to Certificateholders

January 25, 2006

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							PASS-THROUGH RATES	
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CLASS	CURRENT PASS-THRU RATE
M7	66987WCT2	1,000.00000000	0.00000000	4.42954889	4.42954889	1,000.00000000	M7	5.498750 %
M8	66987WCU9	1,000.00000000	0.00000000	4.55038222	4.55038222	1,000.00000000	M8	5.648750 %
M9	66987WCV7	1,000.00000000	0.00000000	4.89677111	4.89677111	1,000.00000000	M9	6.078750 %
M10	66987WCW5	1,000.00000000	0.00000000	5.94399333	5.94399333	1,000.00000000	M10	7.378750 %
M11	66987WCX3	1,000.00000000	0.00000000	5.94399333	5.94399333	1,000.00000000	M11	7.378750 %
C	66987WCZ8	5.00000000	0.00000000	1.89920971	1.89920971	5.00000000	C	0.000000 %
<b>TOTALS</b>		439.39137454	14.06399776	2.61709891	16.68109667	425.32737679		

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 2005-2

January 25, 2006

	REMIC Available Funds - Group I	39,566,709.05
	REMIC Available Funds - Group II	20,127,108.94
Sec. 4.03	Principal	
	Group I Scheduled Principal	739,182.52
	Group I Prepayments in Full	32,513,574.74
	Group I Curtailments	157,029.45
	Group I Net Liquidation Proceeds	37,471.01
	Group I Realized Losses	30,280.64
	Group II Scheduled Principal	323,797.44
	Group II Prepayments in Full	16,542,720.87
	Group II Curtailments	190,039.89
	Group II Net Liquidation Proceeds	0.00
	Group II Realized Losses	0.00
	Total Scheduled Principal	1,062,979.96
	Total Prepayments in Full	49,056,295.61
	Total Curtailments	347,069.34
	Total Net Liquidation Proceeds	37,471.01
	Total Realized Losses	30,280.64
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	26,748,250.03
	Class A-1B	6,688,774.95
	Class A-2A	17,066,790.97
	Class A-2B	0.00
	Class A-2C	0.00
	Class A-2D	0.00
	Class M-1	0.00
	Class M-4	0.00

**NovaStar Mortgage Funding Trust, Series 2005-2**  
**January 25, 2006**

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	2,492,310.20
Class A-1B	629,998.56
Class A-2A	436,562.86
Class A-2b	541,751.72
Class A-2C	380,738.78
Class A-2D	225,697.53
Class M-1	345,148.03
Class M-2	133,032.06
Class M-3	105,677.81
Class M-4	133,823.22
Class M-5	98,242.03
Class M-6	55,122.66
Class M7	59,798.91
Class M8	61,430.16
Class M9	66,106.41
Class M10	106,991.88
Class M11	106,991.88

**NovaStar Mortgage Funding Trust, Series 2005-2**  
**January 25, 2006**

Sec. 4.03(a)(iii)	Pool Balances		
		Group I Beginning Pool Balance	1,039,852,765.49
		Group I Ending Pool Balance	1,006,405,507.77
		Group II Beginning Pool Balance	538,001,660.47
		Group II Ending Pool Balance	520,945,102.27
		Total Beginning Pool Balance	1,577,854,425.96
		Total Ending Pool Balance	1,527,350,610.04
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
		Number of Mortgage Loans	10,609
		Aggregate Principal Balance of Mortgage Loans	1,527,350,610.04
		Beginning Weighted Average Mortgage Rate	7.6938%
		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	975,293,877.34
		Number of 0-30 Days	7,549
		Balance of 30-59 Days	5,921,933.22
		Number of 30-59 Days	49
		Balance of 60-89 Days	4,946,720.13
		Number of 60-89 Days	38
		Balance of 90+ Days	2,396,946.57
		Number of 90+ Days	19
	Contractual Bankruptcy - Group I		
		Balance of 0-30 Days	5,071,468.93
		Number of 0-30 Days	39
		Balance of 30-59 Days	921,723.90

## NovaStar Mortgage Funding Trust, Series 2005-2

January 25, 2006

	Number of 30-59 Days	6
	Balance of 60-89 Days	219,641.95
	Number of 60-89 Days	2
	Balance of 60-89 Days	1,016,230.71
	Number of 60-89 Days	9
	Legal Delinquency - Group I	
	Balance of 0-30 Days	975,293,877.34
	Number of 0-30 Days	7,549
	Balance of 30-59 Days	5,921,933.22
	Number of 30-59 Days	49
	Balance of 60-89 Days	4,946,720.13
	Number of 60-89 Days	38
	Balance of 60-89 Days	2,396,946.57
	Number of 60-89 Days	19
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	5,662,139.84
	Number of 0-30 Days	44
	Balance of 30-59 Days	1,097,288.38
	Number of 30-59 Days	7
	Balance of 60-89 Days	331,755.18
	Number of 60-89 Days	3
	Balance of 60-89 Days	137,882.09
	Number of 60-89 Days	2
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	347,582.09
	Number of 0-30 Days	3
	Balance of 30-59 Days	134,192.40
	Number of 30-59 Days	1
	Balance of 60-89 Days	381,521.13
	Number of 60-89 Days	3

**NovaStar Mortgage Funding Trust, Series 2005-2**  
**January 25, 2006**

Balance of 60-89 Days	7,877,581.51
Number of 60-89 Days	54
Contractual Delinquency - Group II	
Balance of 0-30 Days	498,795,060.05
Number of 0-30 Days	2,711
Balance of 30-59 Days	3,668,832.22
Number of 30-59 Days	20
Balance of 60-89 Days	2,431,673.67
Number of 60-89 Days	10
Balance of 90+ Days	2,067,741.62
Number of 90+ Days	10
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	1,670,699.75
Number of 0-30 Days	9
Balance of 30-59 Days	91,370.30
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	1,346,128.32
Number of 90+ Days	7
Legal Delinquency - Group II	
Balance of 0-30 Days	498,795,060.05
Number of 0-30 Days	2,711
Balance of 30-59 Days	3,668,832.22
Number of 30-59 Days	20
Balance of 60-89 Days	2,431,673.67
Number of 60-89 Days	10
Balance of 90+ Days	2,067,741.62
Number of 90+ Days	10

**NovaStar Mortgage Funding Trust, Series 2005-2**  
**January 25, 2006**

	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	2,216,020.47
	Number of 0-30 Days	11
	Balance of 30-59 Days	562,682.78
	Number of 30-59 Days	4
	Balance of 60-89 Days	71,677.70
	Number of 60-89 Days	1
	Balance of 90+ Days	257,817.42
	Number of 90+ Days	1
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	638,016.86
	Number of 0-30 Days	3
	Balance of 30-59 Days	109,701.86
	Number of 30-59 Days	1
	Balance of 60-89 Days	930,608.05
	Number of 60-89 Days	4
	Balance of 90+ Days	5,950,095.43
	Number of 90+ Days	28

**NovaStar Mortgage Funding Trust, Series 2005-2**  
**January 25, 2006**

Sec. 4.03(a)(v) C

Loans in REO

**NovaStar Mortgage Funding Trust, Series 2005-2**  
**January 25, 2006**

REO by Group			
Group Number	Number of Loans	Principal Balance	Percentage
1	16	1,876,087.89	0.19%
2	17	3,245,174.14	0.62%

NovaStar Mortgage Funding Trust, Series 2005-2  
January 25, 2006

Sec. 4.03(a)(vi)	Principal Prepayments		
		Group I Prepayments	32,513,574.74
		Group II Prepayments	16,542,720.87
Sec. 4.03 (a)(vii)	Realized Losses		
		Group I Liquidated Loan Balance	67,751.65
		Group I Net Liquidation Proceeds	37,471.01
		Group I Current Period Realized Losses	30,280.64
		Group I Recoveries of Prior Losses	0.00
		Group I Subsequent Losses	0.00
		Group I Cumulative Liquidated Loan Balance	67,751.65
		Group I Cumulative Net Liquidation Proceeds	37,471.01
		Group I Cumulative Recoveries of Prior Losses	0.00
		Group I Cumulative Subsequent Losses	0.00
		Group I Cumulative Realized Losses	30,280.64
		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
		Total Liquidated Loan Balance	67,751.65

NovaStar Mortgage Funding Trust, Series 2005-2

January 25, 2006

Total Net Liquidation Proceeds	37,471.01
Total Current Period Realized Losses	30,280.64
Total Recoveries of Prior Losses	0.00
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	67,751.65
Total Cumulative Net Liquidation Proceeds	37,471.01
Total Cumulative Recoveries of Prior Losses	0.00
Total Cumulative Subsequent Losses	0.00
Total Cumulative Realized Losses	30,280.64

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
Unpaid Interest Shortfall - M11	0.00

Sec. 4.03 (a)(x)

Prepayment Interest Shortfalls not covered by the Servicer

0.00

NovaStar Mortgage Funding Trust, Series 2005-2  
January 25, 2006

Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	19.45%
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	0.00
	Current Period Available Funds Cap Carryforward Amount - M8	0.00
	Current Period Available Funds Cap Carryforward Amount - M9	0.00
	Current Period Available Funds Cap Carryforward Amount - M10	10,429.94
	Current Period Available Funds Cap Carryforward Amount - M11	10,429.94
	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
	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

NovaStar Mortgage Funding Trust, Series 2005-2

January 25, 2006

Available Funds Cap Carryforward Amount Repaid This Period- M6	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M7	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M8	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M9	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M10	10,429.94
Available Funds Cap Carryforward Amount Repaid This Period- M11	10,429.94
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

Sec. 4.03 (a)(xiii)

REMIC Pass-Through Rates

REMIC Pass-Through Rate - A-1A	4.6088%
REMIC Pass-Through Rate - A-1B	4.6588%
REMIC Pass-Through Rate - A-2A	4.4688%
REMIC Pass-Through Rate - A-2B	4.5288%
REMIC Pass-Through Rate - A-2C	4.5888%
REMIC Pass-Through Rate - A-2D	4.7488%

NovaStar Mortgage Funding Trust, Series 2005-2

January 25, 2006

REMIC Pass-Through Rate - M-1	4.8088%
REMIC Pass-Through Rate - M-2	4.8288%
REMIC Pass-Through Rate - M-3	4.8588%
REMIC Pass-Through Rate - M-4	4.9888%
REMIC Pass-Through Rate - M-5	5.0188%
REMIC Pass-Through Rate - M-6	5.0688%
REMIC Pass-Through Rate - M7	5.4988%
REMIC Pass-Through Rate - M8	5.6488%
REMIC Pass-Through Rate - M9	6.0788%
REMIC Pass-Through Rate - M10	7.3788%
REMIC Pass-Through Rate - M11	7.3788%
Next REMIC Pass-Through Rate - A-1A	0.2300%
Next REMIC Pass-Through Rate - A-1B	0.2800%
Next REMIC Pass-Through Rate - A-2A	0.0900%
Next REMIC Pass-Through Rate - A-2B	0.1500%
Next REMIC Pass-Through Rate - A-2C	0.2100%
Next REMIC Pass-Through Rate - A-2D	0.3700%
Next REMIC Pass-Through Rate - M-1	0.4300%
Next REMIC Pass-Through Rate - M-2	0.4500%
Next REMIC Pass-Through Rate - M-3	0.4800%
Next REMIC Pass-Through Rate - M-4	0.6100%
Next REMIC Pass-Through Rate - M-5	0.6400%
Next REMIC Pass-Through Rate - M-6	0.6900%
Next REMIC Pass-Through Rate - M7	1.1200%
Next REMIC Pass-Through Rate - M8	1.2700%
Next REMIC Pass-Through Rate - M9	1.7000%
Next REMIC Pass-Through Rate - M10	3.0000%
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

NovaStar Mortgage Funding Trust, Series 2005-2

January 25, 2006

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	0.00
Supplemental Interest Payment - M8	0.00
Supplemental Interest Payment - M9	0.00
Supplemental Interest Payment - M10	10,429.94
Supplemental Interest Payment - M11	10,429.94

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

Underwritten Certificates Principal Balance	1,518,350,610.04
Swap Notional Amount	725,000,000.00
Cap Notional Amount	320,000,000.00
Total Notional Amount	1,045,000,000.00
Difference	473,350,610.04
Payment from Swap Counterparty	171,261.63
Payment from Cap Counterparty	137,911.11
Payment to Cap Counterparty	94,533.33

**NovaStar Mortgage Funding Trust, Series 2005-2**  
**January 25, 2006**

Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	9,000,000.00
	Overcollateralization Amount	9,000,000.00
Sec. 4.03 (a)(xvii)	Excess Cashflow	0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance	
	MI Premiums	933,455.99
	Insurance Proceeds	0.00