

NovaStar NIM Trust, Series 2005-N1
Statement to Certificateholders
February 28, 2006

DISTRIBUTION IN DOLLARS

| CLASS | ORIGINAL FACE VALUE | BEGINNING PRINCIPAL BALANCE | PRINCIPAL | INTEREST | TOTAL | REALIZED LOSSES | DEFERRED INTEREST | ENDING PRINCIPAL BALANCE |
|------------------|------------------------|-----------------------------------|--------------|------------|--------------|--------------------|----------------------|--------------------------------|
| NOTE | 130,875,000.00 | 66,341,452.91 | 6,245,480.28 | 264,094.27 | 6,509,574.55 | 0.00 | 0.00 | 60,095,972.63 |
| REIT CERT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TRS CERT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTALS | 130,875,000.00 | 66,341,452.91 | 6,245,480.28 | 264,094.27 | 6,509,574.55 | 0.00 | 0.00 | 60,095,972.63 |

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE

| CLASS | CUSIP | BEGINNING PRINCIPAL | PRINCIPAL | INTEREST | TOTAL | ENDING PRINCIPAL |
|---------------|-----------|------------------------|-------------|------------|-------------|---------------------|
| NOTE | 669885AD7 | 506.90699454 | 47.72095725 | 2.01791228 | 49.73886953 | 459.18603729 |
| TOTALS | | 506.90699454 | 47.72095725 | 2.01791228 | 49.73886953 | 459.18603729 |

PASS-THROUGH RATES

| CLASS | CURRENT PASS- THRU RATE |
|-------------|----------------------------|
| NOTE | 4.777000 % |

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

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| | | |
|-----------------------------|---|---------------|
| Section 6.04(a)(i) | Available Funds | 6,509,574.55 |
| | Underlying Trust Fund 2005-1 | |
| | Amounts Received From Underlying Certificates - Class C | 3,830,573.62 |
| | Underlying Trust Fund 2005-2 | |
| | Amounts Received From Underlying Certificates - Class C | 2,679,000.93 |
| Section 6.04(a)(ii) | Payment Allocable to Interest | 264,094.27 |
| | Interest Shortfall Paid | 0.00 |
| | Current Interest Shortfall | 0.00 |
| | Outstanding Interest Shortfall | 0.00 |
| Section 6.04(a)(iii) | Payment Allocable to Principal | 6,245,480.28 |
| Section 6.04(a)NOTE Balance | | 60,095,972.63 |