

NovaStar Mortgage Funding Trust, Series 2004-4

July 25, 2006

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

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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	508,243,594.26	29,252,214.57	2,318,331.98	31,570,546.55	0.00	0.00	478,991,379.69
A1B	319,800,000.00	127,080,767.35	7,314,197.20	585,815.86	7,900,013.06	0.00	0.00	119,766,570.15
A2A	268,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A2B	131,100,000.00	71,449,191.50	12,782,640.18	325,912.51	13,108,552.69	0.00	0.00	58,666,551.32
A2C	107,100,000.00	107,100,000.00	0.00	502,336.19	502,336.19	0.00	0.00	107,100,000.00
M1	95,000,000.00	95,000,000.00	0.00	454,766.32	454,766.32	0.00	0.00	95,000,000.00
M2	51,250,000.00	51,250,000.00	0.00	247,398.70	247,398.70	0.00	0.00	51,250,000.00
M3	43,750,000.00	43,750,000.00	0.00	212,956.16	212,956.16	0.00	0.00	43,750,000.00
M4	22,500,000.00	22,500,000.00	0.00	116,407.81	116,407.81	0.00	0.00	22,500,000.00
M5	32,500,000.00	32,500,000.00	0.00	169,453.65	169,453.65	0.00	0.00	32,500,000.00
M6	25,000,000.00	25,000,000.00	0.00	132,362.85	132,362.85	0.00	0.00	25,000,000.00
B1	25,000,000.00	25,000,000.00	0.00	141,425.35	141,425.35	0.00	0.00	25,000,000.00
B2	25,000,000.00	25,000,000.00	0.00	143,439.24	143,439.24	0.00	0.00	25,000,000.00
B3	25,000,000.00	25,000,000.00	0.00	169,619.79	169,619.79	0.00	0.00	25,000,000.00
B4	18,750,000.00	18,750,000.00	0.00	133,256.51	133,256.51	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	1,177,623,553.11	49,349,051.95	5,653,482.92	55,002,534.87	0.00	0.00	1,128,274,501.16
C	2,500,000,000.00	1,208,530,054.70	0.00	2,785,457.40	2,785,457.40	0.00	0.00	1,159,021,840.09

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FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CURRENT PASS-THRU RATE
A1A	66987WBN6	397.37575783	22.87116073	1.81261296	24.68377369	374.50459710	5.662500%
A1B	66987WBP1	397.37575782	22.87116073	1.83181945	24.70298018	374.50459709	5.722500%
A2A	66987WBQ9	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.000000%
A2B	66987WBR7	544.99764683	97.50297620	2.48598406	99.98896026	447.49467063	5.662500%
A2C	66987WBS5	1,000.00000000	0.00000000	4.69034725	4.69034725	1,000.00000000	5.822500%
M1	66987WBT3	1,000.00000000	0.00000000	4.78701390	4.78701390	1,000.00000000	5.942500%
M2	66987WBU0	1,000.00000000	0.00000000	4.82729171	4.82729171	1,000.00000000	5.992500%
M3	66987WBV8	1,000.00000000	0.00000000	4.86756937	4.86756937	1,000.00000000	6.042500%
M4	66987WBW6	1,000.00000000	0.00000000	5.17368044	5.17368044	1,000.00000000	6.422500%
M5	66987WBX4	1,000.00000000	0.00000000	5.21395846	5.21395846	1,000.00000000	6.472500%
M6	66987WBY2	1,000.00000000	0.00000000	5.29451400	5.29451400	1,000.00000000	6.572500%
B1	66987WBZ9	1,000.00000000	0.00000000	5.65701400	5.65701400	1,000.00000000	7.022500%
B2	66987WCA3	1,000.00000000	0.00000000	5.73756960	5.73756960	1,000.00000000	7.122500%
B3	66987WCB1	1,000.00000000	0.00000000	6.78479160	6.78479160	1,000.00000000	8.422500%
B4	66987WCC9	1,000.00000000	0.00000000	7.10701387	7.10701387	1,000.00000000	8.822500%
TOTALS		477.01207215	19.98948940	2.29001840	22.27950780	457.02258275	
C	66987WCE5	483.41202188	0.00000000	1.11418296	1.11418296	463.60873604	0.000000%

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	REMIC Available Funds - Group I	41,540,790.80
	REMIC Available Funds - Group II	14,203,890.04
Sec. 4.03	Principal	
	Group I Scheduled Principal	745,184.59
	Group I Prepayments in Full	33,004,850.23
	Group I Curtailments	120,316.47
	Group I Net Liquidation Proceeds	2,051,360.15
	Group I Realized Losses	921,356.46
	Group II Scheduled Principal	215,068.64
	Group II Prepayments in Full	12,240,520.84
	Group II Curtailments	29,948.93
	Group II Net Liquidation Proceeds	72,880.66
	Group II Realized Losses	110,042.30
	Total Scheduled Principal	960,253.23
	Total Prepayments in Full	45,245,371.07
	Total Curtailments	150,265.40
	Total Net Liquidation Proceeds	2,124,240.81
	Total Realized Losses	1,031,398.76
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	29,252,214.57
	Class A-1B	7,314,197.20
	Class A-2A	0.00
	Class A-2B	12,782,640.18
	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	2,318,331.98
	Class A-1B	585,815.86
	Class A-2A	0.00
	Class A-2b	325,912.51
	Class A-2C	502,336.19
	Class M-1	454,766.32
	Class M-2	247,398.70
	Class M-3	212,956.16
	Class M-4	116,407.81
	Class M-5	169,453.65
	Class M-6	132,362.85
	Class B-1	141,425.35
	Class B-2	143,439.24
	Class B-3	169,619.79
	Class B-4	133,256.51

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Sec. 4.03(a)(iii)	Pool Balances		
	Group I Beginning Pool Balance		934,602,420.04
	Group I Ending Pool Balance		897,762,666.80
	Group II Beginning Pool Balance		273,927,373.97
	Group II Ending Pool Balance		261,258,912.60
	Total Beginning Pool Balance		1,208,529,794.01
	Total Ending Pool Balance		1,159,021,579.40
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
	Number of Mortgage Loans		8,216
	Aggregate Principal Balance of Mortgage Loans		1,159,021,579.40
	Beginning Weighted Average Mortgage Rate		7.5821%
	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		831,108,902.18
	Number of 0-30 Days		6,277
	Balance of 30-59 Days		9,327,621.62
	Number of 30-59 Days		77
	Balance of 60-89 Days		3,971,697.51
	Number of 60-89 Days		31
	Balance of 90+ Days		3,120,802.79
	Number of 90+ Days		31
	Contractual Bankrutpcy - Group I		
	Balance of 0-30 Days		3,071,026.41
	Number of 0-30 Days		25
	Balance of 30-59 Days		1,053,026.86

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	Number of 30-59 Days	10
	Balance of 60-89 Days	714,689.19
	Number of 60-89 Days	6
	Balance of 90+ Days	7,512,299.93
	Number of 90+ Days	61
	Legal Delinquency - Group I	
	Balance of 0-30 Days	831,108,902.18
	Number of 0-30 Days	6,277
	Balance of 30-59 Days	9,327,621.62
	Number of 30-59 Days	77
	Balance of 60-89 Days	3,971,697.51
	Number of 60-89 Days	31
	Balance of 90+ Days	3,120,802.79
	Number of 90+ Days	31
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	7,518,774.85
	Number of 0-30 Days	64
	Balance of 30-59 Days	2,427,206.73
	Number of 30-59 Days	19
	Balance of 60-89 Days	1,017,489.34
	Number of 60-89 Days	8
	Balance of 90+ Days	1,387,571.47
	Number of 90+ Days	11
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	1,982,847.89
	Number of 0-30 Days	16
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	416,075.21
	Number of 60-89 Days	3

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Balance of 90+ Days	12,978,167.32
Number of 90+ Days	103
Contractual Delinquency - Group II	
Balance of 0-30 Days	245,284,135.57
Number of 0-30 Days	1,290
Balance of 30-59 Days	1,155,871.84
Number of 30-59 Days	10
Balance of 60-89 Days	2,669,853.53
Number of 60-89 Days	15
Balance of 90+ Days	927,320.65
Number of 90+ Days	5
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	390,380.64
Number of 0-30 Days	3
Balance of 30-59 Days	365,233.83
Number of 30-59 Days	2
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	2,507,437.39
Number of 90+ Days	15
Legal Delinquency - Group II	
Balance of 0-30 Days	245,284,135.57
Number of 0-30 Days	1,290
Balance of 30-59 Days	1,155,871.84
Number of 30-59 Days	10
Balance of 60-89 Days	2,669,853.53
Number of 60-89 Days	15
Balance of 90+ Days	927,320.65
Number of 90+ Days	5

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	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	1,579,141.92
	Number of 0-30 Days	10
	Balance of 30-59 Days	585,187.95
	Number of 30-59 Days	4
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 90+ Days	1,098,721.99
	Number of 90+ Days	6
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	537,323.77
	Number of 0-30 Days	2
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	84,007.17
	Number of 60-89 Days	1
	Balance of 90+ Days	3,089,857.53
	Number of 90+ Days	17

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Sec. 4.03(a)(v) C

Loans in REO

REO Group Report			
Group Number	Number of Loans	Principal Balance	Percentage
1	182	22,505,509.89	2.51%
2	34	4,247,490.68	1.63%

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Sec. 4.03(a)(vi)	Principal Prepayments	
	Group I Prepayments	33,004,850.23
	Group II Prepayments	12,240,520.84
Sec. 4.03 (a)(vii)	Realized Losses	
	Group I Liquidated Loan Balance	2,969,401.95
	Group I Net Liquidation Proceeds	2,051,360.15
	Group I Current Period Realized Losses	921,356.46
	Group I Recoveries of Prior Losses	3,286.57
	Group I Subsequent Losses	0.00
	Group I Cumulative Liquidated Loan Balance	19,736,032.35
	Group I Cumulative Net Liquidation Proceeds	14,214,992.34
	Group I Cumulative Recoveries of Prior Losses	108,200.99
	Group I Cumulative Subsequent Losses	555,164.13
	Group I Cumulative Realized Losses	6,001,954.41
	Group II Liquidated Loan Balance	182,922.96
	Group II Net Liquidation Proceeds	72,880.66
	Group II Current Period Realized Losses	110,042.30
	Group II Recoveries of Prior Losses	0.00
	Group II Subsequent Losses	0.00
	Group II Cumulative Liquidated Loan Balance	5,371,336.94
	Group II Cumulative Net Liquidation Proceeds	4,564,074.71
	Group II Cumulative Recoveries of Prior Losses	57,077.69
	Group II Cumulative Subsequent Losses	185,963.54
	Group II Cumulative Realized Losses	939,636.06
	Total Liquidated Loan Balance	3,152,324.91

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	Total Net Liquidation Proceeds	2,124,240.81
	Total Current Period Realized Losses	1,031,398.76
	Total Recoveries of Prior Losses	3,286.57
	Total Subsequent Losses	0.00
	Total Cumulative Liquidated Loan Balance	25,107,369.29
	Total Cumulative Net Liquidation Proceeds	18,779,067.05
	Total Cumulative Recoveries of Prior Losses	165,278.68
	Total Cumulative Subsequent Losses	741,127.67
	Total Cumulative Realized Losses	6,941,590.47
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	32.66%

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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	5.6625%
REMIC Pass-Through Rate - A-1B	5.7225%
REMIC Pass-Through Rate - A-2A	0.0000%
REMIC Pass-Through Rate - A-2B	5.6625%
REMIC Pass-Through Rate - A-2C	5.8225%
REMIC Pass-Through Rate - M-1	5.9425%
REMIC Pass-Through Rate - M-2	5.9925%
REMIC Pass-Through Rate - M-3	6.0425%
REMIC Pass-Through Rate - M-4	6.4225%
REMIC Pass-Through Rate - M-5	6.4725%
REMIC Pass-Through Rate - M-6	6.5725%
REMIC Pass-Through Rate - B-1	7.0225%
REMIC Pass-Through Rate - B-2	7.1225%
REMIC Pass-Through Rate - B-3	8.4225%
REMIC Pass-Through Rate - B-4	8.8225%
Next REMIC Pass-Through Rate - A-1A	5.7250%
Next REMIC Pass-Through Rate - A-1B	5.7850%
Next REMIC Pass-Through Rate - A-2A	5.5750%
Next REMIC Pass-Through Rate - A-2B	5.7250%
Next REMIC Pass-Through Rate - A-2C	5.8850%
Next REMIC Pass-Through Rate - M-1	6.0050%
Next REMIC Pass-Through Rate - M-2	6.0550%
Next REMIC Pass-Through Rate - M-3	6.1050%
Next REMIC Pass-Through Rate - M-4	6.4850%
Next REMIC Pass-Through Rate - M-5	6.5350%
Next REMIC Pass-Through Rate - M-6	6.6350%
Next REMIC Pass-Through Rate - B-1	7.0850%
Next REMIC Pass-Through Rate - B-2	7.1850%
Next REMIC Pass-Through Rate - B-3	8.4850%
Next REMIC Pass-Through Rate - B-3	8.8850%

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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		7,052.72
	Supplemental Interest Payment - B-2		9,066.61
	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		1,128,274,501.16
	Swap Notional Amount		1,125,000,000.00
	Difference		3,274,501.16
	Funds paid to Swap Counterparty		-2,048,544.10

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Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	31,250,000.00
	Overcollateralization Amount	30,747,078.24
Sec. 4.03 (a)(xvii)	Excess Cashflow	0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance	
	MI Premiums	615,939.33
	Insurance Proceeds	0.00