

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

Table of Contents

<i>Distribution Report</i>	-----	2
<i>Factor Report</i>	-----	3
<i>REO Group Report</i>	-----	10

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 2004-4
September 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	449,825,885.21	39,832,573.73	2,194,097.98	42,026,671.71	0.00	0.00	409,993,311.48
A1B	319,800,000.00	112,474,056.36	9,959,700.61	554,421.43	10,514,122.04	0.00	0.00	102,514,355.75
A2A	268,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A2B	131,100,000.00	47,340,009.02	14,870,730.30	230,908.49	15,101,638.79	0.00	0.00	32,469,278.72
A2C	107,100,000.00	107,100,000.00	0.00	537,153.45	537,153.45	0.00	0.00	107,100,000.00
M1	95,000,000.00	95,000,000.00	0.00	486,283.31	486,283.31	0.00	0.00	95,000,000.00
M2	51,250,000.00	51,250,000.00	0.00	264,543.65	264,543.65	0.00	0.00	51,250,000.00
M3	43,750,000.00	43,750,000.00	0.00	227,713.62	227,713.62	0.00	0.00	43,750,000.00
M4	22,500,000.00	22,500,000.00	0.00	124,472.36	124,472.36	0.00	0.00	22,500,000.00
M5	32,500,000.00	32,500,000.00	0.00	181,192.72	181,192.72	0.00	0.00	32,500,000.00
M6	25,000,000.00	25,000,000.00	0.00	141,531.79	141,531.79	0.00	0.00	25,000,000.00
B1	25,000,000.00	25,000,000.00	0.00	151,219.29	151,219.29	0.00	0.00	25,000,000.00
B2	25,000,000.00	25,000,000.00	0.00	153,372.07	153,372.07	0.00	0.00	25,000,000.00
B3	25,000,000.00	25,000,000.00	0.00	181,358.18	181,358.18	0.00	0.00	25,000,000.00
B4	18,750,000.00	18,750,000.00	0.00	142,476.97	142,476.97	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	1,080,489,950.59	64,663,004.64	5,570,745.31	70,233,749.95	0.00	0.00	1,015,826,945.95
C	2,500,000,000.00	1,111,335,186.08	0.00	2,508,805.10	2,508,805.10	0.00	0.00	1,046,304,960.87

NovaStar Mortgage Funding Trust, Series 2004-4
September 25, 2006

FACTOR INFORMATION PER \$1000 OF ORIGINAL FACE							
CLASS	CUSIP	BEGINNING PRINCIPAL	PRINCIPAL	INTEREST	TOTAL	ENDING PRINCIPAL	CURRENT PASS-THRU RATE
A1A	66987WBN6	351.70123941	31.14352911	1.71547927	32.85900837	320.55771031	5.664380%
A1B	66987WBP1	351.70123940	31.14352911	1.73365050	32.87717961	320.55771029	5.724380%
A2A	66987WBQ9	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.000000%
A2B	66987WBR7	361.09846697	113.43043707	1.76131571	115.19175278	247.66802990	5.664380%
A2C	66987WBS5	1,000.00000000	0.00000000	5.01543838	5.01543838	1,000.00000000	5.824380%
M1	66987WBT3	1,000.00000000	0.00000000	5.11877168	5.11877168	1,000.00000000	5.944380%
M2	66987WBU0	1,000.00000000	0.00000000	5.16182732	5.16182732	1,000.00000000	5.994380%
M3	66987WBV8	1,000.00000000	0.00000000	5.20488274	5.20488274	1,000.00000000	6.044380%
M4	66987WBW6	1,000.00000000	0.00000000	5.53210489	5.53210489	1,000.00000000	6.424380%
M5	66987WBX4	1,000.00000000	0.00000000	5.57516062	5.57516062	1,000.00000000	6.474380%
M6	66987WBY2	1,000.00000000	0.00000000	5.66127160	5.66127160	1,000.00000000	6.574380%
B1	66987WBZ9	1,000.00000000	0.00000000	6.04877160	6.04877160	1,000.00000000	7.024380%
B2	66987WCA3	1,000.00000000	0.00000000	6.13488280	6.13488280	1,000.00000000	7.124380%
B3	66987WCB1	1,000.00000000	0.00000000	7.25432720	7.25432720	1,000.00000000	8.424380%
B4	66987WCC9	1,000.00000000	0.00000000	7.59877173	7.59877173	1,000.00000000	6.314183%
TOTALS		437.66681543	26.19260947	2.25650443	28.44911390	411.47420595	
C	66987WCE5	444.53407443	0.00000000	1.00352204	1.00352204	418.52198435	0.000000%

NovaStar Mortgage Funding Trust, Series 2004-4
September 25, 2006

	REMIC Available Funds - Group I	54,666,549.00
	REMIC Available Funds - Group II	16,177,812.24
Sec. 4.03	Principal	
	Group I Scheduled Principal	692,837.34
	Group I Prepayments in Full	46,580,477.66
	Group I Curtailments	673,340.32
	Group I Net Liquidation Proceeds	1,348,881.43
	Group I Realized Losses	818,563.09
	Group II Scheduled Principal	200,412.48
	Group II Prepayments in Full	14,470,388.29
	Group II Curtailments	-16,736.89
	Group II Net Liquidation Proceeds	69,468.02
	Group II Realized Losses	173,510.78
	Total Scheduled Principal	893,249.82
	Total Prepayments in Full	61,050,865.95
	Total Curtailments	656,603.43
	Total Net Liquidation Proceeds	1,418,349.45
	Total Realized Losses	992,073.87
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	39,832,573.73
	Class A-1B	9,959,700.61
	Class A-2A	0.00
	Class A-2B	14,870,730.30
	Class A-2C	0.00
	Class M-1	0.00
	Class M-4	0.00
	Class M-5	0.00

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

	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	2,194,097.98
	Class A-1B	554,421.43
	Class A-2A	0.00
	Class A-2b	230,908.49
	Class A-2C	537,153.45
	Class M-1	486,283.31
	Class M-2	264,543.65
	Class M-3	227,713.62
	Class M-4	124,472.36
	Class M-5	181,192.72
	Class M-6	141,531.79
	Class B-1	151,219.29
	Class B-2	153,372.07
	Class B-3	181,358.18
	Class B-4	142,476.97

NovaStar Mortgage Funding Trust, Series 2004-4
September 25, 2006

Sec. 4.03(a)(iii)	Pool Balances		
	Group I Beginning Pool Balance	861,385,028.27	
	Group I Ending Pool Balance	811,247,789.33	
	Group II Beginning Pool Balance	249,949,897.12	
	Group II Ending Pool Balance	235,056,910.85	
	Total Beginning Pool Balance	1,111,334,925.39	
	Total Ending Pool Balance	1,046,304,700.18	
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
	Number of Mortgage Loans	7,473	
	Aggregate Principal Balance of Mortgage Loans	1,046,304,700.18	
	Beginning Weighted Average Mortgage Rate	7.6512%	
	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	739,719,903.57	
	Number of 0-30 Days	5,602	
	Balance of 30-59 Days	13,429,360.54	
	Number of 30-59 Days	115	
	Balance of 60-89 Days	3,631,207.98	
	Number of 60-89 Days	33	
	Balance of 90+ Days	3,366,026.25	
	Number of 90+ Days	37	
	Contractual Bankruptcy - Group I		
	Balance of 0-30 Days	2,937,955.43	
	Number of 0-30 Days	25	
	Balance of 30-59 Days	865,764.82	

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

	Number of 30-59 Days	7
	Balance of 60-89 Days	602,226.30
	Number of 60-89 Days	6
	Balance of 90+ Days	7,770,682.31
	Number of 90+ Days	64
	Legal Delinquency - Group I	
	Balance of 0-30 Days	739,719,903.57
	Number of 0-30 Days	5,602
	Balance of 30-59 Days	13,429,360.54
	Number of 30-59 Days	115
	Balance of 60-89 Days	3,631,207.98
	Number of 60-89 Days	33
	Balance of 90+ Days	3,366,026.25
	Number of 90+ Days	37
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	8,904,129.30
	Number of 0-30 Days	70
	Balance of 30-59 Days	1,620,650.32
	Number of 30-59 Days	15
	Balance of 60-89 Days	741,024.77
	Number of 60-89 Days	9
	Balance of 90+ Days	910,824.47
	Number of 90+ Days	8
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	1,286,335.46
	Number of 0-30 Days	14
	Balance of 30-59 Days	165,068.89
	Number of 30-59 Days	2
	Balance of 60-89 Days	627,551.07
	Number of 60-89 Days	4

NovaStar Mortgage Funding Trust, Series 2004-4
September 25, 2006

Balance of 90+ Days	13,590,075.80
Number of 90+ Days	107
Contractual Delinquency - Group II	
Balance of 0-30 Days	217,744,619.76
Number of 0-30 Days	1,160
Balance of 30-59 Days	4,240,544.06
Number of 30-59 Days	24
Balance of 60-89 Days	814,492.34
Number of 60-89 Days	4
Balance of 90+ Days	413,139.45
Number of 90+ Days	6
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	808,567.93
Number of 0-30 Days	4
Balance of 30-59 Days	57,887.23
Number of 30-59 Days	1
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	2,087,035.15
Number of 90+ Days	12
Legal Delinquency - Group II	
Balance of 0-30 Days	217,744,619.76
Number of 0-30 Days	1,160
Balance of 30-59 Days	4,240,544.06
Number of 30-59 Days	24
Balance of 60-89 Days	814,492.34
Number of 60-89 Days	4
Balance of 90+ Days	413,139.45
Number of 90+ Days	6

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	2,239,388.63
	Number of 0-30 Days	11
	Balance of 30-59 Days	134,831.18
	Number of 30-59 Days	2
	Balance of 60-89 Days	135,565.41
	Number of 60-89 Days	1
	Balance of 90+ Days	443,705.09
	Number of 90+ Days	3
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	1,110,575.91
	Number of 0-30 Days	6
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 90+ Days	3,924,316.93
	Number of 90+ Days	21

NovaStar Mortgage Funding Trust, Series 2004-4
September 25, 2006

Sec. 4.03(a)(v) C

Loans in REO

REO Group Report			
Group Number	Number of Loans	Principal Balance	Percentage
1	196	23,375,294.27	2.88%
2	30	3,915,069.34	1.67%

NovaStar Mortgage Funding Trust, Series 2004-4
September 25, 2006

Sec. 4.03(a)(vi)	Principal Prepayments	
	Group I Prepayments	46,580,477.66
	Group II Prepayments	14,470,388.29
Sec. 4.03 (a)(vii)	Realized Losses	
	Group I Liquidated Loan Balance	2,359,183.61
	Group I Net Liquidation Proceeds	1,348,881.43
	Group I Current Period Realized Losses	818,563.09
	Group I Recoveries of Prior Losses	25,674.16
	Group I Subsequent Losses	0.00
	Group I Cumulative Liquidated Loan Balance	23,585,781.11
	Group I Cumulative Net Liquidation Proceeds	16,707,901.20
	Group I Cumulative Recoveries of Prior Losses	155,539.13
	Group I Cumulative Subsequent Losses	555,164.13
	Group I Cumulative Realized Losses	7,132,180.82
	Group II Liquidated Loan Balance	238,922.40
	Group II Net Liquidation Proceeds	69,468.02
	Group II Current Period Realized Losses	173,510.78
	Group II Recoveries of Prior Losses	6,512.78
	Group II Subsequent Losses	0.00
	Group II Cumulative Liquidated Loan Balance	6,125,041.01
	Group II Cumulative Net Liquidation Proceeds	5,039,952.76
	Group II Cumulative Recoveries of Prior Losses	63,590.47
	Group II Cumulative Subsequent Losses	185,963.54
	Group II Cumulative Realized Losses	1,221,518.48
	Total Liquidated Loan Balance	2,598,106.01

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

	Total Net Liquidation Proceeds	1,418,349.45
	Total Current Period Realized Losses	992,073.87
	Total Recoveries of Prior Losses	32,186.94
	Total Subsequent Losses	0.00
	Total Cumulative Liquidated Loan Balance	29,710,822.12
	Total Cumulative Net Liquidation Proceeds	21,747,853.96
	Total Cumulative Recoveries of Prior Losses	219,129.60
	Total Cumulative Subsequent Losses	741,127.67
	Total Cumulative Realized Losses	8,353,699.30
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	35.51%

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

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

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

Sec. 4.03 (a)(xiii)

REMIC Pass-Through Rates

REMIC Pass-Through Rate - A-1A	5.6644%
REMIC Pass-Through Rate - A-1B	5.7244%
REMIC Pass-Through Rate - A-2A	0.0000%
REMIC Pass-Through Rate - A-2B	5.6644%
REMIC Pass-Through Rate - A-2C	5.8244%
REMIC Pass-Through Rate - M-1	5.9444%
REMIC Pass-Through Rate - M-2	5.9944%
REMIC Pass-Through Rate - M-3	6.0444%
REMIC Pass-Through Rate - M-4	6.4244%
REMIC Pass-Through Rate - M-5	6.4744%
REMIC Pass-Through Rate - M-6	6.5744%
REMIC Pass-Through Rate - B-1	7.0244%
REMIC Pass-Through Rate - B-2	7.1244%
REMIC Pass-Through Rate - B-3	8.4244%
REMIC Pass-Through Rate - B-4	6.3142%
Next REMIC Pass-Through Rate - A-1A	5.6700%
Next REMIC Pass-Through Rate - A-1B	5.7300%
Next REMIC Pass-Through Rate - A-2A	5.5200%
Next REMIC Pass-Through Rate - A-2B	5.6700%
Next REMIC Pass-Through Rate - A-2C	5.8300%
Next REMIC Pass-Through Rate - M-1	5.9500%
Next REMIC Pass-Through Rate - M-2	6.0000%
Next REMIC Pass-Through Rate - M-3	6.0500%
Next REMIC Pass-Through Rate - M-4	6.4300%
Next REMIC Pass-Through Rate - M-5	6.4800%
Next REMIC Pass-Through Rate - M-6	6.5800%
Next REMIC Pass-Through Rate - B-1	7.0300%
Next REMIC Pass-Through Rate - B-2	7.1300%
Next REMIC Pass-Through Rate - B-3	8.4300%
Next REMIC Pass-Through Rate - B-3	8.8300%

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

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		2,135.07
	Supplemental Interest Payment - M-5		4,483.29
	Supplemental Interest Payment - M-6		5,601.47
	Supplemental Interest Payment - B-1		15,288.97
	Supplemental Interest Payment - B-2		17,441.74
	Supplemental Interest Payment - B-3		45,427.85
	Supplemental Interest Payment - B-4		40,529.22
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		1,015,826,945.95
	Swap Notional Amount		605,000,000.00
	Difference		410,826,945.95
	Funds paid to Swap Counterparty		-1,903,015.40

NovaStar Mortgage Funding Trust, Series 2004-4

September 25, 2006

Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	31,250,000.00
	Overcollateralization Amount	30,477,754.23
Sec. 4.03 (a)(xvii)	Excess Cashflow	0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance	
	MI Premiums	553,523.53
	Insurance Proceeds	0.00