

NovaStar Mortgage Funding Trust, Series 2004-4

October 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	409,993,311.48	46,500,843.10	1,937,218.40	48,438,061.50	0.00	0.00	363,492,468.38
A1B	319,800,000.00	102,514,355.75	11,627,028.64	489,506.05	12,116,534.69	0.00	0.00	90,887,327.11
A2A	268,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A2B	131,100,000.00	32,469,278.72	12,367,358.45	153,417.34	12,520,775.79	0.00	0.00	20,101,920.27
A2C	107,100,000.00	107,100,000.00	0.00	520,327.50	520,327.50	0.00	0.00	107,100,000.00
M1	95,000,000.00	95,000,000.00	0.00	471,041.67	471,041.67	0.00	0.00	95,000,000.00
M2	51,250,000.00	51,250,000.00	0.00	256,250.00	256,250.00	0.00	0.00	51,250,000.00
M3	43,750,000.00	43,750,000.00	0.00	220,572.92	220,572.92	0.00	0.00	43,750,000.00
M4	22,500,000.00	22,500,000.00	0.00	120,562.50	120,562.50	0.00	0.00	22,500,000.00
M5	32,500,000.00	32,500,000.00	0.00	175,500.00	175,500.00	0.00	0.00	32,500,000.00
M6	25,000,000.00	25,000,000.00	0.00	137,083.33	137,083.33	0.00	0.00	25,000,000.00
B1	25,000,000.00	25,000,000.00	0.00	146,458.33	146,458.33	0.00	0.00	25,000,000.00
B2	25,000,000.00	25,000,000.00	0.00	148,541.67	148,541.67	0.00	0.00	25,000,000.00
B3	25,000,000.00	25,000,000.00	0.00	175,625.00	175,625.00	0.00	0.00	25,000,000.00
B4	18,750,000.00	18,750,000.00	0.00	137,968.75	137,968.75	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	1,015,826,945.95	70,495,230.19	5,090,073.46	75,585,303.65	0.00	0.00	945,331,715.76
C	2,500,000,000.00	1,046,304,960.87	0.00	1,485,472.20	1,485,472.20	0.00	0.00	975,189,045.66

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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	320.55771031	36.35718773	1.51463518	37.87182291	284.20052258	5.670000%
A1B	66987WBP1	320.55771029	36.35718774	1.53066307	37.88785081	284.20052255	5.730000%
A2A	66987WBQ9	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.000000%
A2B	66987WBR7	247.66802990	94.33530473	1.17023143	95.50553616	153.33272517	5.670000%
A2C	66987WBS5	1,000.00000000	0.00000000	4.85833333	4.85833333	1,000.00000000	5.830000%
M1	66987WBT3	1,000.00000000	0.00000000	4.95833337	4.95833337	1,000.00000000	5.950000%
M2	66987WBU0	1,000.00000000	0.00000000	5.00000000	5.00000000	1,000.00000000	6.000000%
M3	66987WBV8	1,000.00000000	0.00000000	5.04166674	5.04166674	1,000.00000000	6.050000%
M4	66987WBW6	1,000.00000000	0.00000000	5.35833333	5.35833333	1,000.00000000	6.430000%
M5	66987WBX4	1,000.00000000	0.00000000	5.40000000	5.40000000	1,000.00000000	6.480000%
M6	66987WBY2	1,000.00000000	0.00000000	5.48333320	5.48333320	1,000.00000000	6.580000%
B1	66987WBZ9	1,000.00000000	0.00000000	5.85833320	5.85833320	1,000.00000000	7.030000%
B2	66987WCA3	1,000.00000000	0.00000000	5.94166680	5.94166680	1,000.00000000	7.130000%
B3	66987WCB1	1,000.00000000	0.00000000	7.02500000	7.02500000	1,000.00000000	8.430000%
B4	66987WCC9	1,000.00000000	0.00000000	7.35833333	7.35833333	1,000.00000000	6.818914%
TOTALS		411.47420595	28.55502995	2.06180191	30.61683186	382.91917600	
C	66987WCE5	418.52198435	0.00000000	0.59418888	0.59418888	390.07561826	0.000000%

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	REMIC Available Funds - Group I	62,451,040.99
	REMIC Available Funds - Group II	13,539,447.84
Sec. 4.03	Principal	
	Group I Scheduled Principal	635,241.08
	Group I Prepayments in Full	54,705,161.33
	Group I Curtailments	448,534.49
	Group I Net Liquidation Proceeds	1,628,389.22
	Group I Realized Losses	1,264,954.63
	Group II Scheduled Principal	184,450.94
	Group II Prepayments in Full	11,154,892.45
	Group II Curtailments	7,613.70
	Group II Net Liquidation Proceeds	869,224.79
	Group II Realized Losses	297,141.27
	Total Scheduled Principal	819,692.02
	Total Prepayments in Full	65,860,053.78
	Total Curtailments	456,148.19
	Total Net Liquidation Proceeds	2,497,614.01
	Total Realized Losses	1,562,095.90
Sec. 4.03(a)(i)	Distributions of Principal	
	Class A-1A	46,500,843.10
	Class A-1B	11,627,028.64
	Class A-2A	0.00
	Class A-2B	12,367,358.45
	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	1,937,218.40
	Class A-1B	489,506.05
	Class A-2A	0.00
	Class A-2b	153,417.34
	Class A-2C	520,327.50
	Class M-1	471,041.67
	Class M-2	256,250.00
	Class M-3	220,572.92
	Class M-4	120,562.50
	Class M-5	175,500.00
	Class M-6	137,083.33
	Class B-1	146,458.33
	Class B-2	148,541.67
	Class B-3	175,625.00
	Class B-4	137,968.75

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Sec. 4.03(a)(iii)	Pool Balances		
	Group I Beginning Pool Balance		811,247,789.33
	Group I Ending Pool Balance		752,628,049.59
	Group II Beginning Pool Balance		235,056,910.85
	Group II Ending Pool Balance		222,560,735.38
	Total Beginning Pool Balance		1,046,304,700.18
	Total Ending Pool Balance		975,188,784.97
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
	Number of Mortgage Loans		7,001
	Aggregate Principal Balance of Mortgage Loans		975,188,784.97
	Beginning Weighted Average Mortgage Rate		7.9698%
	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		679,185,267.82
	Number of 0-30 Days		5,186
	Balance of 30-59 Days		12,364,947.58
	Number of 30-59 Days		96
	Balance of 60-89 Days		7,955,469.44
	Number of 60-89 Days		64
	Balance of 90+ Days		2,734,107.50
	Number of 90+ Days		28
	Contractual Bankruptcy - Group I		
	Balance of 0-30 Days		3,303,417.64
	Number of 0-30 Days		30
	Balance of 30-59 Days		836,227.50

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	Number of 30-59 Days	6
	Balance of 60-89 Days	653,615.99
	Number of 60-89 Days	6
	Balance of 90+ Days	7,788,139.23
	Number of 90+ Days	64
	Legal Delinquency - Group I	
	Balance of 0-30 Days	679,185,267.82
	Number of 0-30 Days	5,186
	Balance of 30-59 Days	12,364,947.58
	Number of 30-59 Days	96
	Balance of 60-89 Days	7,955,469.44
	Number of 60-89 Days	64
	Balance of 90+ Days	2,734,107.50
	Number of 90+ Days	28
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	9,200,469.40
	Number of 0-30 Days	75
	Balance of 30-59 Days	1,161,058.74
	Number of 30-59 Days	8
	Balance of 60-89 Days	995,829.79
	Number of 60-89 Days	13
	Balance of 90+ Days	1,224,042.43
	Number of 90+ Days	10
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	953,895.72
	Number of 0-30 Days	10
	Balance of 30-59 Days	331,746.49
	Number of 30-59 Days	4
	Balance of 60-89 Days	635,943.40
	Number of 60-89 Days	7

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Balance of 90+ Days	13,724,005.32
Number of 90+ Days	110
Contractual Delinquency - Group II	
Balance of 0-30 Days	204,531,311.93
Number of 0-30 Days	1,091
Balance of 30-59 Days	2,993,854.79
Number of 30-59 Days	19
Balance of 60-89 Days	2,684,321.54
Number of 60-89 Days	12
Balance of 90+ Days	310,049.02
Number of 90+ Days	3
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	844,017.53
Number of 0-30 Days	5
Balance of 30-59 Days	128,619.47
Number of 30-59 Days	2
Balance of 60-89 Days	61,419.17
Number of 60-89 Days	1
Balance of 90+ Days	1,822,491.36
Number of 90+ Days	10
Legal Delinquency - Group II	
Balance of 0-30 Days	204,531,311.93
Number of 0-30 Days	1,091
Balance of 30-59 Days	2,993,854.79
Number of 30-59 Days	19
Balance of 60-89 Days	2,684,321.54
Number of 60-89 Days	12
Balance of 90+ Days	310,049.02
Number of 90+ Days	3

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	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	1,690,957.20
	Number of 0-30 Days	11
	Balance of 30-59 Days	320,029.27
	Number of 30-59 Days	4
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 90+ Days	845,561.06
	Number of 90+ Days	3
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	952,360.20
	Number of 0-30 Days	4
	Balance of 30-59 Days	537,639.20
	Number of 30-59 Days	3
	Balance of 60-89 Days	0.00
	Number of 60-89 Days	0
	Balance of 90+ Days	4,024,295.46
	Number of 90+ Days	20

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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	191	22,161,265.96	2.94%
2	29	3,670,355.71	1.65%

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Sec. 4.03(a)(vi)	Principal Prepayments	
	Group I Prepayments	54,705,161.33
	Group II Prepayments	11,154,892.45
Sec. 4.03 (a)(vii)	Realized Losses	
	Group I Liquidated Loan Balance	2,830,802.87
	Group I Net Liquidation Proceeds	1,628,389.22
	Group I Current Period Realized Losses	1,264,954.63
	Group I Recoveries of Prior Losses	0.00
	Group I Subsequent Losses	0.00
	Group I Cumulative Liquidated Loan Balance	26,416,583.98
	Group I Cumulative Net Liquidation Proceeds	18,336,290.42
	Group I Cumulative Recoveries of Prior Losses	155,539.13
	Group I Cumulative Subsequent Losses	555,164.13
	Group I Cumulative Realized Losses	8,397,135.45
	Group II Liquidated Loan Balance	1,144,911.53
	Group II Net Liquidation Proceeds	869,224.79
	Group II Current Period Realized Losses	297,141.27
	Group II Recoveries of Prior Losses	0.00
	Group II Subsequent Losses	0.00
	Group II Cumulative Liquidated Loan Balance	7,269,952.54
	Group II Cumulative Net Liquidation Proceeds	5,909,177.55
	Group II Cumulative Recoveries of Prior Losses	63,590.47
	Group II Cumulative Subsequent Losses	185,963.54
	Group II Cumulative Realized Losses	1,518,659.75
	Total Liquidated Loan Balance	3,975,714.40

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	Total Net Liquidation Proceeds	2,497,614.01
	Total Current Period Realized Losses	1,562,095.90
	Total Recoveries of Prior Losses	0.00
	Total Subsequent Losses	0.00
	Total Cumulative Liquidated Loan Balance	33,686,536.52
	Total Cumulative Net Liquidation Proceeds	24,245,467.97
	Total Cumulative Recoveries of Prior Losses	219,129.60
	Total Cumulative Subsequent Losses	741,127.67
	Total Cumulative Realized Losses	9,915,795.20
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	37.68%

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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	5.6700%
REMIC Pass-Through Rate - A-1B	5.7300%
REMIC Pass-Through Rate - A-2A	0.0000%
REMIC Pass-Through Rate - A-2B	5.6700%
REMIC Pass-Through Rate - A-2C	5.8300%
REMIC Pass-Through Rate - M-1	5.9500%
REMIC Pass-Through Rate - M-2	6.0000%
REMIC Pass-Through Rate - M-3	6.0500%
REMIC Pass-Through Rate - M-4	6.4300%
REMIC Pass-Through Rate - M-5	6.4800%
REMIC Pass-Through Rate - M-6	6.5800%
REMIC Pass-Through Rate - B-1	7.0300%
REMIC Pass-Through Rate - B-2	7.1300%
REMIC Pass-Through Rate - B-3	8.4300%
REMIC Pass-Through Rate - B-4	6.8189%
Next REMIC Pass-Through Rate - A-1A	5.6600%
Next REMIC Pass-Through Rate - A-1B	5.7200%
Next REMIC Pass-Through Rate - A-2A	5.5100%
Next REMIC Pass-Through Rate - A-2B	5.6600%
Next REMIC Pass-Through Rate - A-2C	5.8200%
Next REMIC Pass-Through Rate - M-1	5.9400%
Next REMIC Pass-Through Rate - M-2	5.9900%
Next REMIC Pass-Through Rate - M-3	6.0400%
Next REMIC Pass-Through Rate - M-4	6.4200%
Next REMIC Pass-Through Rate - M-5	6.4700%
Next REMIC Pass-Through Rate - M-6	6.5700%
Next REMIC Pass-Through Rate - B-1	7.0200%
Next REMIC Pass-Through Rate - B-2	7.1200%
Next REMIC Pass-Through Rate - B-3	8.4200%
Next REMIC Pass-Through Rate - B-3	8.8200%

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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	4,397.62
	Supplemental Interest Payment - B-2	6,480.95
	Supplemental Interest Payment - B-3	33,564.29
	Supplemental Interest Payment - B-4	31,423.22
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance	
	Underwritten Certificates Principal Balance	945,331,715.76
	Swap Notional Amount	325,000,000.00
	Difference	620,331,715.76
	Funds paid to Swap Counterparty	-1,084,833.33

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Sec. 4.03 (a)(xvi)	Overcollateralization Amounts	
	Required Overcollateralization Amount	31,250,000.00
	Overcollateralization Amount	29,857,069.21
Sec. 4.03 (a)(xvii)	Excess Cashflow	0.00
Sec. 4.03 (a)(xxiii)	Mortgage Insurance	
	MI Premiums	549,435.06
	Insurance Proceeds	0.00