

NovaStar Mortgage Funding Trust, Series 2005-2

January 25, 2007

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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	781,000,000.00	366,163,016.26	19,150,249.45	1,702,658.03	20,852,907.48	0.00	0.00	347,012,766.81
A1B	195,300,000.00	91,564,196.00	4,788,788.37	429,588.69	5,218,377.06	0.00	0.00	86,775,407.63
A2A	206,300,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A2B	148,500,000.00	80,444,337.75	11,071,861.50	368,703.21	11,440,564.71	0.00	0.00	69,372,476.25
A2C	103,000,000.00	103,000,000.00	0.00	477,233.33	477,233.33	0.00	0.00	103,000,000.00
A2D	59,000,000.00	59,000,000.00	0.00	281,233.33	281,233.33	0.00	0.00	59,000,000.00
M1	89,100,000.00	89,100,000.00	0.00	429,165.00	429,165.00	0.00	0.00	89,100,000.00
M2	34,200,000.00	34,200,000.00	0.00	165,300.00	165,300.00	0.00	0.00	34,200,000.00
M3	27,000,000.00	27,000,000.00	0.00	131,175.00	131,175.00	0.00	0.00	27,000,000.00
M4	33,300,000.00	33,300,000.00	0.00	165,390.00	165,390.00	0.00	0.00	33,300,000.00
M5	24,300,000.00	24,300,000.00	0.00	121,297.50	121,297.50	0.00	0.00	24,300,000.00
M6	13,500,000.00	13,500,000.00	0.00	67,950.00	67,950.00	0.00	0.00	13,500,000.00
M7	13,500,000.00	13,500,000.00	0.00	72,787.50	72,787.50	0.00	0.00	13,500,000.00
M8	13,500,000.00	13,500,000.00	0.00	74,475.00	74,475.00	0.00	0.00	13,500,000.00
M9	13,500,000.00	13,500,000.00	0.00	79,312.50	79,312.50	0.00	0.00	13,500,000.00
M10	18,000,000.00	18,000,000.00	0.00	125,250.00	125,250.00	0.00	0.00	18,000,000.00
M11	18,000,000.00	18,000,000.00	0.00	125,250.00	125,250.00	0.00	0.00	18,000,000.00
C	9,000,000.00	9,000,000.00	0.00	1,587,511.96	1,587,511.96	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
TOTALS	1,800,000,000.00	1,007,071,550.01	35,010,899.32	6,404,281.05	41,415,180.37	0.00	0.00	972,060,650.69

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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	66987WCF2	468.83868919	24.52016575	2.18009991	26.70026566	444.31852344	5.580000%
A1B	66987WCG0	468.83868920	24.52016575	2.19963487	26.71980061	444.31852345	5.630000%
A2A	66987WCH8	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.000000%
A2B	66987WCJ4	541.71271212	74.55798990	2.48284990	77.04083980	467.15472222	5.500000%
A2C	66987WCK1	1,000.00000000	0.00000000	4.63333330	4.63333330	1,000.00000000	5.560000%
A2D	66987WCL9	1,000.00000000	0.00000000	4.76666661	4.76666661	1,000.00000000	5.720000%
M1	66987WCM7	1,000.00000000	0.00000000	4.81666667	4.81666667	1,000.00000000	5.780000%
M2	66987WCN5	1,000.00000000	0.00000000	4.83333333	4.83333333	1,000.00000000	5.800000%
M3	66987WCP0	1,000.00000000	0.00000000	4.85833333	4.85833333	1,000.00000000	5.830000%
M4	66987WCQ8	1,000.00000000	0.00000000	4.96666667	4.96666667	1,000.00000000	5.960000%
M5	66987WCR6	1,000.00000000	0.00000000	4.99166667	4.99166667	1,000.00000000	5.990000%
M6	66987WCS4	1,000.00000000	0.00000000	5.03333333	5.03333333	1,000.00000000	6.040000%
M7	66987WCT2	1,000.00000000	0.00000000	5.39166667	5.39166667	1,000.00000000	6.470000%
M8	66987WCU9	1,000.00000000	0.00000000	5.51666667	5.51666667	1,000.00000000	6.620000%
M9	66987WCV7	1,000.00000000	0.00000000	5.87500000	5.87500000	1,000.00000000	7.050000%
M10	66987WCW5	1,000.00000000	0.00000000	6.95833333	6.95833333	1,000.00000000	8.350000%
M11	66987WCX3	1,000.00000000	0.00000000	6.95833333	6.95833333	1,000.00000000	8.350000%
C	66987WCZ8	1,000.00000000	0.00000000	176.39021778	176.39021778	1,000.00000000	0.000000%
TOTALS		559.48419445	19.45049962	3.55793392	23.00843354	540.03369483	

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	REMIC Available Funds - Group I	27,513,517.77
	REMIC Available Funds - Group II	12,841,177.69
Sec. 4.03	Principal	
	Group I Scheduled Principal	533,728.01
	Group I Prepayments in Full	21,415,070.26
	Group I Curtailments	92,739.42
	Group I Net Liquidation Proceeds	1,431,653.12
	Group I Realized Losses	355,386.26
	Group II Scheduled Principal	239,729.35
	Group II Prepayments in Full	9,962,108.27
	Group II Curtailments	67,270.55
	Group II Net Liquidation Proceeds	596,601.72
	Group II Realized Losses	268,069.59
	Total Scheduled Principal	773,457.36
	Total Prepayments in Full	31,377,178.53
	Total Curtailments	160,009.97
	Total Net Liquidation Proceeds	2,028,254.84
	Total Realized Losses	623,455.85
	Interest	
	Group I Gross Interest	4,247,409.66
	Group I Servicing Fee	279,607.85
	Group II Gross Interest	2,167,940.12
	Group II Servicing Fee	145,032.98
	Total Gross Interest	6,415,349.78
	Total Servicing Fee	424,640.83

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Sec. 4.03(a)(i)

Distributions of Principal

Class A-1A	19,150,249.45
Class A-1B	4,788,788.37
Class A-2A	0.00
Class A-2B	11,071,861.50
Class A-2C	0.00
Class A-2D	0.00
Class M-1	0.00
Class M-4	0.00
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	1,702,658.03
Class A-1B	429,588.69
Class A-2A	0.00
Class A-2b	368,703.21
Class A-2C	477,233.33
Class A-2D	281,233.33
Class M-1	429,165.00
Class M-2	165,300.00
Class M-3	131,175.00
Class M-4	165,390.00
Class M-5	121,297.50

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Class M-6	67,950.00
Class M7	72,787.50
Class M8	74,475.00
Class M9	79,312.50
Class M10	125,250.00
Class M11	125,250.00

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Sec. 4.03(a)(iii)	Pool Balances		
	Group I Beginning Pool Balance		658,992,015.04
	Group I Ending Pool Balance		635,126,308.85
	Group II Beginning Pool Balance		348,079,534.97
	Group II Ending Pool Balance		336,934,341.84
	Total Beginning Pool Balance		1,007,071,550.01
	Total Ending Pool Balance		972,060,650.69
Sec. 4.03(a)(iv)	Mortgage Loan Information as of Determination Date		
	Number of Mortgage Loans		7,031
	Aggregate Principal Balance of Mortgage Loans		972,060,650.69
	Beginning Weighted Average Mortgage Rate		7.6471%
	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		570,745,703.71
	Number of 0-30 Days		4,615
	Balance of 30-59 Days		14,727,908.04
	Number of 30-59 Days		119
	Balance of 60-89 Days		5,341,979.00
	Number of 60-89 Days		51
	Balance of 90+ Days		2,351,760.89
	Number of 90+ Days		20
	Contractual Bankrutpcy - Group I		
	Balance of 0-30 Days		2,647,731.79
	Number of 0-30 Days		19
	Balance of 30-59 Days		786,524.28

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	Number of 30-59 Days	6
	Balance of 60-89 Days	489,023.28
	Number of 60-89 Days	5
	Balance of 90+ Days	5,528,415.51
	Number of 90+ Days	49
	Legal Delinquency - Group I	
	Balance of 0-30 Days	570,745,703.71
	Number of 0-30 Days	4,615
	Balance of 30-59 Days	14,727,908.04
	Number of 30-59 Days	119
	Balance of 60-89 Days	5,341,979.00
	Number of 60-89 Days	51
	Balance of 90+ Days	2,351,760.89
	Number of 90+ Days	20
	Legal Bankruptcy - Group I	
	Balance of 0-30 Days	6,677,038.79
	Number of 0-30 Days	54
	Balance of 30-59 Days	1,248,176.45
	Number of 30-59 Days	11
	Balance of 60-89 Days	392,553.56
	Number of 60-89 Days	3
	Balance of 90+ Days	1,133,926.06
	Number of 90+ Days	11
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group I	
	Balance of 0-30 Days	914,246.26
	Number of 0-30 Days	8
	Balance of 30-59 Days	129,251.03
	Number of 30-59 Days	1
	Balance of 60-89 Days	974,219.70
	Number of 60-89 Days	7

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Balance of 90+ Days	13,237,149.60
Number of 90+ Days	102
Contractual Delinquency - Group II	
Balance of 0-30 Days	301,362,265.84
Number of 0-30 Days	1,695
Balance of 30-59 Days	5,864,054.06
Number of 30-59 Days	28
Balance of 60-89 Days	2,290,985.17
Number of 60-89 Days	15
Balance of 90+ Days	1,676,663.84
Number of 90+ Days	12
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	225,711.27
Number of 0-30 Days	2
Balance of 30-59 Days	369,450.10
Number of 30-59 Days	1
Balance of 60-89 Days	498,166.18
Number of 60-89 Days	2
Balance of 90+ Days	2,512,767.00
Number of 90+ Days	15
Legal Delinquency - Group II	
Balance of 0-30 Days	301,362,265.84
Number of 0-30 Days	1,695
Balance of 30-59 Days	5,864,054.06
Number of 30-59 Days	28
Balance of 60-89 Days	2,290,985.17
Number of 60-89 Days	15
Balance of 90+ Days	1,676,663.84
Number of 90+ Days	12

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	Legal Bankruptcy - Group II	
	Balance of 0-30 Days	2,333,604.51
	Number of 0-30 Days	14
	Balance of 30-59 Days	744,042.66
	Number of 30-59 Days	3
	Balance of 60-89 Days	387,968.00
	Number of 60-89 Days	1
	Balance of 90+ Days	140,479.38
	Number of 90+ Days	2
Sec. 4.03 (a)(v) B	Loans in Foreclosure - Group II	0.00
	Balance of 0-30 Days	643,500.81
	Number of 0-30 Days	3
	Balance of 30-59 Days	0.00
	Number of 30-59 Days	0
	Balance of 60-89 Days	154,655.16
	Number of 60-89 Days	2
	Balance of 90+ Days	7,065,638.85
	Number of 90+ Days	34

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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	151	17,252,395.79	2.72%
2	69	14,270,483.56	4.24%

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Sec. 4.03(a)(vi)	Principal Prepayments	
	Group I Prepayments	21,415,070.26
	Group II Prepayments	9,962,108.27
Sec. 4.03 (a)(vii)	Realized Losses	
	Group I Liquidated Loan Balance	1,824,168.46
	Group I Net Liquidation Proceeds	1,431,653.12
	Group I Current Period Realized Losses	355,386.26
	Group I Recoveries of Prior Losses	44,900.31
	Group I Current Period Non-Recoverable Advances	7,665.03
	Group I Subsequent Losses	106.20
	Group I Cumulative Liquidated Loan Balance	8,515,038.16
	Group I Cumulative Net Liquidation Proceeds	6,379,052.07
	Group I Cumulative Recoveries of Prior Losses	114,835.01
	Group I Cumulative Subsequent Losses	83,683.24
	Group I Cumulative Non-Recoverable Advances	65,347.62
	Group I Cumulative Realized Losses	2,170,181.94
	Group II Liquidated Loan Balance	876,084.96
	Group II Net Liquidation Proceeds	596,601.72
	Group II Current Period Realized Losses	268,069.59
	Group II Recoveries of Prior Losses	27,870.35
	Group II Current Period Non-Recoverable Advances	0.00
	Group II Subsequent Losses	16,456.70
	Group II Cumulative Liquidated Loan Balance	7,470,089.23
	Group II Cumulative Net Liquidation Proceeds	6,275,121.69
	Group II Cumulative Recoveries of Prior Losses	117,267.11
	Group II Cumulative Subsequent Losses	780,123.73
	Group II Cumulative Non-Recoverable Advances	20,579.43

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Group II Cumulative Realized Losses	1,878,403.59
Total Liquidated Loan Balance	2,700,253.42
Total Net Liquidation Proceeds	2,028,254.84
Total Current Period Realized Losses	623,455.85
Total Recoveries of Prior Losses	72,770.66
Total Current Period Non-Recoverable Advances	7,665.03
Total Subsequent Losses	16,562.90
Total Cumulative Liquidated Loan Balance	15,985,127.39
Total Cumulative Net Liquidation Proceeds	12,654,173.76
Total Cumulative Recoveries of Prior Losses	232,102.12
Total Cumulative Subsequent Losses	863,806.97
Total Cumulative Non-Recoverable Advances	85,927.05
Total Cumulative Realized Losses	4,048,585.53

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

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	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
Sec. 4.03 (a)(xi)	Credit Enhancement Percentage	30.47%
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	1,643.00
	Current Period Available Funds Cap Carryforward Amount - M8	3,330.50
	Current Period Available Funds Cap Carryforward Amount - M9	8,168.00
	Current Period Available Funds Cap Carryforward Amount - M10	30,390.66
	Current Period Available Funds Cap Carryforward Amount - M11	30,390.66
	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

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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
Available Funds Cap Carryforward Amount Repaid This Period- M-6	0.00
Available Funds Cap Carryforward Amount Repaid This Period- M7	1,643.00
Available Funds Cap Carryforward Amount Repaid This Period- M8	3,330.50
Available Funds Cap Carryforward Amount Repaid This Period- M9	8,168.00
Available Funds Cap Carryforward Amount Repaid This Period- M10	30,390.66
Available Funds Cap Carryforward Amount Repaid This Period- M11	30,390.66
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

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REMIC Pass-Through Rate - A-1A	5.5800%
REMIC Pass-Through Rate - A-1B	5.6300%
REMIC Pass-Through Rate - A-2A	0.0000%
REMIC Pass-Through Rate - A-2B	5.5000%
REMIC Pass-Through Rate - A-2C	5.5600%
REMIC Pass-Through Rate - A-2D	5.7200%
REMIC Pass-Through Rate - M-1	5.7800%
REMIC Pass-Through Rate - M-2	5.8000%
REMIC Pass-Through Rate - M-3	5.8300%
REMIC Pass-Through Rate - M-4	5.9600%
REMIC Pass-Through Rate - M-5	5.9900%
REMIC Pass-Through Rate - M-6	6.0400%
REMIC Pass-Through Rate - M7	6.4700%
REMIC Pass-Through Rate - M8	6.6200%
REMIC Pass-Through Rate - M9	7.0500%
REMIC Pass-Through Rate - M10	8.3500%
REMIC Pass-Through Rate - M11	8.3500%
Next REMIC Pass-Through Rate - A-1A	5.5500%
Next REMIC Pass-Through Rate - A-1B	5.6000%
Next REMIC Pass-Through Rate - A-2A	5.4100%
Next REMIC Pass-Through Rate - A-2B	5.4700%
Next REMIC Pass-Through Rate - A-2C	5.5300%
Next REMIC Pass-Through Rate - A-2D	5.6900%
Next REMIC Pass-Through Rate - M-1	5.7500%
Next REMIC Pass-Through Rate - M-2	5.7700%
Next REMIC Pass-Through Rate - M-3	5.8000%
Next REMIC Pass-Through Rate - M-4	5.9300%
Next REMIC Pass-Through Rate - M-5	5.9600%
Next REMIC Pass-Through Rate - M-6	6.0100%
Next REMIC Pass-Through Rate - M7	6.4400%
Next REMIC Pass-Through Rate - M8	6.5900%
Next REMIC Pass-Through Rate - M9	7.0200%

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Next REMIC Pass-Through Rate - M10	8.3200%
Next REMIC Pass-Through Rate - M11	8.3200%

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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 - 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		1,643.00
	Supplemental Interest Payment - M8		3,330.50
	Supplemental Interest Payment - M9		8,168.00
	Supplemental Interest Payment - M10		30,390.66
	Supplemental Interest Payment - M11		30,390.66
Sec. 4.03 (a)(xv)	Swap Notional Amount and the Underwritten Certificates Principal Balance		
	Underwritten Certificates Principal Balance		963,060,650.69
	Swap Notional Amount		725,000,000.00
	Cap Notional Amount		320,000,000.00
	Total Notional Amount		1,045,000,000.00
	Difference		0.00
	Payment from Swap Counterparty		757,741.67
	Payment from Cap Counterparty		401,666.67
	Payment to Cap Counterparty		94,533.33

NovaStar Mortgage Funding Trust, Series 2005-2
January 25, 2007

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	584,979.96
	Insurance Proceeds	0.00