

NovaStar Mortgage Funding Trust, Series 2006-1

February 26, 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	767,078,000.00	542,259,199.12	25,198,346.31	2,641,404.81	27,839,751.12	0.00	0.00	517,060,852.81
A2A	182,000,000.00	87,491,453.38	14,141,771.26	418,403.57	14,560,174.83	0.00	0.00	73,349,682.12
A2B	91,700,000.00	91,700,000.00	0.00	442,605.33	442,605.33	0.00	0.00	91,700,000.00
A2C	71,400,000.00	71,400,000.00	0.00	347,797.33	347,797.33	0.00	0.00	71,400,000.00
A2D	32,621,000.00	32,621,000.00	0.00	162,090.12	162,090.12	0.00	0.00	32,621,000.00
M1	78,300,000.00	78,300,000.00	0.00	391,152.00	391,152.00	0.00	0.00	78,300,000.00
M2	21,600,000.00	21,600,000.00	0.00	108,864.00	108,864.00	0.00	0.00	21,600,000.00
M3	18,900,000.00	18,900,000.00	0.00	96,264.00	96,264.00	0.00	0.00	18,900,000.00
M4	18,225,000.00	18,225,000.00	0.00	93,312.00	93,312.00	0.00	0.00	18,225,000.00
M5	12,825,000.00	12,825,000.00	0.00	66,690.00	66,690.00	0.00	0.00	12,825,000.00
M6	10,125,000.00	10,125,000.00	0.00	56,880.00	56,880.00	0.00	0.00	10,125,000.00
M7	8,775,000.00	8,775,000.00	0.00	50,232.00	50,232.00	0.00	0.00	8,775,000.00
M8	7,425,000.00	7,425,000.00	0.00	47,982.00	47,982.00	0.00	0.00	7,425,000.00
M9	8,775,000.00	8,775,000.00	0.00	60,996.00	60,996.00	0.00	0.00	8,775,000.00
M10	6,750,000.00	6,750,000.00	0.00	46,920.00	46,920.00	0.00	0.00	6,750,000.00
M11	6,750,000.00	6,750,000.00	0.00	46,920.00	46,920.00	0.00	0.00	6,750,000.00
C	0.00	0.00	0.00	603,790.29	603,790.29	0.00	0.00	0.00
TRUST_CERT	0.00	0.00	0.00	884,779.42	884,779.42	0.00	0.00	0.00
TOTALS	1,343,249,000.00	1,023,921,652.50	39,340,117.57	6,567,082.87	45,907,200.44	0.00	0.00	984,581,534.93



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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	669884AA6	706.91533210	32.84978361	3.44346313	36.29324674	674.06554850	5.480000%
A2A	669884AB4	480.72227132	77.70203989	2.29892071	80.00096060	403.02023143	5.380000%
A2B	669884AC2	1,000.00000000	0.00000000	4.82666663	4.82666663	1,000.00000000	5.430000%
A2C	669884AD0	1,000.00000000	0.00000000	4.87111106	4.87111106	1,000.00000000	5.480000%
A2D	669884AE8	1,000.00000000	0.00000000	4.96888875	4.96888875	1,000.00000000	5.590000%
M1	669884AF5	1,000.00000000	0.00000000	4.99555556	4.99555556	1,000.00000000	5.620000%
M2	669884AG3	1,000.00000000	0.00000000	5.04000000	5.04000000	1,000.00000000	5.670000%
M3	669884AH1	1,000.00000000	0.00000000	5.09333333	5.09333333	1,000.00000000	5.730000%
M4	669884AJ7	1,000.00000000	0.00000000	5.12000000	5.12000000	1,000.00000000	5.760000%
M5	669884AK4	1,000.00000000	0.00000000	5.20000000	5.20000000	1,000.00000000	5.850000%
M6	669884AL2	1,000.00000000	0.00000000	5.61777778	5.61777778	1,000.00000000	6.320000%
M7	669884AM0	1,000.00000000	0.00000000	5.72444444	5.72444444	1,000.00000000	6.440000%
M8	669884AN8	1,000.00000000	0.00000000	6.46222222	6.46222222	1,000.00000000	7.270000%
M9	669884AP3	1,000.00000000	0.00000000	6.95111111	6.95111111	1,000.00000000	7.820000%
M10	669884AQ1	1,000.00000000	0.00000000	6.95111111	6.95111111	1,000.00000000	7.820000%
M11	669884AR9	1,000.00000000	0.00000000	6.95111111	6.95111111	1,000.00000000	7.820000%
TOTALS		762.27241003	29.28728595	4.88895422	34.17624018	732.98512408	



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Available Funds - Group I	29,241,188.25
Available Funds - Group II	16,188,809.45
 Principal	
Group I Scheduled Principal	403,617.76
Group I Prepayments in Full	22,801,634.57
Group I Curtailments	67,889.56
Group I Net Liquidation Proceeds	1,354,114.82
Group I Realized Losses	897,775.56
 Group II Scheduled Principal	 154,996.39
Group II Prepayments in Full	12,554,498.21
Group II Curtailments	20,373.09
Group II Net Liquidation Proceeds	872,378.53
Group II Realized Losses	-6,469.39
 Total Scheduled Principal	 558,614.15
Total Prepayments in Full	35,356,132.78
Total Curtailments	88,262.65
Total Net Liquidation Proceeds	2,226,493.35
Total Realized Losses	891,306.17
 Distributions of Principal	
Class A-1A	25,198,346.31
Class A-2A	14,141,771.26
Class A-2B	0.00
Class A-2C	0.00
Class A-2D	0.00
Class M-1	0.00
Class M-4	0.00



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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

Distributions of Interest

Class A-1A	2,641,404.81
Class A-2A	418,403.57
Class A-2b	442,605.33
Class A-2C	347,797.33
Class A-2D	162,090.12
Class M-1	391,152.00
Class M-2	108,864.00
Class M-3	96,264.00
Class M-4	93,312.00
Class M-5	66,690.00
Class M-6	56,880.00
Class M-7	50,232.00
Class M-8	47,982.00
Class M-9	60,996.00
Class M-10	46,920.00
Class M-11	46,920.00



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Collateral Interest Detail

Group I Gross Interest	4,854,300.64
Group I Servicing Fee	283,408.28
Group I Custodian Fee	898.40
Group I Trustee Fee	1,983.86
Group I MI Premium	354,649.42
Group II Gross Interest	2,514,560.26
Group II Servicing Fee	146,212.90
Group II Custodian Fee	366.40
Group II Trustee Fee	1,022.27
Group II MI Premium	202,923.34
Total Gross Interest	7,368,860.90
Total Servicing Fee	429,621.18
Total Custodian Fee	1,264.80
Total Trustee Fee	3,006.13
Total MI Premium	557,572.76

Pool Balances

Group I Beginning Pool Balance	680,179,836.15
Group I Ending Pool Balance	654,655,316.13
Group II Beginning Pool Balance	350,491,813.82
Group II Ending Pool Balance	336,676,216.27
Total Beginning Pool Balance	1,030,671,649.97
Total Ending Pool Balance	991,331,532.40

Mortgage Loan Information as of Determination Date

Number of Mortgage Loans	6,112
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Aggregate Principal Balance of Mortgage Loans	991,331,532.40
Beginning Weighted Average Mortgage Rate	8.5800%
Swap Funds Received	439,580.54
Swap Funds Outgoing Payment	0.00
Wachovia Swap	80,133.33
Deutsche Swap	107,520.83
Greenwich Swap	251,926.38
Cap Funds Received	83,555.56
Cap Fee	45,933.33
Loans Delinquent	
Contractual Delinquency - Group I	
Balance of 0-30 Days	587,584,053.92
Number of 0-30 Days	3,942
Balance of 30-59 Days	15,378,510.60
Number of 30-59 Days	100
Balance of 60-89 Days	8,879,486.25
Number of 60-89 Days	52
Balance of 90+ Days	2,123,726.83
Number of 90+ Days	16
Contractual Bankrutpcy - Group I	
Balance of 0-30 Days	371,394.21
Number of 0-30 Days	5
Balance of 30-59 Days	50,962.52
Number of 30-59 Days	1
Balance of 60-89 Days	712,399.03
Number of 60-89 Days	4
Balance of 90+ Days	4,798,485.46
Number of 90+ Days	32



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Legal Delinquency - Group I

Balance of 0-30 Days	587,584,053.92
Number of 0-30 Days	3,942
Balance of 30-59 Days	15,378,510.60
Number of 30-59 Days	100
Balance of 60-89 Days	8,879,486.25
Number of 60-89 Days	52
Balance of 90+ Days	2,123,726.83
Number of 90+ Days	16

Legal Bankruptcy - Group I

Balance of 0-30 Days	3,162,597.50
Number of 0-30 Days	27
Balance of 30-59 Days	1,468,032.59
Number of 30-59 Days	10
Balance of 60-89 Days	234,084.28
Number of 60-89 Days	1
Balance of 90+ Days	1,068,526.85
Number of 90+ Days	4

Loans in Foreclosure - Group I

Balance of 0-30 Days	1,412,606.02
Number of 0-30 Days	8
Balance of 30-59 Days	72,040.39
Number of 30-59 Days	1
Balance of 60-89 Days	495,435.60
Number of 60-89 Days	1
Balance of 90+ Days	24,203,643.76
Number of 90+ Days	133

Contractual Delinquency - Group II



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Balance of 0-30 Days	290,008,822.71
Number of 0-30 Days	1,540
Balance of 30-59 Days	8,923,597.34
Number of 30-59 Days	48
Balance of 60-89 Days	4,838,405.97
Number of 60-89 Days	30
Balance of 90+ Days	1,931,394.39
Number of 90+ Days	12
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	408,942.33
Number of 0-30 Days	5
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	2,164,974.11
Number of 90+ Days	11
Legal Delinquency - Group II	
Balance of 0-30 Days	290,008,822.71
Number of 0-30 Days	1,540
Balance of 30-59 Days	8,923,597.34
Number of 30-59 Days	48
Balance of 60-89 Days	4,838,405.97
Number of 60-89 Days	30
Balance of 90+ Days	1,931,394.39
Number of 90+ Days	12
Legal Bankruptcy - Group II	
Balance of 0-30 Days	1,540,213.97
Number of 0-30 Days	10



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Balance of 30-59 Days	380,174.67
Number of 30-59 Days	1
Balance of 60-89 Days	191,404.76
Number of 60-89 Days	2
Balance of 90+ Days	462,123.04
Number of 90+ Days	3
Loans in Foreclosure - Group II	0.00
Balance of 0-30 Days	931,903.03
Number of 0-30 Days	5
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	345,851.86
Number of 60-89 Days	2
Balance of 90+ Days	17,181,533.53
Number of 90+ Days	71

Loans in REO

REO Group Report			
Group Number	Number of Loans	Principal Balance	Percentage
1	47	8,572,571.55	1.31%
2	46	9,940,791.00	2.95%

Principal Prepayments

Group I Prepayments	22,801,634.57
Group II Prepayments	12,554,498.21

Realized Losses



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Group I Liquidated Loan Balance	2,251,378.10
Group I Net Liquidation Proceeds	1,354,114.82
Group I Current Period Realized Losses	897,775.56
Group I Recoveries of Prior Losses	1,428.28
Group I Current Period Non-Recoverable Advances	1,940.56
Group I Subsequent Losses	0.00
Group I Cumulative Liquidated Loan Balance	5,286,981.47
Group I Cumulative Net Liquidation Proceeds	3,612,033.30
Group I Cumulative Recoveries of Prior Losses	3,491.63
Group I Cumulative Subsequent Losses	74,065.84
Group I Cumulative Non-Recoverable Advances	1,940.56
Group I Cumulative Realized Losses	1,747,462.94
Group II Liquidated Loan Balance	1,085,729.87
Group II Net Liquidation Proceeds	872,378.53
Group II Current Period Realized Losses	-6,469.39
Group II Recoveries of Prior Losses	219,820.73
Group II Current Period Non-Recoverable Advances	0.00
Group II Subsequent Losses	0.00
Group II Cumulative Liquidated Loan Balance	5,427,692.69
Group II Cumulative Net Liquidation Proceeds	4,476,104.98
Group II Cumulative Recoveries of Prior Losses	219,820.73
Group II Cumulative Subsequent Losses	47,079.00
Group II Cumulative Non-Recoverable Advances	12,522.59
Group II Cumulative Realized Losses	791,368.57
Total Liquidated Loan Balance	3,337,107.97
Total Net Liquidation Proceeds	2,226,493.35



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Total Current Period Realized Losses	891,306.17
Total Recoveries of Prior Losses	221,249.01
Total Current Period Non-Recoverable Advances	1,940.56
Total Subsequent Losses	0.00
Total Cumulative Liquidated Loan Balance	10,714,674.16
Total Cumulative Net Liquidation Proceeds	8,088,138.28
Total Cumulative Recoveries of Prior Losses	223,312.36
Total Cumulative Subsequent Losses	121,144.84
Total Cumulative Non-Recoverable Advances	14,463.15
Total Cumulative Realized Losses	2,538,831.51

Unpaid Interest Shortfall Amounts

Unpaid Interest Shortfall - A-1A	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
Unpaid Interest Shortfall - M9	0.00
Unpaid Interest Shortfall - M10	0.00
Unpaid Interest Shortfall - M11	0.00

Prepayment Interest Shortfalls not covered by the Servicer 0.00



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Credit Enhancement Percentage	19.91%
Available Funds Cap Shortfall Amount	
Current Period Available Funds Cap Shortfall Amount - A-1A	0.00
Current Period Available Funds Cap Shortfall Amount - A-2A	0.00
Current Period Available Funds Cap Shortfall Amount - A-2B	0.00
Current Period Available Funds Cap Shortfall Amount - A-2C	0.00
Current Period Available Funds Cap Shortfall Amount - A-2D	0.00
Current Period Available Funds Cap Shortfall Amount - M-1	0.00
Current Period Available Funds Cap Shortfall Amount - M-2	0.00
Current Period Available Funds Cap Shortfall Amount - M-3	0.00
Current Period Available Funds Cap Shortfall Amount - M-4	0.00
Current Period Available Funds Cap Shortfall Amount - M-5	0.00
Current Period Available Funds Cap Shortfall Amount - M-6	0.00
Current Period Available Funds Cap Shortfall Amount - M7	0.00
Current Period Available Funds Cap Shortfall Amount - M8	2,069.20
Current Period Available Funds Cap Shortfall Amount - M9	6,735.42
Current Period Available Funds Cap Shortfall Amount - M10	5,181.09
Current Period Available Funds Cap Shortfall Amount - M11	5,181.09
Available Funds Cap Shortfall Amount Repaid This Period- A-1A	0.00
Available Funds Cap Shortfall Amount Repaid This Period- A-2A	0.00
Available Funds Cap Shortfall Amount Repaid This Period- A-2B	0.00
Available Funds Cap Shortfall Amount Repaid This Period- A-2C	0.00
Available Funds Cap Shortfall Amount Repaid This Period- A-2D	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-1	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-2	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-3	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-4	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M-5	0.00



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Available Funds Cap Shortfall Amount Repaid This Period- M6	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M7	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M8	2,069.20
Available Funds Cap Shortfall Amount Repaid This Period- M9	6,735.42
Available Funds Cap Shortfall Amount Repaid This Period- M10	5,181.09
Available Funds Cap Shortfall Amount Repaid This Period- M11	5,181.09

Remaining Available Funds Cap Shortfall Amount - A-1A	0.00
Remaining Available Funds Cap Shortfall Amount - A-2A	0.00
Remaining Available Funds Cap Shortfall Amount - A-2B	0.00
Remaining Available Funds Cap Shortfall Amount - A-2C	0.00
Remaining Available Funds Cap Shortfall Amount - A-2D	0.00
Remaining Available Funds Cap Shortfall Amount - M-1	0.00
Remaining Available Funds Cap Shortfall Amount - M-2	0.00
Remaining Available Funds Cap Shortfall Amount - M-3	0.00
Remaining Available Funds Cap Shortfall Amount - M-4	0.00
Remaining Available Funds Cap Shortfall Amount - M-5	0.00
Remaining Available Funds Cap Shortfall Amount - M-6	0.00
Remaining Available Funds Cap Shortfall Amount - M7	0.00
Remaining Available Funds Cap Shortfall Amount - M8	0.00
Remaining Available Funds Cap Shortfall Amount - M9	0.00
Remaining Available Funds Cap Shortfall Amount - M10	0.00
Remaining Available Funds Cap Shortfall Amount - M11	0.00

REMIC Pass-Thru Rates

REMIC Pass-Thru Rate - A-1A	5.4800%
REMIC Pass-Thru Rate - A-2A	5.3800%
REMIC Pass-Thru Rate - A-2B	5.4300%
REMIC Pass-Thru Rate - A-2C	5.4800%
REMIC Pass-Thru Rate - A-2D	5.5900%
REMIC Pass-Thru Rate - M-1	5.6200%



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REMIC Pass-Thru Rate - M-2	5.6700%
REMIC Pass-Thru Rate - M-3	5.7300%
REMIC Pass-Thru Rate - M-4	5.7600%
REMIC Pass-Thru Rate - M-5	5.8500%
REMIC Pass-Thru Rate - M-6	6.3200%
REMIC Pass-Thru Rate - M7	6.4400%
REMIC Pass-Thru Rate - M8	7.2700%
REMIC Pass-Thru Rate - M9	7.8200%
REMIC Pass-Thru Rate - M10	7.8200%
REMIC Pass-Thru Rate - M11	7.8200%
Next REMIC Pass-Thru Rate - A-1A	5.4800%
Next REMIC Pass-Thru Rate - A-2A	5.3800%
Next REMIC Pass-Thru Rate - A-2B	5.4300%
Next REMIC Pass-Thru Rate - A-2C	5.4800%
Next REMIC Pass-Thru Rate - A-2D	5.5900%
Next REMIC Pass-Thru Rate - M-1	5.6200%
Next REMIC Pass-Thru Rate - M-2	5.6700%
Next REMIC Pass-Thru Rate - M-3	5.7300%
Next REMIC Pass-Thru Rate - M-4	5.7600%
Next REMIC Pass-Thru Rate - M-5	5.8500%
Next REMIC Pass-Thru Rate - M-6	6.3200%
Next REMIC Pass-Thru Rate - M-7	6.4400%
Next REMIC Pass-Thru Rate - M-8	7.2700%
Next REMIC Pass-Thru Rate - M-9	7.8200%
Next REMIC Pass-Thru Rate - M-10	7.8200%
Next REMIC Pass-Thru Rate - M-11	7.8200%

Underwritten Noteholders Principal Balance 984,581,534.93

Overcollateralization Amounts



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Required Overcollateralization Amount	6,749,997.47
Overcollateralization Amount	6,749,997.47
Excess Cashflow	0.00
Mortgage Insurance	
MI Premiums	557,572.76
Insurance Proceeds	0.00

