

NovaStar Mortgage Funding Trust, Series 2006-1

July 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	767,078,000.00	427,934,634.49	19,149,193.89	1,954,234.83	21,103,428.72	0.00	0.00	408,785,440.60
A2A	182,000,000.00	29,078,893.25	5,516,963.45	130,370.37	5,647,333.82	0.00	0.00	23,561,929.80
A2B	91,700,000.00	91,700,000.00	0.00	414,942.50	414,942.50	0.00	0.00	91,700,000.00
A2C	71,400,000.00	71,400,000.00	0.00	326,060.00	326,060.00	0.00	0.00	71,400,000.00
A2D	32,621,000.00	32,621,000.00	0.00	151,959.49	151,959.49	0.00	0.00	32,621,000.00
M1	78,300,000.00	78,300,000.00	0.00	366,705.00	366,705.00	0.00	0.00	78,300,000.00
M2	21,600,000.00	21,600,000.00	0.00	102,060.00	102,060.00	0.00	0.00	21,600,000.00
M3	18,900,000.00	18,900,000.00	0.00	90,247.50	90,247.50	0.00	0.00	18,900,000.00
M4	18,225,000.00	18,225,000.00	0.00	87,480.00	87,480.00	0.00	0.00	18,225,000.00
M5	12,825,000.00	12,825,000.00	0.00	62,521.88	62,521.88	0.00	0.00	12,825,000.00
M6	10,125,000.00	10,125,000.00	0.00	53,325.00	53,325.00	0.00	0.00	10,125,000.00
M7	8,775,000.00	8,775,000.00	0.00	47,092.50	47,092.50	0.00	0.00	8,775,000.00
M8	7,425,000.00	7,425,000.00	0.00	44,983.13	44,983.13	0.00	0.00	7,425,000.00
M9	8,775,000.00	8,775,000.00	0.00	57,183.75	57,183.75	0.00	0.00	8,775,000.00
M10	6,750,000.00	6,750,000.00	0.00	43,987.50	43,987.50	0.00	0.00	6,750,000.00
M11	6,750,000.00	6,750,000.00	0.00	43,987.50	43,987.50	0.00	0.00	6,750,000.00
C	0.00	0.00	0.00	287,485.40	287,485.40	0.00	0.00	0.00
TRUST_CERT	0.00	0.00	0.00	317,952.18	317,952.18	0.00	0.00	0.00
TOTALS	1,343,249,000.00	851,184,527.74	24,666,157.34	4,582,578.53	29,248,735.87	0.00	0.00	826,518,370.40



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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	557.87629744	24.96381579	2.54763509	27.51145088	532.91248165	5.480000%
A2A	669884AB4	159.77413874	30.31298599	0.71632071	31.02930670	129.46115275	5.380000%
A2B	669884AC2	1,000.00000000	0.00000000	4.52500000	4.52500000	1,000.00000000	5.430000%
A2C	669884AD0	1,000.00000000	0.00000000	4.56666667	4.56666667	1,000.00000000	5.480000%
A2D	669884AE8	1,000.00000000	0.00000000	4.65833328	4.65833328	1,000.00000000	5.590000%
M1	669884AF5	1,000.00000000	0.00000000	4.68333333	4.68333333	1,000.00000000	5.620000%
M2	669884AG3	1,000.00000000	0.00000000	4.72500000	4.72500000	1,000.00000000	5.670000%
M3	669884AH1	1,000.00000000	0.00000000	4.77500000	4.77500000	1,000.00000000	5.730000%
M4	669884AJ7	1,000.00000000	0.00000000	4.80000000	4.80000000	1,000.00000000	5.760000%
M5	669884AK4	1,000.00000000	0.00000000	4.87500039	4.87500039	1,000.00000000	5.850000%
M6	669884AL2	1,000.00000000	0.00000000	5.26666667	5.26666667	1,000.00000000	6.320000%
M7	669884AM0	1,000.00000000	0.00000000	5.36666667	5.36666667	1,000.00000000	6.440000%
M8	669884AN8	1,000.00000000	0.00000000	6.05833401	6.05833401	1,000.00000000	7.270000%
M9	669884AP3	1,000.00000000	0.00000000	6.51666667	6.51666667	1,000.00000000	7.820000%
M10	669884AQ1	1,000.00000000	0.00000000	6.51666667	6.51666667	1,000.00000000	7.820000%
M11	669884AR9	1,000.00000000	0.00000000	6.51666667	6.51666667	1,000.00000000	7.820000%
TOTALS		633.67590651	18.36305654	3.41156296	21.77461950	615.31284996	



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Available Funds - Group I	21,937,658.74
Available Funds - Group II	7,022,956.01
 Principal	
Group I Scheduled Principal	351,561.00
Group I Prepayments in Full	16,789,274.91
Group I Curtailments	115,785.22
Group I Net Liquidation Proceeds	880,354.52
Group I Realized Losses	384,370.50
 Group II Scheduled Principal	 134,394.02
Group II Prepayments in Full	4,398,714.54
Group II Curtailments	4,815.40
Group II Net Liquidation Proceeds	835,059.28
Group II Realized Losses	279,650.70
 Total Scheduled Principal	 485,955.02
Total Prepayments in Full	21,187,989.45
Total Curtailments	120,600.62
Total Net Liquidation Proceeds	1,715,413.80
Total Realized Losses	664,021.20
 Distributions of Principal	
Class A-1A	19,149,193.89
Class A-2A	5,516,963.45
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	1,954,234.83
Class A-2A	130,370.37
Class A-2b	414,942.50
Class A-2C	326,060.00
Class A-2D	151,959.49
Class M-1	366,705.00
Class M-2	102,060.00
Class M-3	90,247.50
Class M-4	87,480.00
Class M-5	62,521.88
Class M-6	53,325.00
Class M-7	47,092.50
Class M-8	44,983.13
Class M-9	57,183.75
Class M-10	43,987.50
Class M-11	43,987.50



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Collateral Interest Detail

Group I Gross Interest	4,021,916.40
Group I Servicing Fee	235,855.67
Group I Custodian Fee	755.40
Group I Trustee Fee	1,650.99
Group I MI Premium	285,278.66
Group II Gross Interest	2,072,759.25
Group II Servicing Fee	121,106.50
Group II Custodian Fee	316.40
Group II Trustee Fee	847.75
Group II MI Premium	165,865.75
Total Gross Interest	6,094,675.65
Total Servicing Fee	356,962.17
Total Custodian Fee	1,071.80
Total Trustee Fee	2,498.74
Total MI Premium	451,144.41

Collateral Prepay Penalty Detail

Group I Prepay Penalty	273,484.63
Group II Prepay Penalty	14,000.77
Total Prepay Penalty	287,485.40

Pool Balances

Group I Beginning Pool Balance	566,054,096.11
Group I Ending Pool Balance	547,506,333.58
Group II Beginning Pool Balance	290,655,957.65
Group II Ending Pool Balance	285,153,138.72



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Total Beginning Pool Balance	856,710,053.76
Total Ending Pool Balance	832,659,472.30

Mortgage Loan Information as of Determination Date

Number of Mortgage Loans	5,227
Aggregate Principal Balance of Mortgage Loans	832,659,472.30
Beginning Weighted Average Mortgage Rate	8.5369%
Swap Funds Outgoing Payment	0.00
Swap Funds Received	259,291.65
Wachovia Swap	44,666.66
Deutsche Swap	63,187.49
Greenwich Swap	151,437.50

Cap Funds Received	78,333.33
Cap Fee	45,933.33

Loans Delinquent

Contractual Delinquency - Group I

Balance of 0-30 Days	473,036,763.83
Number of 0-30 Days	3,239
Balance of 30-59 Days	14,683,288.78
Number of 30-59 Days	82
Balance of 60-89 Days	7,870,489.56
Number of 60-89 Days	45
Balance of 90+ Days	2,043,798.70
Number of 90+ Days	23

Contractual Bankruptcy - Group I

Balance of 0-30 Days	815,970.80
Number of 0-30 Days	7



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Balance of 30-59 Days	132,096.11
Number of 30-59 Days	2
Balance of 60-89 Days	550,975.84
Number of 60-89 Days	4
Balance of 90+ Days	5,565,634.43
Number of 90+ Days	37
Legal Delinquency - Group I	
Balance of 0-30 Days	473,036,763.83
Number of 0-30 Days	3,239
Balance of 30-59 Days	14,683,288.78
Number of 30-59 Days	82
Balance of 60-89 Days	7,870,489.56
Number of 60-89 Days	45
Balance of 90+ Days	2,043,798.70
Number of 90+ Days	23
Legal Bankruptcy - Group I	
Balance of 0-30 Days	4,346,108.19
Number of 0-30 Days	31
Balance of 30-59 Days	1,137,866.24
Number of 30-59 Days	8
Balance of 60-89 Days	957,705.30
Number of 60-89 Days	6
Balance of 90+ Days	622,997.45
Number of 90+ Days	5
Loans in Foreclosure - Group I	
Balance of 0-30 Days	931,732.52
Number of 0-30 Days	6
Balance of 30-59 Days	421,456.57
Number of 30-59 Days	3



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Balance of 60-89 Days	146,494.46
Number of 60-89 Days	1
Balance of 90+ Days	22,971,046.13
Number of 90+ Days	123
Contractual Delinquency - Group II	
Balance of 0-30 Days	231,026,717.15
Number of 0-30 Days	1,299
Balance of 30-59 Days	7,848,604.83
Number of 30-59 Days	38
Balance of 60-89 Days	5,951,855.75
Number of 60-89 Days	30
Balance of 90+ Days	2,345,797.92
Number of 90+ Days	18
Contractual Bankruptcy - Group II	
Balance of 0-30 Days	858,655.28
Number of 0-30 Days	6
Balance of 30-59 Days	0.00
Number of 30-59 Days	0
Balance of 60-89 Days	1,026,582.27
Number of 60-89 Days	2
Balance of 90+ Days	3,275,565.71
Number of 90+ Days	14
Legal Delinquency - Group II	
Balance of 0-30 Days	231,026,717.15
Number of 0-30 Days	1,299
Balance of 30-59 Days	7,848,604.83
Number of 30-59 Days	38
Balance of 60-89 Days	5,951,855.75
Number of 60-89 Days	30



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Balance of 90+ Days	2,345,797.92
Number of 90+ Days	18
Legal Bankruptcy - Group II	
Balance of 0-30 Days	3,964,214.08
Number of 0-30 Days	16
Balance of 30-59 Days	875,940.74
Number of 30-59 Days	3
Balance of 60-89 Days	0.00
Number of 60-89 Days	0
Balance of 90+ Days	320,648.44
Number of 90+ Days	3
Loans in Foreclosure - Group II	
Balance of 0-30 Days	773,757.39
Number of 0-30 Days	5
Balance of 30-59 Days	166,588.70
Number of 30-59 Days	1
Balance of 60-89 Days	262,363.85
Number of 60-89 Days	1
Balance of 90+ Days	17,704,609.80
Number of 90+ Days	76

Loans in REO

REO Group Report			
Group Number	Number of Loans	Principal Balance	Percentage
1	97	18,336,585.85	3.35%
2	68	13,912,040.07	4.88%
Total	165	32,248,625.92	3.87%



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Total Number and Aggregate Principal Amounts of Mortgage Loans in Delinquency

	Contractual Delinquency	Contractual Bankruptcy	Legal Delinquency	Legal Bankruptcy	Foreclosure
Balance of 0 to 30 Days	704,063,480.98	1,674,626.08	704,063,480.98	8,310,322.27	1,705,489.91
Number of 0 to 30 Days	4,538	13	4,538	47	11
Balance of 30 to 59 Days	22,531,893.61	132,096.11	22,531,893.61	2,013,806.98	588,045.27
Number of 30 to 59 Days	120	2	120	11	4
Balance of 60 to 89 Days	13,822,345.31	1,577,558.11	13,822,345.31	957,705.30	408,858.31
Number of 60 to 89 Days	75	6	75	6	2
Balance of 90 Plus Days	4,389,596.62	8,841,200.14	4,389,596.62	943,645.89	40,675,655.93
Number of 90 Plus Days	41	51	41	8	199
Total Aggregate Principal Amount	744,807,316.52	12,225,480.44	744,807,316.52	12,225,480.44	43,378,049.42
Total Number of Mortgage Loans	4,774	72	4,774	72	216

Principal Prepayments

Group I Prepayments	16,789,274.91
Group II Prepayments	4,398,714.54

Realized Losses

Group I Liquidated Loan Balance	1,291,141.41
Group I Net Liquidation Proceeds	880,354.52
Group I Current Period Realized Losses	384,370.50
Group I Recoveries of Prior Losses	66,291.48
Group I Current Period Non-Recoverable Advances	0.00
Group I Subsequent Losses	39,875.09
Group I Cumulative Liquidated Loan Balance	14,393,254.89
Group I Cumulative Net Liquidation Proceeds	9,766,614.21
Group I Cumulative Recoveries of Prior Losses	167,285.71
Group I Cumulative Subsequent Losses	121,165.66
Group I Cumulative Non-Recoverable Advances	17,799.35



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Group I Cumulative Realized Losses	4,598,319.98
Group II Liquidated Loan Balance	964,894.98
Group II Net Liquidation Proceeds	835,059.28
Group II Current Period Realized Losses	279,650.70
Group II Recoveries of Prior Losses	124,349.14
Group II Current Period Non-Recoverable Advances	9,781.54
Group II Subsequent Losses	264,382.60
Group II Cumulative Liquidated Loan Balance	14,246,561.34
Group II Cumulative Net Liquidation Proceeds	10,051,350.67
Group II Cumulative Recoveries of Prior Losses	514,123.61
Group II Cumulative Subsequent Losses	549,419.86
Group II Cumulative Non-Recoverable Advances	60,033.65
Group II Cumulative Realized Losses	4,290,540.57

Realized Loss Report

	Total Current Loss	Total Cumulative Loss
Liquidated Loan Balance	2,256,036.39	28,639,816.23
Net Liquidation Proceeds	1,715,413.80	19,817,964.88
Recoveries of Prior Losses	190,640.62	681,409.32
Subsequent Losses	304,257.69	670,585.52
Non Recoverable Advances	9,781.54	77,833.00
Realized Losses	664,021.20	8,888,860.55

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



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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

Credit Enhancement Percentage 23.81%

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



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Current Period Available Funds Cap Shortfall Amount - M8	0.00
Current Period Available Funds Cap Shortfall Amount - M9	3,193.99
Current Period Available Funds Cap Shortfall Amount - M10	2,456.92
Current Period Available Funds Cap Shortfall Amount - M11	2,456.92
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
Available Funds Cap Shortfall Amount Repaid This Period- M-6	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M7	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M8	0.00
Available Funds Cap Shortfall Amount Repaid This Period- M9	3,193.99
Available Funds Cap Shortfall Amount Repaid This Period- M10	2,456.92
Available Funds Cap Shortfall Amount Repaid This Period- M11	2,456.92
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



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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%
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%



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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	826,518,370.40
Overcollateralization Amounts	
Required Overcollateralization Amount	6,749,997.47
Overcollateralization Amount	6,141,101.90
Excess Cashflow	0.00
Mortgage Insurance	
MI Premiums	451,144.41
Insurance Proceeds	0.00

