

ANDERSON W LANCE
Form 4/A
March 22, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
ANDERSON W LANCE

2. Issuer Name and Ticker or Trading Symbol
NOVASTAR FINANCIAL INC
[NFI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
8140 WARD PARKWAY, STE 300
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/24/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President and COO

KANSAS CITY, MO 64114
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)
02/28/2006

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Deferred NovaStar Financial, Inc. Common Stock ⁽¹⁾	02/24/2006		A		4,487	A	\$ 0
NovaStar Financial, Inc. Common Stock					292,274 ⁽²⁾	D	
					436,382 ⁽²⁾	I	
							By W. Lance Anderson and Rania H. Anderson

Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ANDERSON W LANCE 8140 WARD PARKWAY STE 300 KANSAS CITY, MO 64114			President and COO	

Signatures

W. Lance
Anderson
03/22/2006

****Signature of Reporting Person** **Date**

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Stock was granted as part of the 2005 bonus for this reporting person. The delivery of this stock was deferred pursuant to the NovaStar Financial, Inc. 2004 Incentive Stock Plan. The stock will be delivered upon the expiration of the deferral period pursuant to the NovaStar Financial, Inc. 2004 Incentive Stock Plan.
- (1)
- (2)

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This report amends the Amount of Securities Beneficially Owned Following the Reported Transaction as well as to add an Indirect Ownership Form for this reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.