

101 Barclay Street, 4W
New York, NY 10286

Officer: Kelly Crosson
212-815-3235

Associate: William J. Herrmann
212-815-7080

First Horizon Asset Securities Inc.
First Horizon Alternative Mortgage Securities Trust 2006-AA1
Mortgage Pass-Through Certificates, Series 2006-AA1
The Bank of New York, as Trustee

Certificateholder Monthly Distribution Summary

Class	Cusip	Class Description	Certificate Rate Type	Beginning Balance	Pass Through Rate (%)	Principal Distribution	Interest Distribution	Total Distribution	Current Realized Losses	Ending Balance	Cumulative Realized Losses
1A1	32051GV28	Senior	Var-30/360	185,285,213.97	6.222301	4,107,542.17	960,750.34	5,068,292.50	0.00	181,177,671.80	0.00
1A2	32051GV36	Senior	Var-30/360	11,619,594.87	6.222301	257,591.93	60,250.52	317,842.45	0.00	11,362,002.94	0.00
2A1	32051GV44	Senior	Var-30/360	158,026,028.12	6.235024	3,310,721.47	821,080.02	4,131,801.49	0.00	154,715,306.64	0.00
2A2	32051GV51	Senior	Var-30/360	17,558,363.37	6.235024	367,856.18	91,230.68	459,086.85	0.00	17,190,507.19	0.00
2AR	32051GV69	Senior	Var-30/360	0.00	6.235024	0.00	0.41	0.41	0.00	0.00	0.00
B1	32051GV77	Junior	Var-30/360	13,898,530.36	6.228494	1,636.28	72,139.09	73,775.38	0.00	13,896,894.07	0.00
B2	32051GV85	Junior	Var-30/360	5,306,711.59	6.228494	624.76	27,544.02	28,168.78	0.00	5,306,086.83	0.00
B3	32051GV93	Junior	Var-30/360	4,043,208.83	6.228494	476.01	20,985.92	21,461.93	0.00	4,042,732.82	0.00
B4	32051GW27	Junior	Var-30/360	2,779,706.07	6.228494	327.26	14,427.82	14,755.08	0.00	2,779,378.81	0.00
B5	32051GW35	Junior	Var-30/360	2,021,604.42	6.228494	238.00	10,492.96	10,730.96	0.00	2,021,366.41	0.00
B6	32051GW43	Junior	Var-30/360	1,769,678.21	6.228494	208.35	9,185.36	9,393.70	-0.00	1,769,469.86	0.00
Totals				402,308,639.81		8,047,222.41	2,088,087.14	10,135,309.53	0.00	394,261,417.37	0.00

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Principal Distribution Detail

Class	Cusip	Original Certificate Balance	Beginning Certificate Balance	Scheduled Principal Distribution	Accretion Principal	Unscheduled Principal Adjustments	Net Principal Distribution	Current Realized Losses	Ending Certificate Balance	Ending Certificate Factor
1A1	32051GV28	230,020,000.00	185,285,213.97	4,107,542.17	0.00	0.00	4,107,542.17	0.00	181,177,671.80	0.78766051561
1A2	32051GV36	14,425,000.00	11,619,594.87	257,591.93	0.00	0.00	257,591.93	0.00	11,362,002.94	0.78766051561
2A1	32051GV44	208,540,000.00	158,026,028.12	3,310,721.47	0.00	0.00	3,310,721.47	0.00	154,715,306.64	0.74189750955
2A2	32051GV51	23,171,000.00	17,558,363.37	367,856.18	0.00	0.00	367,856.18	0.00	17,190,507.19	0.74189750955
2AR	32051GV69	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00000000000
B1	32051GV77	13,915,000.00	13,898,530.36	1,636.28	0.00	0.00	1,636.28	0.00	13,896,894.07	0.99869881944
B2	32051GV85	5,313,000.00	5,306,711.59	624.76	0.00	0.00	624.76	0.00	5,306,086.83	0.99869881944
B3	32051GV93	4,048,000.00	4,043,208.83	476.01	0.00	0.00	476.01	0.00	4,042,732.82	0.99869881944
B4	32051GW27	2,783,000.00	2,779,706.07	327.26	0.00	0.00	327.26	0.00	2,779,378.81	0.99869881944
B5	32051GW35	2,024,000.00	2,021,604.42	238.00	0.00	0.00	238.00	0.00	2,021,366.41	0.99869881944
B6	32051GW43	1,771,775.26	1,769,678.21	208.35	0.00	0.00	208.35	-0.00	1,769,469.86	0.99869881944
Totals		506,010,875.26	402,308,639.81	8,047,222.41	0.00	0.00	8,047,222.41	0.00	394,261,417.37	

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Interest Distribution Detail

Class	Beginning Certificate Balance	Pass Through Rate (%)	Effective Coupon (%)	Current Interest	Deferred Interest	Total Interest Due	Net Interest Shortfall	Interest Paid
1A1	185,285,213.97	6.222301	6.222301	960,750.34	0.00	960,750.34	0.00	960,750.34
1A2	11,619,594.87	6.222301	6.222301	60,250.52	0.00	60,250.52	0.00	60,250.52
2A1	158,026,028.12	6.235024	6.235024	821,080.02	0.00	821,080.02	0.00	821,080.02
2A2	17,558,363.37	6.235024	6.235024	91,230.68	0.00	91,230.68	0.00	91,230.68
2AR	0.00	6.235024	0.000000	0.00	0.00	0.00	0.00	0.41
B1	13,898,530.36	6.228494	6.228494	72,139.09	0.00	72,139.09	0.00	72,139.09
B2	5,306,711.59	6.228494	6.228494	27,544.02	0.00	27,544.02	0.00	27,544.02
B3	4,043,208.83	6.228494	6.228494	20,985.92	0.00	20,985.92	0.00	20,985.92
B4	2,779,706.07	6.228494	6.228494	14,427.82	0.00	14,427.82	0.00	14,427.82
B5	2,021,604.42	6.228494	6.228494	10,492.96	0.00	10,492.96	0.00	10,492.96
B6	1,769,678.21	6.228494	6.228494	9,185.36	0.00	9,185.36	0.00	9,185.36
Totals	402,308,639.81			2,088,086.73	0.00	2,088,086.73	0.00	2,088,087.14

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Current Payment Information
Factors per \$1,000

Class	Cusip	Original Certificate Balance	Beginning Certificate Balance	Principal Distribution	Interest Distribution	Ending Certificate Balance	Pass Through Rate (%)
1A1	32051GV28	230,020,000.00	805.517841775	17.857326167	4.176812184	787.660515608	6.222301
1A2	32051GV36	14,425,000.00	805.517841775	17.857326167	4.176812184	787.660515608	6.222301
2A1	32051GV44	208,540,000.00	757.773223916	15.875714366	3.937278316	741.897509550	6.235024
2A2	32051GV51	23,171,000.00	757.773223916	15.875714366	3.937278316	741.897509550	6.235024
2AR	32051GV69	100.00	0.000000000	0.000000000	4.148968748	0.000000000	6.235024
B1	32051GV77	13,915,000.00	998.816410803	0.117591360	5.184268218	998.698819443	6.228494
B2	32051GV85	5,313,000.00	998.816410803	0.117591360	5.184268218	998.698819443	6.228494
B3	32051GV93	4,048,000.00	998.816410803	0.117591360	5.184268218	998.698819443	6.228494
B4	32051GW27	2,783,000.00	998.816410803	0.117591360	5.184268218	998.698819443	6.228494
B5	32051GW35	2,024,000.00	998.816410803	0.117591360	5.184268218	998.698819443	6.228494
B6	32051GW43	1,771,775.26	998.816410803	0.117591360	5.184268218	998.698819443	6.228494
Totals		506,010,875.26	795.059275363	15.903259798	4.126565736	779.156015505	

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Pool Level Data			
Distribution Date			01/25/07
Cut-off Date			02/01/06
Record Date			12/29/06
Determination Date			01/20/07
Accrual Period 30/360	Begin		12/01/06
	End		01/01/07
Number of Days in 30/360 Accrual Period			30

Collateral Detail

Original Mortgage Loan Details

	Group I	Group II	Total
Original Aggregate Loan Count	1,280	758	2,038
Original Stated Principal Balance	259,771,201.78	246,239,673.48	506,010,875.26
Original Weighted Average Mortgage Rate	6.64180%	6.66353%	
Original Weighted Average Net Mortgage Rate	6.26680%	6.28853%	
Original Weighted Average Remaining Term	359	359	

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Current Mortgage Loan Details

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Beginning Aggregate Loan Count	1,068	606	1,674
Loans Paid Off or otherwise removed pursuant to the PSA	<u>19</u>	<u>13</u>	<u>32</u>
Ending Aggregate Loan Count	1,049	593	1,642
Beginning Pool Stated Principal Balance	212,209,656.37	190,098,983.42	402,308,639.79
Scheduled Principal	29,073.29	18,517.44	47,590.73
Unscheduled Principal	4,338,157.61	3,661,474.07	7,999,631.68
Realized Principal Losses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Pool Stated Principal Balance	207,842,425.47	186,418,991.91	394,261,417.38
Beginning Weighted Average Mortgage Rate	6.59730%	6.61002%	
Beginning Weighted Average Net Mortgage Rate	6.22230%	6.23502%	
Ending Weighted Average Mortgage Rate	6.59544%	6.60334%	
Ending Weighted Average Net Mortgage Rate	6.22044%	6.22834%	
Beginning Weighted Average Remaining Term to Maturity	349	349	
Ending Weighted Average Remaining Term to Maturity	348	348	

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Delinquency Information

Delinquency Information

	30-59 Days				60-89 Days				90+ Days			
	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %
Group 1	32	3.05052%	6,316,430.09	3.03905%	7	0.66730%	1,639,800.09	0.78896%	2	0.19066%	288,779.90	0.13894%
Group 2	15	2.52951%	4,932,462.62	2.64590%	8	1.34907%	3,345,032.82	1.79436%	1	0.16863%	144,000.00	0.07725%
Total	47	2.86236%	11,248,892.71	2.85316%	15	0.91352%	4,984,832.91	1.26435%	3	0.18270%	432,779.90	0.10977%

	Foreclosure				Bankruptcy				REO			
	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %
Group 1	2	0.19066%	324,000.00	0.15589%	0	0.00000%	0.00	0.00000%	1	0.09533%	163,200.00	0.07852%
Group 2	3	0.50590%	1,455,910.40	0.78099%	1	0.16863%	424,000.00	0.22744%	1	0.16863%	1,260,000.00	0.67590%
Total	5	0.30451%	1,779,910.40	0.45145%	1	0.06090%	424,000.00	0.10754%	2	0.12180%	1,423,200.00	0.36098%

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
60+ Delinquency, Foreclosure, REO and Bankruptcy	2,415,779.99	6,628,943.22	9,044,723.21

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Available Funds

Interest

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Scheduled Interest	1,165,227.43	1,043,493.70	2,208,721.13
Plus: Compensating Interest	1,448.72	3,638.72	5,087.44
Less: Master Servicer Fee	<u>65,608.15</u>	<u>58,772.27</u>	<u>124,380.42</u>
Total Interest Available	1,101,068.01	988,360.15	2,089,428.16

Principal

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Scheduled Principal	29,073.29	18,517.44	47,590.73
Paid in Full Principal	4,255,706.40	3,651,839.61	7,907,546.01
Curtailment Principal	82,451.21	9,634.46	92,085.67
Liquidation Principal	0.00	0.00	0.00
Repurchased Principal	0.00	0.00	0.00
Substitution Adjustment Principal	0.00	0.00	0.00
Unanticipated Principal Recoveries	0.00	0.00	0.00
Remaining Amounts in Supplemental Account	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Principal Available	<u>4,367,230.90</u>	<u>3,679,991.51</u>	<u>8,047,222.41</u>

Total Available Funds	5,468,298.91	4,668,351.66	10,136,650.57
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Principal Distribution Amounts

Senior and Subordinate Percentages

	<u>Group I</u>	<u>Group II</u>
Senior Percentage Original	94.10012%	94.09982%
Senior Prepayment Percentage Original	100.00000%	100.00000%
Senior Percentage	92.78786%	92.36472%
Senior Prepayment Percentage	100.00000%	100.00000%
Subordinate Percentages	7.21214%	7.63528%
Subordinate Prepayment Percentage	0.00000%	0.00000%

Principal Distribution Amounts

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Senior Principal Distribution Amount	4,365,134.09	3,678,577.65	8,043,711.75
Subordinate Principal Distribution Amount	<u>2,096.81</u>	<u>1,413.86</u>	<u>3,510.66</u>
Total Principal Distribution Amount	4,367,230.90	3,679,991.51	8,047,222.41

Conditions for Senior Prepayment Interest Shifting

Delinquency Test Pass	YES
Loss Test Pass	YES

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Distribution Account				
		<u>Group I</u>	<u>Group II</u>	<u>Total</u>
	Beginning Balance	0.00	0.00	0.00
Deposits	Available Funds	5,468,298.91	4,668,351.66	10,136,650.57
	Other Deposits Required by the PSA	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Total Deposits	5,468,298.91	4,668,351.66	10,136,650.57
Withdrawals	To the Trustee,	707.37	633.66	1,341.03
	To the Senior Classes	5,386,134.95	4,590,888.76	9,977,023.71
	To the Subordinate Classes	<u>81,456.59</u>	<u>76,829.23</u>	<u>158,285.83</u>
	Total Withdrawals	<u>5,468,298.91</u>	<u>4,668,351.66</u>	<u>10,136,650.57</u>
	Ending Balance	0.00	0.00	0.00

Fees of the Trust				
		<u>Group I</u>	<u>Group II</u>	<u>Total</u>
	Gross Master Servicing Fee	65,608.15	58,772.27	124,380.42
	Net Master Servicing Fee	64,159.43	55,133.55	119,292.98
	Trustee Fee	707.37	633.66	1,341.03
	Bond Insurance Premium	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Total Net Loan Fees	64,866.79	55,767.21	120,634.01

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Mortgage Prepayment Details

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Principal Balance of Loans Paid in Full	4,255,706.40	3,651,839.61	7,907,546.01
Prepayment Interest Excess (to Master Servicer)	0.00	0.00	0.00
Prepayment Interest Shortfall	1,448.72	3,638.72	5,087.44
Compensating Interest	1,448.72	3,638.72	5,087.44
Non-Supported Prepayment Interest Shortfall	0.00	0.00	0.00
CPR %	21.95542%	20.81699%	
SMM %	2.04456%	1.92628%	

Loan Substitution

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Aggregate Stated of Principal Balances Removed	0.00	0.00	0.00
Aggregate Stated of Principal Balance Added	0.00	0.00	0.00
Aggregate Principal Substitution Shortfall Amount	0.00	0.00	0.00

Net Interest Shortfalls

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Net Prepayment Interest Shortfalls	0.00	0.00	0.00
Relief Act Reduction Shortfalls	0.00	0.00	0.00
Total Net Interest Shortfalls	0.00	0.00	0.00

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Servicer Advances

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Principal Advances	905.21	263.57	1,168.78
Interest Advances	<u>32,060.70</u>	<u>44,008.52</u>	<u>76,069.22</u>
Total Advances	<u>32,965.91</u>	<u>44,272.09</u>	<u>77,238.00</u>

Advances made regarding the Mortgage Loans other than for Delinquent Principal and Interest

NONE

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Realized Loss Detail

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Current Period Realized Losses	0.00	0.00	0.00
Cumulative Realized Losses	0.00	0.00	0.00
Total Liquidated Loan Balance	0.00	0.00	0.00
Total Liquidated Proceeds	0.00	0.00	0.00
Subsequent Recoveries	0.00	0.00	0.00

<u>Loan ID</u>	<u>Liquidation Balance</u>	<u>Liquidation Proceeds</u>	<u>Realized Loss</u>	<u>Date</u>
<u>Group I</u>	N/A			
<u>Group II</u>	N/A			

Bankruptcy, Fraud and Special Hazard Coverage Amounts

Original Bankruptcy Loss Limit	150,000.00
Original Bankruptcy Loss Limit %	0.030%
Current Bankruptcy Loss Limit	150,000.00
Current Bankruptcy Loss Limit %	0.038%
Original Special Hazard Loss Limit	5,060,109.00
Original Special Hazard Loss Limit %	1.000%
Current Special Hazard Loss Limit	3,942,614.17
Current Special Hazard Loss Limit %	1.000%
Original Fraud Loss Limit	10,120,218.00
Original Fraud Loss Limit %	2.000%
Current Fraud Loss Limit	10,120,218.00
Current Fraud Loss Limit %	2.567%

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Credit Enhancements

Subordination

Credit Support

	<u>Original</u>	<u>Current</u>
Class A	476,156,100.00	364,445,488.57
Class A Percentage	94.099974%	92.437523%
Class B1	13,915,000.00	13,896,894.07
Class B1 Percentage	2.749941%	3.524792%
Class B2	5,313,000.00	5,306,086.83
Class B2 Percentage	1.049977%	1.345830%
Class B3	4,048,000.00	4,042,732.82
Class B3 Percentage	0.799983%	1.025394%
Class B4	2,783,000.00	2,779,378.81
Class B4 Percentage	0.549988%	0.704958%
Class B5	2,024,000.00	2,021,366.41
Class B5 Percentage	0.399991%	0.512697%
Class B6	1,771,775.26	1,769,469.86
Class B6 Percentage	0.350146%	0.448806%

Material Changes to Pool Assets Disclosure

Material Modifications, extensions or waivers to pool asset terms, fees, penalties or payments
Material breaches of pool asset representations or warranties or transaction covenants

NONE
NONE

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New York, NY 10286

Officer: Kelly Crosson
212-815-3235

Associate: William J. Herrmann
212-815-7080

First Horizon Asset Securities Inc.
First Horizon Alternative Mortgage Securities Trust 2006-AA1
Mortgage Pass-Through Certificates, Series 2006-AA1
The Bank of New York, as Trustee