



## **PART I – DISTRIBUTION INFORMATION**

### **ITEM 1 – Distribution and Pool Performance Information.**

The response to Item 1 is set forth in part herein and in part in Exhibit 99.1.

Introductory and explanatory information regarding the material terms, parties and distributions described in Exhibit 99.1 is included in the Prospectus Supplement dated May 24, 2006 relating to the Home Equity Loan Trust 2006-HSA3 Home Equity Loan-Backed Term Notes, Series 2006-HSA3, Class A, dated May 24, 2006, and related Prospectus dated May 17, 2006 (collectively, the “Prospectus”), of the Home Equity Loan Trust 2006-HSA3 (the “Issuing Entity”) filed with the Securities and Exchange Commission pursuant to Rule 424(b)(5) under the Securities Act of 1933.

## **PART II – OTHER INFORMATION**

### **ITEM 2 – Legal Proceedings**

Nothing to report.

### **ITEM 3 – Sales of Securities and Use of Proceeds.**

Nothing to report.

### **ITEM 4 – Defaults Upon Senior Securities.**

Nothing to report.

### **ITEM 5 – Submission of Matters to a Vote of Security Holders.**

Nothing to report.

### **ITEM 6 – Significant Obligors of Pool Assets.**

Inapplicable.

### **ITEM 7 – Significant Enhancement Provider Information.**

Nothing to report.

### **ITEM 8 – Other Information.**

Nothing to report.

## ITEM 9 – Exhibits

(a) Documents filed as part of this report.

Exhibit 99.1 December 2006 Monthly Statement to Noteholders

(b) Exhibits required by Form 10-D and Item 601 of Regulation S-K.

Exhibit 4.3 Servicing Agreement dated as of May 25, 2006 among Residential Funding Corporation, as master servicer, JPMorgan Chase Bank, N.A., as indenture trustee, and the Home Equity Loan Trust 2006-HSA3, as issuer (incorporated by reference to the exhibit with the same numerical designation included in the Report on Form 8-K filed by the Issuing Entity with the Securities and Exchange Commission on June 9, 2006).

Exhibit 4.4 Amended and Restated Trust Agreement dated as of May 25, 2006 between Residential Funding Mortgage Securities II, Inc., as depositor, and Wilmington Trust Company, as owner trustee (incorporated by reference to the exhibit with the same numerical designation included in the Report on Form 8-K/A filed by the Issuing Entity with the Securities and Exchange Commission on June 12, 2006).

Exhibit 4.5 Indenture dated as of May 25, 2006 between Home Equity Loan Trust 2006-HSA3, as issuer, and JPMorgan Chase Bank, N.A., as indenture trustee, and Appendix A thereto (incorporated by reference to the exhibit with the same numerical designation included in the Report on Form 8-K filed by the Issuing Entity with the Securities and Exchange Commission on June 9, 2006).

Exhibit 10.1 Home Equity Loan Purchase Agreement dated as of May 25, 2006 by Residential Funding Mortgage Securities II, Inc., as purchaser, and Residential Funding Corporation, as seller (incorporated by reference to the exhibit with the same numerical designation included in the Report on Form 8-K filed by the Issuing Entity with the Securities and Exchange Commission on June 9, 2006).

Exhibit 10.2 Financial Guaranty Surety Bond issued by Financial Security Assurance Inc. relating to Home Equity Loan-Backed Notes, Series 2006-HSA3 (incorporated by reference to the exhibit with the same numerical designation included in the Report on Form 8-K filed by the Issuing Entity with the Securities and Exchange Commission on June 9, 2006).

Exhibit 99.1 December 2006 Monthly Statement to Noteholders

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: December 26, 2006

Home Equity Loan Trust 2006-HSA3  
(Issuing entity)

By: Residential Funding Company, LLC,  
as Master Servicer

By: /s/ Darsi Meyer  
Name: Darsi Meyer  
Title: Director

EXHIBIT 99.1 -- MONTHLY STATEMENT TO NOTEHOLDERS