



101 Barclay Street, 8W
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-AA2
Mortgage Pass-Through Certificates, Series 2006-AA2

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
I-A-1	32051GW50	Senior	Var-30/360	6,754,561.58	6.188735	883.05	34,835.16	35,718.21	0.00	6,753,678.52	0.00
I-A-2	32051GW68	Senior	Var-30/360	389,240.02	6.188735	50.89	2,007.42	2,058.31	0.00	389,189.14	0.00
II-A-1	32051GW76	Senior	Var-30/360	199,167,845.97	6.239369	3,744,954.26	1,035,568.05	4,780,522.31	0.00	195,422,891.71	0.00
II-A-2	32051GW84	Senior	Var-30/360	11,480,157.74	6.239369	215,861.48	59,690.78	275,552.26	0.00	11,264,296.26	0.00
II-A-R	32051GW92	Senior	Fix-30/360	0.00	6.239369	0.00	0.00	0.00	0.00	0.00	0.00
B-1	32051GX26	Junior	Var-30/360	7,097,484.64	6.236954	748.50	36,888.90	37,637.41	0.00	7,096,736.13	0.00
B-2	32051GX34	Junior	Var-30/360	2,593,715.34	6.236954	273.53	13,480.74	13,754.27	0.00	2,593,441.81	0.00
B-3	32051GX42	Junior	Var-30/360	1,911,053.46	6.236954	201.54	9,932.63	10,134.17	0.00	1,910,851.92	0.00
B-4	32051GX59	Junior	Var-30/360	1,365,323.76	6.236954	143.99	7,096.22	7,240.21	0.00	1,365,179.77	0.00
B-5	32051GX67	Junior	Var-30/360	1,091,459.40	6.236954	115.11	5,672.82	5,787.92	0.00	1,091,344.30	0.00
B-6	32051GX75	Junior	Var-30/360	819,814.66	6.236954	86.46	4,260.96	4,347.41	0.00	819,728.20	0.00
Totals				232,670,656.57		3,963,318.81	1,209,433.68	5,172,752.48	0.00	228,707,337.76	0.00



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Principal Distribution Detail

Class	Cusip	Original Certificate Balance	Beginning Certificate Balance	Scheduled Principal Distribution	Unscheduled Principal Adjustments	Net Principal Distribution	Current Realized Losses	Ending Certificate Balance	Ending Certificate Factor
I-A-1	32051GW50	11,644,000.00	6,754,561.58	883.05	0.00	883.05	0.00	6,753,678.52	0.58001361427
I-A-2	32051GW68	671,000.00	389,240.02	50.89	0.00	50.89	0.00	389,189.14	0.58001361427
II-A-1	32051GW76	232,527,000.00	199,167,845.97	3,744,954.26	0.00	3,744,954.26	0.00	195,422,891.71	0.84043096804
II-A-2	32051GW84	13,403,000.00	11,480,157.74	215,861.48	0.00	215,861.48	0.00	11,264,296.26	0.84043096804
II-A-R	32051GW92	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00000000000
B-1	32051GX26	7,101,000.00	7,097,484.64	748.50	0.00	748.50	0.00	7,096,736.13	0.99939954003
B-2	32051GX34	2,595,000.00	2,593,715.34	273.53	0.00	273.53	0.00	2,593,441.81	0.99939954003
B-3	32051GX42	1,912,000.00	1,911,053.46	201.54	0.00	201.54	0.00	1,910,851.92	0.99939954003
B-4	32051GX59	1,366,000.00	1,365,323.76	143.99	0.00	143.99	0.00	1,365,179.77	0.99939954003
B-5	32051GX67	1,092,000.00	1,091,459.40	115.11	0.00	115.11	0.00	1,091,344.30	0.99939954003
B-6	32051GX75	820,220.71	819,814.66	86.46	0.00	86.46	0.00	819,728.20	0.99939954003
Totals		273,131,320.71	232,670,656.57	3,963,318.81	0.00	3,963,318.81	0.00	228,707,337.76	



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Interest Distribution Detail

Class	Beginning Certificate Balance	Pass Through Rate (%)	Current Interest	Total Interest Due	Net Interest Shortfall	Interest Paid
I-A-1	6,754,561.58	6.188735	34,835.16	34,835.16	0.00	34,835.16
I-A-2	389,240.02	6.188735	2,007.42	2,007.42	0.00	2,007.42
II-A-1	199,167,845.97	6.239369	1,035,568.05	1,035,568.05	0.00	1,035,568.05
II-A-2	11,480,157.74	6.239369	59,690.78	59,690.78	0.00	59,690.78
II-A-R	0.00	6.239369	0.00	0.00	0.00	0.00
B-1	7,097,484.64	6.236954	36,888.90	36,888.90	0.00	36,888.90
B-2	2,593,715.34	6.236954	13,480.74	13,480.74	0.00	13,480.74
B-3	1,911,053.46	6.236954	9,932.63	9,932.63	0.00	9,932.63
B-4	1,365,323.76	6.236954	7,096.22	7,096.22	0.00	7,096.22
B-5	1,091,459.40	6.236954	5,672.82	5,672.82	0.00	5,672.82
B-6	819,814.66	6.236954	4,260.96	4,260.96	0.00	4,260.96
Totals	232,670,656.57		1,209,433.68	1,209,433.68	0.00	1,209,433.68



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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 (%)
I-A-1	32051GW50	11,644,000.00	580.089451893	0.075837624	2.991683317	580.013614269	6.188735
I-A-2	32051GW68	671,000.00	580.089451893	0.075837624	2.991683317	580.013614269	6.188735
II-A-1	32051GW76	232,527,000.00	856.536427892	16.105459852	4.453538932	840.430968040	6.239369
II-A-2	32051GW84	13,403,000.00	856.536427892	16.105459852	4.453538932	840.430968040	6.239369
II-A-R	32051GW92	100.00	0.000000000	0.000000000	0.000000000	0.000000000	6.239369
B-1	32051GX26	7,101,000.00	999.504948128	0.105408101	5.194888462	999.399540027	6.236954
B-2	32051GX34	2,595,000.00	999.504948128	0.105408101	5.194888462	999.399540027	6.236954
B-3	32051GX42	1,912,000.00	999.504948128	0.105408101	5.194888462	999.399540027	6.236954
B-4	32051GX59	1,366,000.00	999.504948128	0.105408101	5.194888462	999.399540027	6.236954
B-5	32051GX67	1,092,000.00	999.504948128	0.105408101	5.194888462	999.399540027	6.236954
B-6	32051GX75	820,220.71	999.504948128	0.105408101	5.194888462	999.399540027	6.236954
Totals		273,131,320.71	851.863696793	14.510671276	4.428029993	837.353025517	



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Pool Level Data

Distribution Date		9/25/06
Cut-off Date		3/ 1/06
Record Date		8/31/06
Determination Date		9/20/06
Accrual Period 30/360	Begin	8/ 1/06
	End	9/ 1/06
Number of Days in 30/360 Accrual Period		30

Collateral Detail

Original Mortgage Loan Details

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Original Aggregate Loan Count	45	1,000	1,045
Original Stated Principal Balance	13,025,093.39	260,106,227.34	273,131,320.73
Original Weighted Average Mortgage Rate	6.65319%	6.66382%	
Original Weighted Average Net Mortgage Rate	6.27819%	6.28882%	
Original Weighted Average Remaining Term	360	360	



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Current Mortgage Loan Details

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Beginning Aggregate Loan Count	30	900	930
Loans Paid Off or otherwise removed pursuant to the PSA	0	15	15
Ending Aggregate Loan Count	30	885	915
Beginning Pool Stated Principal Balance	7,853,485.53	224,817,171.06	232,670,656.59
Scheduled Principal	917.05	23,581.94	24,498.99
Unscheduled Principal	99.76	3,938,720.06	3,938,819.82
Realized Principal Losses	0.00	0.00	0.00
Ending Pool Stated Principal Balance	7,852,468.72	220,854,869.06	228,707,337.78
Beginning Weighted Average Mortgage Rate	6.56374%	6.61437%	
Beginning Weighted Average Net Mortgage Rate	6.18874%	6.23937%	
Ending Weighted Average Mortgage Rate	6.56368%	6.61326%	
Ending Weighted Average Net Mortgage Rate	6.18868%	6.23826%	
Beginning Weighted Average Remaining Term to Maturity	353	355	
Ending Weighted Average Remaining Term to Maturity	352	354	



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Delinquency Information

Delinquency Information

	30-59 Days				60-89 Days				90+ Days			
	Count	Count %	Balance	Balance %	Count	Count %	Balance	Balance %	Count	Count %	Balance	Balance %
Group 1	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%
Group 2	8	0.90395%	2,290,742.07	1.03722%	9	1.01695%	2,641,024.00	1.19582%	0	0.00000%	0.00	0.00000%
Total	8	0.87432%	2,290,742.07	1.00160%	9	0.98361%	2,641,024.00	1.15476%	0	0.00000%	0.00	0.00000%

	Foreclosure				Bankruptcy				REO			
	Count	Count %	Balance	Balance %	Count	Count %	Balance	Balance %	Count	Count %	Balance	Balance %
Group 1	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%
Group 2	3	0.33898%	684,300.00	0.30984%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%
Total	3	0.32787%	684,300.00	0.29920%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%

60+ Delinquency, Foreclosure, REO and Bankruptcy

<u>Group I</u>	<u>Group II</u>	<u>Total</u>
0.00	3,325,324.00	3,325,324.00



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Available Funds

Interest

	Group I	Group II	Total
Scheduled Interest	42,956.84	1,233,730.48	1,276,687.32
Plus: Compensating Interest	0.00	5,456.24	5,456.24
Less: Master Servicer Fee	<u>2,414.95</u>	<u>69,131.28</u>	<u>71,546.23</u>
Less: Trustee Fee	39.27	1,124.09	1,163.35
Total Interest Available	40,502.63	1,168,931.35	1,209,433.97

Principal

	Group I	Group II	Total
Scheduled Principal	917.05	23,581.94	24,498.99
Paid in Full Principal	0.00	3,931,306.06	3,931,306.06
Curtailment Principal	99.76	7,414.00	7,513.76
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>1,016.81</u>	<u>3,962,302.00</u>	<u>3,963,318.81</u>

Total Available Funds

41,519.44 5,131,233.35 5,172,752.78



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Principal Distribution Amounts

Senior and Subordinate Percentages

	Group I	Group II
Senior Percentage Original	94.54827%	94.54987%
Senior Prepayment Percentage Original	100.00000%	100.00000%
Senior Percentage	90.96345%	93.69747%
Senior Prepayment Percentage	100.00000%	100.00000%
Subordinate Percentages	9.03655%	6.30253%
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	933.94	3,960,815.74	3,961,749.68
Subordinate Principal Distribution Amount	<u>82.87</u>	<u>1,486.26</u>	<u>1,569.13</u>
Total Principal Distribution Amount	1,016.81	3,962,302.00	3,963,318.81

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	41,519.44	5,131,233.35	5,172,752.78
	Other Deposits Required by the PSA	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Total Deposits	41,519.44	5,131,233.35	5,172,752.78
Withdrawals	To the Senior Classes	37,776.52	5,056,074.57	5,093,851.09
	To the Subordinate Classes	<u>3,742.92</u>	<u>75,158.78</u>	<u>78,901.69</u>
	Total Withdrawals	<u>41,519.44</u>	<u>5,131,233.35</u>	<u>5,172,752.78</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	2,414.95	69,131.28	71,546.23
Net Master Servicing Fee	2,414.95	63,675.04	66,089.99
Trustee Fee	39.27	1,124.09	1,163.35
Bond Insurance Premium	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Net Loan Fees	2,454.21	64,799.13	67,253.34



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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	0.00	3,931,306.06	3,931,306.06
Prepayment Interest Excess (to Master Servicer)	0.00	0.00	0.00
Prepayment Interest Shortfall	0.00	5,456.24	5,456.24
Compensating Interest	0.00	5,456.24	5,456.24
Non-Supported Prepayment Interest Shortfall	0.00	0.00	0.00
CPR %	0.01524%	19.11338%	
SMM %	0.00127%	1.75215%	

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			
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	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Principal Advances	0.00	0.00	0.00
Interest Advances	<u>0.00</u>	<u>22,300.11</u>	<u>22,300.11</u>
Total Advances	0.00	22,300.11	22,300.11

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

Bankruptcy, Fraud and Special Hazard Coverage Amounts

Original Bankruptcy Loss Limit	150,000.00
Original Bankruptcy Loss Limit %	0.055%
Current Bankruptcy Loss Limit	150,000.00
Current Bankruptcy Loss Limit %	0.066%
Original Special Hazard Loss Limit	2,731,313.00
Original Special Hazard Loss Limit %	1.000%
Current Special Hazard Loss Limit	2,287,073.38
Current Special Hazard Loss Limit %	1.000%
Original Fraud Loss Limit	5,462,626.00
Original Fraud Loss Limit %	2.000%
Current Fraud Loss Limit	5,462,626.00
Current Fraud Loss Limit %	2.388%



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Credit Enhancements

Subordination

Credit Support

	Original	Current
Class A	258,245,100.00	213,830,055.63
Class A Percentage	94.549794%	93.495057%
Class B-1	7,101,000.00	7,096,736.13
Class B-1 Percentage	2.599848%	3.102977%
Class B-2	2,595,000.00	2,593,441.81
Class B-2 Percentage	0.950092%	1.133957%
Class B-3	1,912,000.00	1,910,851.92
Class B-3 Percentage	0.700030%	0.835501%
Class B-4	1,366,000.00	1,365,179.77
Class B-4 Percentage	0.500126%	0.596911%
Class B-5	1,092,000.00	1,091,344.30
Class B-5 Percentage	0.399808%	0.477179%
Class B-6	820,220.71	819,728.20
Class B-6 Percentage	0.300303%	0.358418%

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
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