



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-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	6,753,678.52	6.188683	267,720.11	34,830.31	302,550.42	0.00	6,485,958.41	0.00
I-A-2	32051GW68	Senior	Var-30/360	389,189.14	6.188683	15,427.70	2,007.14	17,434.84	0.00	373,761.43	0.00
II-A-1	32051GW76	Senior	Var-30/360	195,422,891.71	6.238255	4,777,312.26	1,015,914.89	5,793,227.15	0.00	190,645,579.44	0.00
II-A-2	32051GW84	Senior	Var-30/360	11,264,296.26	6.238255	275,367.23	58,557.96	333,925.19	0.00	10,988,929.03	0.00
II-A-R	32051GW92	Senior	Fix-30/360	0.00	6.238255	0.00	0.00	0.00	0.00	0.00	0.00
B-1	32051GX26	Junior	Var-30/360	7,096,736.13	6.235891	748.57	36,878.73	37,627.30	0.00	7,095,987.56	0.00
B-2	32051GX34	Junior	Var-30/360	2,593,441.81	6.235891	273.56	13,477.02	13,750.58	0.00	2,593,168.25	0.00
B-3	32051GX42	Junior	Var-30/360	1,910,851.92	6.235891	201.56	9,929.89	10,131.44	0.00	1,910,650.36	0.00
B-4	32051GX59	Junior	Var-30/360	1,365,179.77	6.235891	144.00	7,094.26	7,238.26	0.00	1,365,035.77	0.00
B-5	32051GX67	Junior	Var-30/360	1,091,344.30	6.235891	115.12	5,671.25	5,786.37	0.00	1,091,229.18	0.00
B-6	32051GX75	Junior	Var-30/360	819,728.20	6.235891	86.47	4,259.78	4,346.25	0.00	819,641.73	0.00
Totals				228,707,337.76		5,337,396.58	1,188,621.23	6,526,017.80	0.00	223,369,941.16	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	6,753,678.52	267,720.11	0.00	267,720.11	0.00	6,485,958.41	0.55702150562
I-A-2	32051GW68	671,000.00	389,189.14	15,427.70	0.00	15,427.70	0.00	373,761.43	0.55702150562
II-A-1	32051GW76	232,527,000.00	195,422,891.71	4,777,312.26	0.00	4,777,312.26	0.00	190,645,579.44	0.81988577432
II-A-2	32051GW84	13,403,000.00	11,264,296.26	275,367.23	0.00	275,367.23	0.00	10,988,929.03	0.81988577432
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	7,096,736.13	748.57	0.00	748.57	0.00	7,095,987.56	0.99929412243
B-2	32051GX34	2,595,000.00	2,593,441.81	273.56	0.00	273.56	0.00	2,593,168.25	0.99929412243
B-3	32051GX42	1,912,000.00	1,910,851.92	201.56	0.00	201.56	0.00	1,910,650.36	0.99929412243
B-4	32051GX59	1,366,000.00	1,365,179.77	144.00	0.00	144.00	0.00	1,365,035.77	0.99929412243
B-5	32051GX67	1,092,000.00	1,091,344.30	115.12	0.00	115.12	0.00	1,091,229.18	0.99929412243
B-6	32051GX75	820,220.71	819,728.20	86.47	0.00	86.47	0.00	819,641.73	0.99929412243
Totals		273,131,320.71	228,707,337.76	5,337,396.58	0.00	5,337,396.58	0.00	223,369,941.16	



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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	6,753,678.52	6.188683	34,830.31	34,830.31	0.00	34,830.31
I-A-2	389,189.14	6.188683	2,007.14	2,007.14	0.00	2,007.14
II-A-1	195,422,891.71	6.238255	1,015,914.89	1,015,914.89	0.00	1,015,914.89
II-A-2	11,264,296.26	6.238255	58,557.96	58,557.96	0.00	58,557.96
II-A-R	0.00	6.238255	0.00	0.00	0.00	0.00
B-1	7,096,736.13	6.235891	36,878.73	36,878.73	0.00	36,878.73
B-2	2,593,441.81	6.235891	13,477.02	13,477.02	0.00	13,477.02
B-3	1,910,851.92	6.235891	9,929.89	9,929.89	0.00	9,929.89
B-4	1,365,179.77	6.235891	7,094.26	7,094.26	0.00	7,094.26
B-5	1,091,344.30	6.235891	5,671.25	5,671.25	0.00	5,671.25
B-6	819,728.20	6.235891	4,259.78	4,259.78	0.00	4,259.78
Totals	228,707,337.76		1,188,621.23	1,188,621.23	0.00	1,188,621.23



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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	580.013614269	22.992108648	2.991266885	557.021505620	6.188683
I-A-2	32051GW68	671,000.00	580.013614269	22.992108648	2.991266885	557.021505620	6.188683
II-A-1	32051GW76	232,527,000.00	840.430968040	20.545193723	4.369019052	819.885774316	6.238255
II-A-2	32051GW84	13,403,000.00	840.430968040	20.545193723	4.369019052	819.885774316	6.238255
II-A-R	32051GW92	100.00	0.000000000	0.000000000	0.000000000	0.000000000	6.238255
B-1	32051GX26	7,101,000.00	999.399540027	0.105417595	5.193455299	999.294122432	6.235891
B-2	32051GX34	2,595,000.00	999.399540027	0.105417595	5.193455299	999.294122432	6.235891
B-3	32051GX42	1,912,000.00	999.399540027	0.105417595	5.193455299	999.294122432	6.235891
B-4	32051GX59	1,366,000.00	999.399540027	0.105417595	5.193455299	999.294122432	6.235891
B-5	32051GX67	1,092,000.00	999.399540027	0.105417595	5.193455299	999.294122432	6.235891
B-6	32051GX75	820,220.71	999.399540027	0.105417595	5.193455299	999.294122432	6.235891
Totals		273,131,320.71	837.353025517	19.541503209	4.351830566	817.811522235	



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Pool Level Data

Distribution Date		10/25/06
Cut-off Date		3/ 1/06
Record Date		9/29/06
Determination Date		10/20/06
Accrual Period 30/360	Begin	9/ 1/06
	End	10/ 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	



The BANK
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Current Mortgage Loan Details

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
Beginning Aggregate Loan Count	30	885	915
Loans Paid Off or otherwise removed pursuant to the PSA	<u>2</u>	<u>21</u>	<u>23</u>
Ending Aggregate Loan Count	28	864	892
Beginning Pool Stated Principal Balance	7,852,468.72	220,854,869.06	228,707,337.78
Scheduled Principal	851.00	23,263.98	24,114.98
Unscheduled Principal	282,373.72	5,030,907.88	5,313,281.60
Realized Principal Losses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Pool Stated Principal Balance	7,569,244.00	215,800,697.20	223,369,941.20
Beginning Weighted Average Mortgage Rate	6.56368%	6.61326%	
Beginning Weighted Average Net Mortgage Rate	6.18868%	6.23826%	
Ending Weighted Average Mortgage Rate	6.56342%	6.60117%	
Ending Weighted Average Net Mortgage Rate	6.18842%	6.22617%	
Beginning Weighted Average Remaining Term to Maturity	352	354	
Ending Weighted Average Remaining Term to Maturity	351	353	



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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	15	1.73611%	3,307,774.00	1.53279%	0	0.00000%	0.00	0.00000%	5	0.57870%	1,871,400.00	0.86719%
Total	15	1.68161%	3,307,774.00	1.48085%	0	0.00000%	0.00	0.00000%	5	0.56054%	1,871,400.00	0.83780%

	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	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%
Total	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%

	<u>Group I</u>	<u>Group II</u>	<u>Total</u>
60+ Delinquency, Foreclosure, REO and Bankruptcy	0.00	1,871,400.00	1,871,400.00



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Available Funds

Interest

	Group I	Group II	Total
Scheduled Interest	42,700.60	1,214,303.56	1,257,004.16
Plus: Compensating Interest	250.35	2,838.06	3,088.41
Less: Master Servicer Fee	<u>2,414.63</u>	<u>67,912.87</u>	<u>70,327.51</u>
Less: Trustee Fee	39.26	1,104.27	1,143.54
Total Interest Available	40,497.05	1,148,124.47	1,188,621.52

Principal

	Group I	Group II	Total
Scheduled Principal	851.00	23,263.98	24,114.98
Paid in Full Principal	282,274.71	4,999,234.16	5,281,508.87
Curtailment Principal	99.01	31,673.72	31,772.73
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>283,224.72</u>	<u>5,054,171.86</u>	<u>5,337,396.58</u>

Total Available Funds

323,721.77 6,202,296.33 6,526,018.10



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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	90.96334%	93.58507%
Senior Prepayment Percentage	100.00000%	100.00000%
Subordinate Percentages	9.03666%	6.41493%
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	283,147.82	5,052,679.49	5,335,827.31
Subordinate Principal Distribution Amount	<u>76.90</u>	<u>1,492.37</u>	<u>1,569.27</u>
Total Principal Distribution Amount	283,224.72	5,054,171.86	5,337,396.58

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	323,721.77	6,202,296.33	6,526,018.10
	Other Deposits Required by the PSA	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Total Deposits	323,721.77	6,202,296.33	6,526,018.10
Withdrawals	To the Senior Classes	319,985.27	6,127,152.35	6,447,137.62
	To the Subordinate Classes	<u>3,736.50</u>	<u>75,143.98</u>	<u>78,880.49</u>
	Total Withdrawals	<u>323,721.77</u>	<u>6,202,296.33</u>	<u>6,526,018.10</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	2,414.63	67,912.87	70,327.51
Net Master Servicing Fee	2,164.28	65,074.82	67,239.10
Trustee Fee	39.26	1,104.27	1,143.54
Bond Insurance Premium	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Net Loan Fees	2,203.54	66,179.09	68,382.63



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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	282,274.71	4,999,234.16	5,281,508.87
Prepayment Interest Excess (to Master Servicer)	0.00	0.00	0.00
Prepayment Interest Shortfall	250.35	2,838.06	3,088.41
Compensating Interest	250.35	2,838.06	3,088.41
Non-Supported Prepayment Interest Shortfall	0.00	0.00	0.00
CPR %	35.56523%	24.15982%	
SMM %	3.59638%	2.27816%	

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	333.97	333.97
Interest Advances	<u>0.00</u>	<u>27,658.42</u>	<u>27,658.42</u>
Total Advances	0.00	27,992.39	27,992.39

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 %	0.067%
Original Special Hazard Loss Limit	2,731,313.00
Original Special Hazard Loss Limit %	1.000%
Current Special Hazard Loss Limit	2,233,699.41
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 %	2.446%



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Credit Enhancements

Subordination

Credit Support

	Original	Current
Class A	258,245,100.00	208,494,228.32
Class A Percentage	94.549794%	93.340325%
Class B-1	7,101,000.00	7,095,987.56
Class B-1 Percentage	2.599848%	3.176787%
Class B-2	2,595,000.00	2,593,168.25
Class B-2 Percentage	0.950092%	1.160930%
Class B-3	1,912,000.00	1,910,650.36
Class B-3 Percentage	0.700030%	0.855375%
Class B-4	1,366,000.00	1,365,035.77
Class B-4 Percentage	0.500126%	0.611110%
Class B-5	1,092,000.00	1,091,229.18
Class B-5 Percentage	0.399808%	0.488530%
Class B-6	820,220.71	819,641.73
Class B-6 Percentage	0.300303%	0.366944%

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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