



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-FA3**  
**Mortgage Pass-Through Certificates, Series 2006-FA3**

*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
A-1	32051HAA1	Senior	Fix-30/360	19,381,969.45	6.000000	432,552.58	96,909.85	529,462.43	0.00	18,949,416.86	0.00
A-2	32051HAB9	Senior	Fix-30/360	10,000,000.00	6.000000	0.00	50,000.00	50,000.00	0.00	10,000,000.00	0.00
A-3	32051HAC7	Senior	Fix-30/360	112,024,021.25	6.000000	6,746,911.93	560,120.11	7,307,032.04	0.00	105,277,109.31	0.00
A-4	32051HAD5	Senior	Var-30/360	193,819,694.48	5.794380	4,325,525.83	935,887.47	5,261,413.30	0.00	189,494,168.65	0.00
A-5	32051HAE3	Strip IO	Var-30/360	193,819,694.48	0.205620	0.00	33,211.00	33,211.00	0.00	189,494,168.65	0.00
A-6	32051HAF0	Senior	Fix-30/360	103,995,000.00	6.000000	0.00	519,975.00	519,975.00	0.00	103,995,000.00	0.00
A-7	32051HAG8	Senior	Fix-30/360	5,190,000.00	6.000000	0.00	25,950.00	25,950.00	0.00	5,190,000.00	0.00
A-8	32051HAH6	Senior	Fix-30/360	77,000,000.00	6.000000	0.00	385,000.00	385,000.00	0.00	77,000,000.00	0.00
A-9	32051HAJ2	Senior	Fix-30/360	66,502,000.00	6.000000	0.00	332,510.00	332,510.00	0.00	66,502,000.00	0.00
A-10	32051HAK9	Senior	Fix-30/360	4,109,000.00	6.000000	0.00	20,545.00	20,545.00	0.00	4,109,000.00	0.00
A-11	32051HAL7	Senior	Fix-30/360	10,000,000.00	6.000000	0.00	50,000.00	50,000.00	0.00	10,000,000.00	0.00
A-12	32051HAM5	Senior	Fix-30/360	1,287,000.00	6.000000	0.00	6,435.00	6,435.00	0.00	1,287,000.00	0.00
A-13	32051HAN3	Senior	Fix-30/360	12,575,000.00	6.000000	0.00	62,875.00	62,875.00	0.00	12,575,000.00	0.00
A-PO	32051HAP8	Strip PO	Fix-30/360	1,096,428.43	0.000000	869.91	0.00	869.91	0.00	1,095,558.52	0.00
A-R	32051HAY9	Senior	Fix-30/360	0.00	6.000000	0.00	0.00	0.00	0.00	0.00	0.00
B-1A	32051HAQ6	Junior	Fix-30/360	13,613,986.65	6.000000	6,503.12	68,069.93	74,573.05	0.00	13,607,483.53	0.00
B-1B	32051HAR4	Junior	Fix-30/360	996,079.60	6.000000	475.81	4,980.40	5,456.20	0.00	995,603.80	0.00
B-2A	32051HAS2	Junior	Fix-30/360	4,980,497.88	6.000000	2,379.08	24,902.49	27,281.57	0.00	4,978,118.80	0.00
B-2B	32051HAT0	Junior	Fix-30/360	996,079.60	6.000000	475.81	4,980.40	5,456.20	0.00	995,603.80	0.00
B-3	32051HAU7	Junior	Fix-30/360	3,984,418.28	6.000000	1,903.27	19,922.09	21,825.36	0.00	3,982,515.00	0.00
B-4	32051HAV5	Junior	Fix-30/360	2,988,238.81	6.000000	1,427.42	14,941.19	16,368.61	0.00	2,986,811.39	0.00
B-5	32051HAW3	Junior	Fix-30/360	1,992,159.21	6.000000	951.61	9,960.80	10,912.41	0.00	1,991,207.60	0.00
B-6	32051HAX1	Junior	Fix-30/360	1,992,592.08	6.000000	951.82	9,962.96	10,914.78	0.00	1,991,640.26	0.00
Totals				648,524,165.72		11,520,928.19	3,237,138.69	14,758,066.86	0.00	637,003,237.52	0.00



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**First Horizon Asset Securities Inc.**  
**First Horizon Alternative Mortgage Securities Trust 2006-FA3**  
**Mortgage Pass-Through Certificates, Series 2006-FA3**

*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
A-1	32051HAA1	20,000,000.00	19,381,969.45	432,552.58	0.00	432,552.58	0.00	18,949,416.86	0.94747084324
A-2	32051HAB9	10,000,000.00	10,000,000.00	0.00	0.00	0.00	0.00	10,000,000.00	1.00000000000
A-3	32051HAC7	121,664,000.00	112,024,021.25	6,746,911.93	0.00	6,746,911.93	0.00	105,277,109.31	0.86531027514
A-4	32051HAD5	200,000,000.00	193,819,694.48	4,325,525.83	0.00	4,325,525.83	0.00	189,494,168.65	0.94747084324
A-5	32051HAE3	200,000,000.00	193,819,694.48	0.00	0.00	0.00	0.00	189,494,168.65	0.94747084324
A-6	32051HAF0	103,995,000.00	103,995,000.00	0.00	0.00	0.00	0.00	103,995,000.00	1.00000000000
A-7	32051HAG8	5,190,000.00	5,190,000.00	0.00	0.00	0.00	0.00	5,190,000.00	1.00000000000
A-8	32051HAH6	77,000,000.00	77,000,000.00	0.00	0.00	0.00	0.00	77,000,000.00	1.00000000000
A-9	32051HAJ2	66,502,000.00	66,502,000.00	0.00	0.00	0.00	0.00	66,502,000.00	1.00000000000
A-10	32051HAK9	4,109,000.00	4,109,000.00	0.00	0.00	0.00	0.00	4,109,000.00	1.00000000000
A-11	32051HAL7	10,000,000.00	10,000,000.00	0.00	0.00	0.00	0.00	10,000,000.00	1.00000000000
A-12	32051HAM5	1,287,000.00	1,287,000.00	0.00	0.00	0.00	0.00	1,287,000.00	1.00000000000
A-13	32051HAN3	12,575,000.00	12,575,000.00	0.00	0.00	0.00	0.00	12,575,000.00	1.00000000000
A-PO	32051HAP8	1,109,428.21	1,096,428.43	869.91	0.00	869.91	0.00	1,095,558.52	0.98749834385
A-R	32051HAY9	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00000000000
B-1A	32051HAQ6	13,633,400.00	13,613,986.65	6,503.12	0.00	6,503.12	0.00	13,607,483.53	0.99809904579
B-1B	32051HAR4	997,500.00	996,079.60	475.81	0.00	475.81	0.00	995,603.80	0.99809904579
B-2A	32051HAS2	4,987,600.00	4,980,497.88	2,379.08	0.00	2,379.08	0.00	4,978,118.80	0.99809904579
B-2B	32051HAT0	997,500.00	996,079.60	475.81	0.00	475.81	0.00	995,603.80	0.99809904579
B-3	32051HAU7	3,990,100.00	3,984,418.28	1,903.27	0.00	1,903.27	0.00	3,982,515.00	0.99809904579
B-4	32051HAV5	2,992,500.00	2,988,238.81	1,427.42	0.00	1,427.42	0.00	2,986,811.39	0.99809904579
B-5	32051HAW3	1,995,000.00	1,992,159.21	951.61	0.00	951.61	0.00	1,991,207.60	0.99809904579
B-6	32051HAX1	1,995,433.49	1,992,592.08	951.82	0.00	951.82	0.00	1,991,640.26	0.99809904579
Totals		665,020,561.70	648,524,165.72	11,520,928.19	0.00	11,520,928.19	0.00	637,003,237.52	



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**First Horizon Asset Securities Inc.**  
**First Horizon Alternative Mortgage Securities Trust 2006-FA3**  
**Mortgage Pass-Through Certificates, Series 2006-FA3**

*Interest Distribution Detail*

Class	Beginning Certificate Balance	Pass Through Rate (%)	Current Interest	Total Interest Due	Net Interest Shortfall	Interest Paid
A-1	19,381,969.45	6.000000	96,909.85	96,909.85	0.00	96,909.85
A-2	10,000,000.00	6.000000	50,000.00	50,000.00	0.00	50,000.00
A-3	112,024,021.25	6.000000	560,120.11	560,120.11	0.00	560,120.11
A-4	193,819,694.48	5.794380	935,887.47	935,887.47	0.00	935,887.47
A-5	193,819,694.48	0.205620	33,211.00	33,211.00	0.00	33,211.00
A-6	103,995,000.00	6.000000	519,975.00	519,975.00	0.00	519,975.00
A-7	5,190,000.00	6.000000	25,950.00	25,950.00	0.00	25,950.00
A-8	77,000,000.00	6.000000	385,000.00	385,000.00	0.00	385,000.00
A-9	66,502,000.00	6.000000	332,510.00	332,510.00	0.00	332,510.00
A-10	4,109,000.00	6.000000	20,545.00	20,545.00	0.00	20,545.00
A-11	10,000,000.00	6.000000	50,000.00	50,000.00	0.00	50,000.00
A-12	1,287,000.00	6.000000	6,435.00	6,435.00	0.00	6,435.00
A-13	12,575,000.00	6.000000	62,875.00	62,875.00	0.00	62,875.00
A-PO	1,096,428.43	0.000000	0.00	0.00	0.00	0.00
A-R	0.00	6.000000	0.00	0.00	0.00	0.00
B-1A	13,613,986.65	6.000000	68,069.93	68,069.93	0.00	68,069.93
B-1B	996,079.60	6.000000	4,980.40	4,980.40	0.00	4,980.40
B-2A	4,980,497.88	6.000000	24,902.49	24,902.49	0.00	24,902.49
B-2B	996,079.60	6.000000	4,980.40	4,980.40	0.00	4,980.40
B-3	3,984,418.28	6.000000	19,922.09	19,922.09	0.00	19,922.09
B-4	2,988,238.81	6.000000	14,941.19	14,941.19	0.00	14,941.19
B-5	1,992,159.21	6.000000	9,960.80	9,960.80	0.00	9,960.80
B-6	1,992,592.08	6.000000	9,962.96	9,962.96	0.00	9,962.96
Totals	648,524,165.72		3,237,138.69	3,237,138.69	0.00	3,237,138.69



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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 (%)
A-1	32051HAA1	20,000,000.00	969.098472387	21.627629151	4.845492362	947.470843236	6.000000
A-2	32051HAB9	10,000,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-3	32051HAC7	121,664,000.00	920.765561292	55.455286155	4.603827806	865.310275137	6.000000
A-4	32051HAD5	200,000,000.00	969.098472387	21.627629151	4.679437339	947.470843236	5.794380
A-5	32051HAE3	200,000,000.00	969.098472387	0.000000000	0.166055023	947.470843236	0.205620
A-6	32051HAF0	103,995,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-7	32051HAG8	5,190,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-8	32051HAH6	77,000,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-9	32051HAJ2	66,502,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-10	32051HAK9	4,109,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-11	32051HAL7	10,000,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-12	32051HAM5	1,287,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-13	32051HAN3	12,575,000.00	1,000.000000000	0.000000000	5.000000000	1,000.000000000	6.000000
A-PO	32051HAP8	1,109,428.21	988.282448405	0.784104551	0.000000000	987.498343854	0.000000
A-R	32051HAY9	100.00	0.000000000	0.000000000	0.000000000	0.000000000	6.000000
B-1A	32051HAQ6	13,633,400.00	998.576044691	0.476998904	4.992880223	998.099045787	6.000000
B-1B	32051HAR4	997,500.00	998.576044691	0.476998904	4.992880223	998.099045787	6.000000
B-2A	32051HAS2	4,987,600.00	998.576044691	0.476998904	4.992880223	998.099045787	6.000000
B-2B	32051HAT0	997,500.00	998.576044691	0.476998904	4.992880223	998.099045787	6.000000
B-3	32051HAU7	3,990,100.00	998.576044691	0.476998904	4.992880223	998.099045787	6.000000
B-4	32051HAV5	2,992,500.00	998.576044691	0.476998904	4.992880223	998.099045787	6.000000
B-5	32051HAW3	1,995,000.00	998.576044691	0.476998904	4.992880223	998.099045787	6.000000
B-6	32051HAX1	1,995,433.49	998.576044690	0.476998904	4.992880223	998.099045786	6.000000
Totals		665,020,561.70	975.194156497	17.324168384	4.867727220	957.869988097	



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**First Horizon Alternative Mortgage Securities Trust 2006-FA3**  
**Mortgage Pass-Through Certificates, Series 2006-FA3**

**Pool Level Data**

Distribution Date		9/25/06
Cut-off Date		5/ 1/06
Record Date		8/31/06
Determination Date		9/20/06
LIBOR Determination Date		8/23/06
Accrual Period 30/360	Begin	8/ 1/06
	End	9/ 1/06
Number of Days in 30/360 Accrual Period		30

**Index**

One-Month Libor Rate 5.32438%



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<b>Collateral Detail</b>
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**Original Mortgage Loan Details**

Original Aggregate Loan Count	2,906
Original Stated Principal Balance	665,020,561.70
Original Weighted Average Mortgage Rate	6.80494%
Original Weighted Average Net Mortgage Rate	5.98999%
Original Weighted Average Remaining Term	360

**Current Mortgage Loan Details**

Beginning Aggregate Loan Count	2,841
Loans Paid Off or otherwise removed pursuant to the PSA	<u>37</u>
Ending Aggregate Loan Count	2,804

Beginning Pool Stated Principal Balance	648,524,165.72
Scheduled Principal	309,943.16
Unscheduled Principal	11,210,985.03
Realized Principal Losses	<u>0.00</u>
Ending Pool Stated Principal Balance	637,003,237.53

Beginning Weighted Average Mortgage Rate	6.79869%
Beginning Weighted Average Net Mortgage Rate	5.98986%
Ending Weighted Average Mortgage Rate	6.79222%
Ending Weighted Average Net Mortgage Rate	5.98968%

Beginning Weighted Average Remaining Term to Maturity	356
Ending Weighted Average Remaining Term to Maturity	355



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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	26	0.92725%	6,829,562.30	1.07214%	4	0.14265%	591,112.81	0.09280%	1	0.03566%	187,378.17	0.02942%

  

	Foreclosure				Bankruptcy				REO			
	Count	Count %	Balance	Balance %	Count	Count %	Balance	Balance %	Count	Count %	Balance	Balance %
Group 1	1	0.03566%	199,186.24	0.03127%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%

60+ Delinquency, Foreclosure, REO and Bankruptcy

**Group I**  
977,677.22

**Total**  
977,677.22



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Available Funds
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**Interest**

Scheduled Interest	3,666,274.06
Plus: Compensating Interest	7,990.90
Less: Master Servicer Fee	200,502.05
Less: Excess Master Servicer Fee	<u>234,462.16</u>
Total Interest Available	3,239,300.74

**Principal**

Scheduled Principal	309,943.16
Paid in Full Principal	10,731,115.67
Curtailment Principal	479,869.36
Liquidation Principal	0.00
Repurchased Principal	0.00
Substitution Adjustment Principal	0.00
Unanticipated Principal Recoveries	0.00
Remaining Amounts in Supplemental Account	<u>0.00</u>
Total Principal Available	<u>11,520,928.19</u>

**Total Available Funds**

**14,760,228.93**





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Principal Distribution Amounts
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**Senior and Subordinate Percentages**

Senior Percentage Original	95.24198%
Senior Prepayment Percentage Original	100.00000%
Senior Percentage	95.12779%
Senior Prepayment Percentage	100.00000%
Subordinate Percentages	4.87221%
Subordinate Prepayment Percentage	0.00000%

**Principal Distribution Amounts**

Senior Principal Distribution Amount	11,504,990.35
Subordinate Principal Distribution Amount	15,067.93
PO Principal Distribution Amount	<u>869.91</u>
Total Principal Distribution Amount	11,520,928.19

**Conditions for Senior Prepayment Interest Shifting**

Delinquency Test Pass	YES
Loss Test Pass	YES



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Distribution Account	
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	<u>Group I</u>	<u>Total</u>
Beginning Balance		0.00
Deposits		
Available Funds		14,760,228.93
Other Deposits Required by the PSA		<u>0.00</u>
Total Deposits		14,760,228.93
Withdrawals		
To the Trustee,		2,161.75
To the Senior Classes		14,585,278.68
To the Subordinate Classes		<u>172,788.19</u>
Total Withdrawals		<u>14,760,228.62</u>
Ending Balance		0.00



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**Reserve Funds**

**Class A-4 Reserve Fund**

Beginning Balance	1,000.00
Deposit: Class A4 Contract Amount	0.00
Withdrawal: Class A4 YSA & Basis Shortfall	0.00
Ending Balance	1,000.00

**Fees of the Trust**

Gross Master Servicing Fee	200,502.05
Net Master Servicing Fee	192,511.15
Trustee Fee	2,161.75
Excess Master Servicing Compensation	234,462.16
Bond Insurance Premium	0.00
Total Net Loan Fees	429,135.06

**Mortgage Prepayment Details**

Principal Balance of Loans Paid in Full	10,731,115.67
Prepayment Interest Excess ( to Master Servicer )	0.00
Prepayment Interest Shortfall	7,990.90
Compensating Interest	7,990.90
Non-Supported Prepayment Interest Shortfall	0.00
CPR %	18.88951%
SMM %	1.72952%

**Loan Substitution**

Aggregate Stated of Principal Balances Removed	0.00
Aggregate Stated of Principal Balance Added	0.00
Aggregate Principal Substitution Shortfall Amount	0.00



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**Mortgage Pass-Through Certificates, Series 2006-FA3**

<b>Net Interest Shortfalls</b>
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Net Prepayment Interest Shortfalls	0.00
Relief Act Reduction Shortfalls	<u>0.00</u>
Total Net Interest Shortfalls	0.00

<b>Servicer Advances</b>
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Principal Advances	3,482.61
Interest Advances	<u>24,240.91</u>
Total Advances	27,723.52

Advances made with Regard to the Mortgage Loans Other than Principal and Interest on Delinquent Payments		NONE
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Associate: William J. Herrmann  
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**Realized Loss Detail**

Current Period Realized Losses	0.00
Cumulative Realized Losses	0.00
Total Liquidated Loan Balance	0.00
Total Liquidated Proceeds	0.00
Subsequent Recoveries	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			

**Bankruptcy, Fraud and Special Hazard Coverage Amounts**

Original Bankruptcy Loss Limit	150,000.00
Original Bankruptcy Loss Limit %	0.023%
Current Bankruptcy Loss Limit	150,000.00
Current Bankruptcy Loss Limit %	0.024%
Original Special Hazard Loss Limit	6,650,205.00
Original Special Hazard Loss Limit %	1.000%
Current Special Hazard Loss Limit	6,370,032.38
Current Special Hazard Loss Limit %	1.000%
Original Fraud Loss Limit	13,300,411.00
Original Fraud Loss Limit %	2.000%
Current Fraud Loss Limit	13,300,411.00
Current Fraud Loss Limit %	2.088%



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**Credit Enhancements**

**Subordination**

**Credit Support**

	<b>Original</b>	<b>Current</b>
Class A	633,431,528.21	605,474,253.35
Class A Percentage	95.249916%	95.050420%
Class B-1A	13,633,400.00	13,607,483.53
Class B-1A Percentage	2.050072%	2.136172%
Class B-1B	997,500.00	995,603.80
Class B-1B Percentage	0.149995%	0.156295%
Class B-2A	4,987,600.00	4,978,118.80
Class B-2A Percentage	0.749992%	0.781490%
Class B-2B	997,500.00	995,603.80
Class B-2B Percentage	0.149995%	0.156295%
Class B-3	3,990,100.00	3,982,515.00
Class B-3 Percentage	0.599996%	0.625195%
Class B-4	2,992,500.00	2,986,811.39
Class B-4 Percentage	0.449986%	0.468885%
Class B-5	1,995,000.00	1,991,207.60
Class B-5 Percentage	0.299991%	0.312590%
Class B-6	1,995,433.49	1,991,640.26
Class B-6 Percentage	0.300056%	0.312658%

**Material Changes to Pool Assets Disclosure**

Material Modifications, extensions or waivers to pool asset terms, fees, penalties or payments	NONE
Material breaches of pool asset representations or warranties or transaction covenants	NONE



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