



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-AA5**  
**Mortgage Pass-Through Certificates, Series 2006-AA5**

*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	32052QAA0	Senior	Var-30/360	206,960,465.06	6.584426	6,710,301.95	1,135,596.53	7,845,898.48	0.00	200,250,163.10	0.00
A-2	32052QAB8	Senior	Var-30/360	13,210,414.29	6.584426	428,322.72	72,485.83	500,808.55	0.00	12,782,091.57	0.00
A-R	32052QAC6	Senior	Var-30/360	0.00	6.584426	0.00	0.00	0.00	0.00	0.00	0.00
B-1	32052QAD4	Junior	Var-30/360	8,217,762.80	6.584426	806.34	45,091.04	45,897.38	0.00	8,216,956.45	0.00
B-2	32052QAE2	Junior	Var-30/360	2,479,023.44	6.584426	243.25	13,602.46	13,845.70	0.00	2,478,780.20	0.00
B-3	32052QAF9	Junior	Var-30/360	1,826,280.58	6.584426	179.20	10,020.84	10,200.04	0.00	1,826,101.38	0.00
B-4	32052QAG7	Junior	Var-30/360	1,304,486.13	6.584426	128.00	7,157.74	7,285.74	0.00	1,304,358.13	0.00
B-5	32052QAH5	Junior	Var-30/360	1,043,588.90	6.584426	102.40	5,726.19	5,828.59	0.00	1,043,486.50	0.00
B-6	32052QAJ1	Junior	Var-30/360	783,169.01	6.584426	76.85	4,297.27	4,374.11	-0.00	783,092.16	0.03
Totals				235,825,190.21		7,140,160.71	1,293,977.90	8,434,138.59	0.00	228,685,029.49	0.03



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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
A-1	32052QAA0	230,626,000.00	206,960,465.06	6,710,301.95	0.00	6,710,301.95	0.00	200,250,163.10	0.86828962521
A-2	32052QAB8	14,721,000.00	13,210,414.29	428,322.72	0.00	428,322.72	0.00	12,782,091.57	0.86828962521
A-R	32052QAC6	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00000000000
B-1	32052QAD4	8,221,000.00	8,217,762.80	806.34	0.00	806.34	0.00	8,216,956.45	0.99950814415
B-2	32052QAE2	2,480,000.00	2,479,023.44	243.25	0.00	243.25	0.00	2,478,780.20	0.99950814415
B-3	32052QAF9	1,827,000.00	1,826,280.58	179.20	0.00	179.20	0.00	1,826,101.38	0.99950814415
B-4	32052QAG7	1,305,000.00	1,304,486.13	128.00	0.00	128.00	0.00	1,304,358.13	0.99950814415
B-5	32052QAH5	1,044,000.00	1,043,588.90	102.40	0.00	102.40	0.00	1,043,486.50	0.99950814415
B-6	32052QAJ1	783,477.55	783,169.01	76.85	0.00	76.85	-0.00	783,092.16	0.99950810587
Totals		261,007,577.55	235,825,190.21	7,140,160.71	0.00	7,140,160.71	0.00	228,685,029.49	



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*Interest Distribution Detail*

Class	Beginning Certificate Balance	Pass Through Rate (%)	Effective Coupon (%)	Current Interest	Total Interest Due	Net Interest Shortfall	Interest Paid
A-1	206,960,465.06	6.584426	6.584426	1,135,596.53	1,135,596.53	0.00	1,135,596.53
A-2	13,210,414.29	6.584426	6.584426	72,485.83	72,485.83	0.00	72,485.83
A-R	0.00	6.584426	0.000000	0.00	0.00	0.00	0.00
B-1	8,217,762.80	6.584426	6.584426	45,091.04	45,091.04	0.00	45,091.04
B-2	2,479,023.44	6.584426	6.584426	13,602.46	13,602.46	0.00	13,602.46
B-3	1,826,280.58	6.584426	6.584426	10,020.84	10,020.84	0.00	10,020.84
B-4	1,304,486.13	6.584426	6.584426	7,157.74	7,157.74	0.00	7,157.74
B-5	1,043,588.90	6.584426	6.584426	5,726.19	5,726.19	0.00	5,726.19
B-6	783,169.01	6.584426	6.584426	4,297.27	4,297.27	0.00	4,297.27
Totals	235,825,190.21			1,293,977.90	1,293,977.90	0.00	1,293,977.90



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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	32052QAA0	230,626,000.00	897.385659276	29.096034062	4.923974432	868.289625215	6.584426
A-2	32052QAB8	14,721,000.00	897.385659276	29.096034062	4.923974432	868.289625215	6.584426
A-R	32052QAC6	100.00	0.000000000	0.000000000	0.000000000	0.000000000	6.584426
B-1	32052QAD4	8,221,000.00	999.606227428	0.098083280	5.484860890	999.508144148	6.584426
B-2	32052QAE2	2,480,000.00	999.606227428	0.098083280	5.484860890	999.508144148	6.584426
B-3	32052QAF9	1,827,000.00	999.606227428	0.098083280	5.484860890	999.508144148	6.584426
B-4	32052QAG7	1,305,000.00	999.606227428	0.098083280	5.484860890	999.508144148	6.584426
B-5	32052QAH5	1,044,000.00	999.606227428	0.098083280	5.484860890	999.508144148	6.584426
B-6	32052QAJ1	783,477.55	999.606189149	0.098083277	5.484860680	999.508105872	6.584426
Totals		261,007,577.55	903.518558440	27.356143362	4.957625798	876.162415040	



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**Pool Level Data**

Distribution Date		12/26/06
Cut-off Date		07/01/06
Record Date		11/30/06
Determination Date		12/18/06
Accrual Period 30/360	Begin	11/01/06
	End	12/01/06
Number of Days in 30/360 Accrual Period		30

**Collateral Detail**

**Original Mortgage Loan Details**

Original Aggregate Loan Count		959
Original Stated Principal Balance		261,007,577.52
Original Weighted Average Mortgage Rate	7.00100%	
Original Weighted Average Net Mortgage Rate	6.62600%	
Original Weighted Average Remaining Term	360	



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**Current Mortgage Loan Details**

Beginning Aggregate Loan Count	891
Loans Paid Off or otherwise removed pursuant to the PSA	<u>22</u>
Ending Aggregate Loan Count	869
Beginning Pool Stated Principal Balance	235,825,190.20
Scheduled Principal	23,139.62
Unscheduled Principal	7,117,021.08
Realized Principal Losses	<u>0.00</u>
Ending Pool Stated Principal Balance	228,685,029.50
Beginning Weighted Average Mortgage Rate	6.95943%
Beginning Weighted Average Net Mortgage Rate	6.58443%
Ending Weighted Average Mortgage Rate	6.95168%
Ending Weighted Average Net Mortgage Rate	6.57668%
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			
	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %
Group 1	18	2.07135%	4,014,683.44	1.75555%	2	0.23015%	794,477.00	0.34741%	3	0.34522%	1,113,000.00	0.48670%

  

	Foreclosure				Bankruptcy				REO			
	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %
Group 1	1	0.11507%	304,800.00	0.13328%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%

60+ Delinquency, Foreclosure, REO and Bankruptcy

2,212,277.00



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Available Funds
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**Interest**

Scheduled Interest	1,364,868.60
Plus: Compensating Interest	2,804.87
Less: Master Servicer Fee	<u>72,516.25</u>
Less: Trustee Fee	1,179.13
Total Interest Available	1,293,978.10

**Principal**

Scheduled Principal	23,139.62
Paid in Full Principal	7,101,331.69
Curtailment Principal	15,689.39
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>7,140,160.70</u>

<b>Total Available Funds</b>	<b>8,434,138.80</b>
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Principal Distribution Amounts	
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**Senior and Subordinate Percentages**

Senior Percentage Original	93.99999%
Senior Prepayment Percentage Original	100.00000%
Senior Percentage	93.36190%
Senior Prepayment Percentage	100.00000%
Subordinate Percentages	6.63810%
Subordinate Prepayment Percentage	0.00000%

**Principal Distribution Amounts**

Senior Principal Distribution Amount	7,138,624.67
Subordinate Principal Distribution Amount	<u>1,536.03</u>
Total Principal Distribution Amount	7,140,160.70

**Conditions for Senior Prepayment Interest Shifting**

Delinquency Test Pass	YES
Loss Test Pass	YES



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Distribution Account		
	Beginning Balance	0.00
Deposits	Available Funds	8,434,138.80
	Other Deposits Required by the PSA	<u>0.00</u>
	Total Deposits	8,434,138.80
Withdrawals	To the Senior Classes	8,346,707.02
	To the Subordinate Classes	<u>87,431.77</u>
	Total Withdrawals	<u>8,434,138.80</u>
	Ending Balance	0.00

  

Fees of the Trust		
	Gross Master Servicing Fee	72,516.25
	Net Master Servicing Fee	69,711.38
	Trustee Fee	<u>1,179.13</u>
	Total Net Loan Fees	70,890.50



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**Mortgage Prepayment Details**

Principal Balance of Loans Paid in Full	7,101,331.69
Prepayment Interest Excess ( to Master Servicer )	0.00
Prepayment Interest Shortfall	2,804.87
Compensating Interest	2,804.87
Non-Supported Prepayment Interest Shortfall	0.00
CPR %	30.77198%
SMM %	3.01822%

**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

**Net Interest Shortfalls**

Net Prepayment Interest Shortfalls	0.00
Relief Act Reduction Shortfalls	0.00
Total Net Interest Shortfalls	0.00



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Servicer Advances	
Principal Advances	410.10
Interest Advances	<u>22,171.74</u>
Total Advances	22,581.84
Advances made regarding the Mortgage Loans other than for Delinquent Principal and Interest	
	NONE



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

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

Original Bankruptcy Loss Limit	150,000.00
Original Bankruptcy Loss Limit %	0.057%
Current Bankruptcy Loss Limit	150,000.00
Current Bankruptcy Loss Limit %	0.066%
Original Special Hazard Loss Limit	3,887,000.00
Original Special Hazard Loss Limit %	1.489%
Current Special Hazard Loss Limit	2,286,850.29
Current Special Hazard Loss Limit %	1.000%
Original Fraud Loss Limit	5,220,152.00
Original Fraud Loss Limit %	2.000%
Current Fraud Loss Limit	5,220,152.00
Current Fraud Loss Limit %	2.283%



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**Credit Enhancements**

**Subordination**

**Credit Support**

Class A  
Class A Percentage

<b><u>Original</u></b>	<b><u>Current</u></b>
245,347,100.00	213,032,254.68
93.999991%	93.155313%

Class B-1  
Class B-1 Percentage

8,221,000.00	8,216,956.45
3.149717%	3.593133%

Class B-2  
Class B-2 Percentage

2,480,000.00	2,478,780.20
0.950164%	1.083928%

Class B-3  
Class B-3 Percentage

1,827,000.00	1,826,101.38
0.699980%	0.798522%

Class B-4  
Class B-4 Percentage

1,305,000.00	1,304,358.13
0.499985%	0.570373%

Class B-5  
Class B-5 Percentage

1,044,000.00	1,043,486.50
0.399988%	0.456299%

Class B-6  
Class B-6 Percentage

783,477.55	783,092.16
0.300174%	0.342433%

**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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Issuance Coupon			Number of Items	Percent of Items	Principal Balance	Percent of Balance
<=		5.0	0	0.000	0.00	0.000
5.0	-	5.5	0	0.000	0.00	0.000
5.5	-	6.0	5	0.575	1,679,205.27	0.734
6.0	-	6.5	208	23.936	51,678,083.91	22.598
6.5	-	7.0	396	45.570	97,377,993.78	42.582
7.0	-	7.5	167	19.217	46,706,299.98	20.424
7.5	-	8.0	72	8.285	24,402,895.36	10.671
8.0	-	8.5	21	2.417	6,840,551.20	2.991
8.5	-	9.0	0	0.000	0.00	0.000
9.0	-	9.5	0	0.000	0.00	0.000
9.5	-	10.0	0	0.000	0.00	0.000
10.0	-	10.5	0	0.000	0.00	0.000
10.5	-	11.0	0	0.000	0.00	0.000
11.0	-	11.5	0	0.000	0.00	0.000
11.5	-	12.0	0	0.000	0.00	0.000
12.0	-	12.5	0	0.000	0.00	0.000
>		12.5	0	0.000	0.00	0.000
Wgt Ave / Total:			869	100.000	228,685,029.50	100.000

Update Face			Number of Items	Percent of Items	Principal Balance	Percent of Balance
<=		0.00	0	0.000	0.00	0.000
0.00	-	25,000.00	0	0.000	0.00	0.000
25,000.00	-	50,000.00	2	0.230	73,032.96	0.032
50,000.00	-	75,000.00	16	1.841	1,016,278.16	0.444
75,000.00	-	100,000.00	37	4.258	3,279,970.17	1.434
100,000.00	-	125,000.00	64	7.365	7,359,551.42	3.218
125,000.00	-	150,000.00	85	9.781	11,834,775.63	5.175
150,000.00	-	175,000.00	93	10.702	15,146,187.50	6.623
175,000.00	-	200,000.00	67	7.710	12,770,203.48	5.584
200,000.00	-	225,000.00	77	8.861	16,401,465.15	7.172
225,000.00	-	250,000.00	59	6.789	14,029,712.61	6.135
250,000.00	-	275,000.00	67	7.710	17,674,667.65	7.729
275,000.00	-	300,000.00	49	5.639	14,171,629.87	6.197
300,000.00	-	325,000.00	43	4.948	13,479,316.10	5.894
325,000.00	-	350,000.00	35	4.028	11,824,153.73	5.170
350,000.00	-	375,000.00	30	3.452	10,891,733.18	4.763
375,000.00	-	400,000.00	32	3.682	12,452,202.88	5.445
400,000.00	-	425,000.00	42	4.833	17,429,685.74	7.622
425,000.00	-	450,000.00	5	0.575	2,186,891.69	0.956
450,000.00	-	475,000.00	8	0.921	3,690,064.19	1.614
475,000.00	-	500,000.00	6	0.690	2,926,652.44	1.280
500,000.00	-	525,000.00	6	0.690	3,069,572.73	1.342
525,000.00	-	550,000.00	5	0.575	2,676,436.29	1.170
550,000.00	-	575,000.00	5	0.575	2,837,073.89	1.241



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Update Face			Number of Items	Percent of Items	Principal Balance	Percent of Balance
575,000.00	-	600,000.00	3	0.345	1,780,400.00	0.779
600,000.00	-	625,000.00	3	0.345	1,861,533.44	0.814
625,000.00	-	650,000.00	7	0.806	4,522,603.48	1.978
650,000.00	-	675,000.00	0	0.000	0.00	0.000
675,000.00	-	700,000.00	3	0.345	2,082,427.99	0.911
700,000.00	-	725,000.00	0	0.000	0.00	0.000
725,000.00	-	750,000.00	0	0.000	0.00	0.000
750,000.00	-	775,000.00	1	0.115	768,197.74	0.336
775,000.00	-	800,000.00	1	0.115	800,000.00	0.350
>		800,000.00	18	2.071	19,648,609.39	8.592
<b>Wgt Ave / Total:</b>			<b>869</b>	<b>100.000</b>	<b>228,685,029.50</b>	<b>100.000</b>

Update Term			Number of Items	Percent of Items	Principal Balance	Percent of Balance
<=		120	0	0.000	0.00	0.000
120	-	180	0	0.000	0.00	0.000
180	-	300	1	0.115	417,000.00	0.182
300	-	360	868	99.885	228,268,029.50	99.818
>		360	0	0.000	0.00	0.000
<b>Wgt Ave / Total:</b>			<b>869</b>	<b>100.000</b>	<b>228,685,029.50</b>	<b>100.000</b>