



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	200,250,163.10	6.576684	5,328,990.41	1,097,484.97	6,426,475.37	0.00	194,921,172.70	0.00
A-2	32052QAB8	Senior	Var-30/360	12,782,091.57	6.576684	340,152.75	70,053.14	410,205.89	0.00	12,441,938.82	0.00
A-R	32052QAC6	Senior	Var-30/360	0.00	6.576684	0.00	0.00	0.00	0.00	0.00	0.00
B-1	32052QAD4	Junior	Var-30/360	8,216,956.45	6.576684	724.33	45,033.60	45,757.93	0.00	8,216,232.12	0.00
B-2	32052QAE2	Junior	Var-30/360	2,478,780.20	6.576684	218.51	13,585.13	13,803.63	0.00	2,478,561.69	0.00
B-3	32052QAF9	Junior	Var-30/360	1,826,101.38	6.576684	160.97	10,008.08	10,169.05	0.00	1,825,940.41	0.00
B-4	32052QAG7	Junior	Var-30/360	1,304,358.13	6.576684	114.98	7,148.63	7,263.61	0.00	1,304,243.15	0.00
B-5	32052QAH5	Junior	Var-30/360	1,043,486.50	6.576684	91.98	5,718.90	5,810.88	0.00	1,043,394.52	0.00
B-6	32052QAJ1	Junior	Var-30/360	783,092.16	6.576684	69.03	4,291.79	4,360.82	-0.00	783,023.13	0.03
Totals				228,685,029.49		5,670,522.96	1,253,324.24	6,923,847.18	0.00	223,014,506.54	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	200,250,163.10	5,328,990.41	0.00	5,328,990.41	0.00	194,921,172.70	0.84518299193
A-2	32052QAB8	14,721,000.00	12,782,091.57	340,152.75	0.00	340,152.75	0.00	12,441,938.82	0.84518299193
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	8,216,956.45	724.33	0.00	724.33	0.00	8,216,232.12	0.99942003679
B-2	32052QAE2	2,480,000.00	2,478,780.20	218.51	0.00	218.51	0.00	2,478,561.69	0.99942003679
B-3	32052QAF9	1,827,000.00	1,826,101.38	160.97	0.00	160.97	0.00	1,825,940.41	0.99942003679
B-4	32052QAG7	1,305,000.00	1,304,358.13	114.98	0.00	114.98	0.00	1,304,243.15	0.99942003679
B-5	32052QAH5	1,044,000.00	1,043,486.50	91.98	0.00	91.98	0.00	1,043,394.52	0.99942003679
B-6	32052QAJ1	783,477.55	783,092.16	69.03	0.00	69.03	-0.00	783,023.13	0.99941999851
Totals		261,007,577.55	228,685,029.49	5,670,522.96	0.00	5,670,522.96	0.00	223,014,506.54	



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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	200,250,163.10	6.576684	6.576684	1,097,484.97	1,097,484.97	0.00	1,097,484.97
A-2	12,782,091.57	6.576684	6.576684	70,053.14	70,053.14	0.00	70,053.14
A-R	0.00	6.576684	0.000000	0.00	0.00	0.00	0.00
B-1	8,216,956.45	6.576684	6.576684	45,033.60	45,033.60	0.00	45,033.60
B-2	2,478,780.20	6.576684	6.576684	13,585.13	13,585.13	0.00	13,585.13
B-3	1,826,101.38	6.576684	6.576684	10,008.08	10,008.08	0.00	10,008.08
B-4	1,304,358.13	6.576684	6.576684	7,148.63	7,148.63	0.00	7,148.63
B-5	1,043,486.50	6.576684	6.576684	5,718.90	5,718.90	0.00	5,718.90
B-6	783,092.16	6.576684	6.576684	4,291.79	4,291.79	0.00	4,291.79
Totals	228,685,029.49			1,253,324.24	1,253,324.24	0.00	1,253,324.24



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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	868.289625215	23.106633285	4.758721762	845.182991929	6.576684
A-2	32052QAB8	14,721,000.00	868.289625215	23.106633285	4.758721762	845.182991929	6.576684
A-R	32052QAC6	100.00	0.000000000	0.000000000	0.000000000	0.000000000	6.576684
B-1	32052QAD4	8,221,000.00	999.508144148	0.088107363	5.477873994	999.420036785	6.576684
B-2	32052QAE2	2,480,000.00	999.508144148	0.088107363	5.477873994	999.420036785	6.576684
B-3	32052QAF9	1,827,000.00	999.508144148	0.088107363	5.477873994	999.420036785	6.576684
B-4	32052QAG7	1,305,000.00	999.508144148	0.088107363	5.477873994	999.420036785	6.576684
B-5	32052QAH5	1,044,000.00	999.508144148	0.088107363	5.477873994	999.420036785	6.576684
B-6	32052QAJ1	783,477.55	999.508105872	0.088107359	5.477873784	999.419998513	6.576684
Totals		261,007,577.55	876.162415040	21.725510858	4.801869171	854.436904221	



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Pool Level Data			
Distribution Date			01/25/07
Cut-off Date			07/01/06
Record Date			12/29/06
Determination Date			01/18/07
Accrual Period 30/360	Begin		12/01/06
	End		01/01/07
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	869
Loans Paid Off or otherwise removed pursuant to the PSA	16
Ending Aggregate Loan Count	853
Beginning Pool Stated Principal Balance	228,685,029.50
Scheduled Principal	20,158.75
Unscheduled Principal	5,650,364.21
Realized Principal Losses	0.00
Ending Pool Stated Principal Balance	223,014,506.54
Beginning Weighted Average Mortgage Rate	6.95168%
Beginning Weighted Average Net Mortgage Rate	6.57668%
Ending Weighted Average Mortgage Rate	6.94533%
Ending Weighted Average Net Mortgage Rate	6.57033%
Beginning Weighted Average Remaining Term to Maturity	355
Ending Weighted Average Remaining Term to Maturity	354



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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	14	1.64127%	3,529,199.49	1.58250%	5	0.58617%	913,947.60	0.40982%	2	0.23447%	876,000.00	0.39280%

	Foreclosure				Bankruptcy				REO			
	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %
Group 1	3	0.35170%	965,800.00	0.43307%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%

60+ Delinquency, Foreclosure, REO and Bankruptcy

2,755,747.60



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Available Funds

Interest

Scheduled Interest	1,319,108.01
Plus: Compensating Interest	5,680.57
Less: Master Servicer Fee	<u>70,320.65</u>
Less: Trustee Fee	1,143.43
Total Interest Available	1,253,324.51

Principal

Scheduled Principal	20,158.75
Paid in Full Principal	5,209,498.99
Curtailment Principal	440,865.22
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>5,670,522.96</u>

Total Available Funds	6,923,847.47
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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	93.15531%
Senior Prepayment Percentage	100.00000%
Subordinate Percentages	6.84469%
Subordinate Prepayment Percentage	0.00000%

Principal Distribution Amounts

Senior Principal Distribution Amount	5,669,143.16
Subordinate Principal Distribution Amount	<u>1,379.80</u>
Total Principal Distribution Amount	5,670,522.96

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	6,923,847.47
	Other Deposits Required by the PSA	<u>0.00</u>
	Total Deposits	6,923,847.47
Withdrawals	To the Senior Classes	6,836,681.26
	To the Subordinate Classes	<u>87,166.21</u>
	Total Withdrawals	<u>6,923,847.47</u>
	Ending Balance	0.00

Fees of the Trust		
	Gross Master Servicing Fee	70,320.65
	Net Master Servicing Fee	64,640.07
	Trustee Fee	<u>1,143.43</u>
	Total Net Loan Fees	65,783.50



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Mortgage Prepayment Details		
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Principal Balance of Loans Paid in Full		5,209,498.99
Prepayment Interest Excess (to Master Servicer)		0.00
Prepayment Interest Shortfall		5,680.57
Compensating Interest		5,680.57
Non-Supported Prepayment Interest Shortfall		0.00
CPR %	25.93655%	
SMM %	2.47102%	

Loan Substitution		
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Aggregate Stated of Principal Balances Removed		0.00
Aggregate Stated of Principal Balance Added		<u>0.00</u>
Aggregate Principal Substitution Shortfall Amount		0.00

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



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Servicer Advances		
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Principal Advances	853.42
Interest Advances	<u>38,512.26</u>
Total Advances	39,365.68

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 %	0.067%
Original Special Hazard Loss Limit	3,887,000.00
Original Special Hazard Loss Limit %	1.489%
Current Special Hazard Loss Limit	2,230,145.07
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 %	2.341%



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Credit Enhancements

Subordination

Credit Support

Class A
Class A Percentage

<u>Original</u>	<u>Current</u>
245,347,100.00	207,363,111.52
93.999991%	92.981894%

Class B-1
Class B-1 Percentage

8,221,000.00	8,216,232.12
3.149717%	3.684169%

Class B-2
Class B-2 Percentage

2,480,000.00	2,478,561.69
0.950164%	1.111390%

Class B-3
Class B-3 Percentage

1,827,000.00	1,825,940.41
0.699980%	0.818754%

Class B-4
Class B-4 Percentage

1,305,000.00	1,304,243.15
0.499985%	0.584824%

Class B-5
Class B-5 Percentage

1,044,000.00	1,043,394.52
0.399988%	0.467859%

Class B-6
Class B-6 Percentage

783,477.55	783,023.13
0.300174%	0.351109%

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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<u>Issuance Coupon</u>		<u>Number of Items</u>	<u>Percent of Items</u>	<u>Principal Balance</u>	<u>Percent of Balance</u>
<=	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	0.586	1,679,204.81	0.753
6.0	- 6.5	205	24.033	50,675,751.31	22.723
6.5	- 7.0	391	45.838	95,866,298.85	42.987
7.0	- 7.5	163	19.109	45,246,222.71	20.288
7.5	- 8.0	69	8.089	22,897,369.41	10.267
8.0	- 8.5	20	2.345	6,649,659.45	2.982
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:		853	100.000	223,014,506.54	100.000

<u>Update Face</u>		<u>Number of Items</u>	<u>Percent of Items</u>	<u>Principal Balance</u>	<u>Percent of Balance</u>
<=	0.00	0	0.000	0.00	0.000
0.00	- 25,000.00	1	0.117	24,849.47	0.011
25,000.00	- 50,000.00	1	0.117	48,000.00	0.022
50,000.00	- 75,000.00	16	1.876	1,010,334.67	0.453
75,000.00	- 100,000.00	37	4.338	3,279,095.95	1.470
100,000.00	- 125,000.00	63	7.386	7,241,626.03	3.247
125,000.00	- 150,000.00	85	9.965	11,849,462.68	5.313
150,000.00	- 175,000.00	91	10.668	14,819,745.17	6.645
175,000.00	- 200,000.00	65	7.620	12,388,007.54	5.555
200,000.00	- 225,000.00	78	9.144	16,605,358.48	7.446
225,000.00	- 250,000.00	57	6.682	13,542,307.86	6.072
250,000.00	- 275,000.00	66	7.737	17,404,559.34	7.804
275,000.00	- 300,000.00	47	5.510	13,575,686.68	6.087
300,000.00	- 325,000.00	43	5.041	13,477,859.35	6.043
325,000.00	- 350,000.00	34	3.986	11,497,093.56	5.155
350,000.00	- 375,000.00	30	3.517	10,890,965.66	4.884
375,000.00	- 400,000.00	30	3.517	11,688,721.55	5.241
400,000.00	- 425,000.00	42	4.924	17,428,208.41	7.815
425,000.00	- 450,000.00	5	0.586	2,186,139.24	0.980
450,000.00	- 475,000.00	8	0.938	3,690,063.38	1.655
475,000.00	- 500,000.00	5	0.586	2,446,644.84	1.097
500,000.00	- 525,000.00	6	0.703	3,069,099.39	1.376
525,000.00	- 550,000.00	5	0.586	2,676,436.29	1.200
550,000.00	- 575,000.00	4	0.469	2,269,073.89	1.017



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Update Face			Number of Items	Percent of Items	Principal Balance	Percent of Balance
575,000.00	-	600,000.00	3	0.352	1,780,400.00	0.798
600,000.00	-	625,000.00	3	0.352	1,861,131.86	0.835
625,000.00	-	650,000.00	6	0.703	3,872,556.66	1.736
650,000.00	-	675,000.00	0	0.000	0.00	0.000
675,000.00	-	700,000.00	3	0.352	2,082,077.38	0.934
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	0.117	768,047.74	0.344
775,000.00	-	800,000.00	1	0.117	800,000.00	0.359
>		800,000.00	17	1.993	18,740,953.47	8.403
Wgt Ave / Total:			853	100.000	223,014,506.54	100.000

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	0.117	417,000.00	0.187
300	-	360	852	99.883	222,597,506.54	99.813
>		360	0	0.000	0.00	0.000
Wgt Ave / Total:			853	100.000	223,014,506.54	100.000