



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-AA7
Mortgage Pass-Through Certificates, Series 2006-AA7

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	32052CAA1	Senior	Var-30/360	220,444,000.00	6.624848	9,661,100.46	1,217,006.60	10,878,107.06	0.00	210,782,899.54	0.00
A-2	32052CAB9	Senior	Var-30/360	14,321,000.00	6.624848	627,627.06	79,062.04	706,689.10	0.00	13,693,372.94	0.00
A-R	32052CAC7	Residual	Var-30/360	100.00	6.624848	100.00	0.55	100.55	0.00	0.00	0.00
B-1	32052CAD5	Junior	Var-30/360	7,751,000.00	6.624848	801.27	42,791.00	43,592.26	0.00	7,750,198.73	0.00
B-2	32052CAE3	Junior	Var-30/360	2,500,000.00	6.624848	258.44	13,801.77	14,060.21	0.00	2,499,741.56	0.00
B-3	32052CAF0	Junior	Var-30/360	1,875,000.00	6.624848	193.83	10,351.32	10,545.15	0.00	1,874,806.17	0.00
B-4	32052CAG8	Junior	Var-30/360	1,250,000.00	6.624848	129.22	6,900.88	7,030.10	0.00	1,249,870.78	0.00
B-5	32052CAH6	Junior	Var-30/360	1,000,000.00	6.624848	103.38	5,520.71	5,624.08	0.00	999,896.62	0.00
B-6	32052CAJ2	Junior	Var-30/360	875,828.71	6.624848	90.54	4,835.19	4,925.73	0.00	875,738.17	0.00
Totals				250,016,928.71		10,290,404.20	1,380,270.06	11,670,674.24	0.00	239,726,524.51	0.00



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Principal Distribution Detail

Class	Cusip	Original Certificate Balance	Beginning Certificate Balance	Scheduled Principal Distribution	Accretion Principal	Unscheduled Principal Adjustments	Net Principal Distribution	Deferred Interest	Current Realized Losses	Ending Certificate Balance	Ending Certificate Factor
A-1	32052CAA1	220,444,000.00	220,444,000.00	9,661,100.46	0.00	0.00	9,661,100.46	0.00	0.00	210,782,899.54	0.95617435513
A-2	32052CAB9	14,321,000.00	14,321,000.00	627,627.06	0.00	0.00	627,627.06	0.00	0.00	13,693,372.94	0.95617435513
A-R	32052CAC7	100.00	100.00	100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00000000000
B-1	32052CAD5	7,751,000.00	7,751,000.00	801.27	0.00	0.00	801.27	0.00	0.00	7,750,198.73	0.99989662400
B-2	32052CAE3	2,500,000.00	2,500,000.00	258.44	0.00	0.00	258.44	0.00	0.00	2,499,741.56	0.99989662400
B-3	32052CAF0	1,875,000.00	1,875,000.00	193.83	0.00	0.00	193.83	0.00	0.00	1,874,806.17	0.99989662400
B-4	32052CAG8	1,250,000.00	1,250,000.00	129.22	0.00	0.00	129.22	0.00	0.00	1,249,870.78	0.99989662400
B-5	32052CAH6	1,000,000.00	1,000,000.00	103.38	0.00	0.00	103.38	0.00	0.00	999,896.62	0.99989662400
B-6	32052CAJ2	875,828.71	875,828.71	90.54	0.00	0.00	90.54	0.00	0.00	875,738.17	0.99989662400
Totals		250,016,928.71	250,016,928.71	10,290,404.20	0.00	0.00	10,290,404.20	0.00	0.00	239,726,524.51	



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Interest Distribution Detail

Class	Beginning Certificate Balance	Pass Through Rate (%)	Effective Coupon (%)	Current Interest	Interest Carryforward Amount	Deferred Interest	Total Interest Due	Net Rate Carryover Paid	Net Interest Shortfall	Interest Paid	Interest Carryforward After Dist.	Net Rate Carryover After Dist.	Yield Supplemental Paid	Yield Supplemental After Distr
A-1	220,444,000.00	6.624848	6.624848	1,217,006.60	0.00	0.00	1,217,006.60	0.00	0.00	1,217,006.60	0.00	0.00	0.00	0.00
A-2	14,321,000.00	6.624848	6.624848	79,062.04	0.00	0.00	79,062.04	0.00	0.00	79,062.04	0.00	0.00	0.00	0.00
A-R	100.00	6.624848	6.624848	0.55	0.00	0.00	0.55	0.00	0.00	0.55	0.00	0.00	0.00	0.00
B-1	7,751,000.00	6.624848	6.624848	42,791.00	0.00	0.00	42,791.00	0.00	0.00	42,791.00	0.00	0.00	0.00	0.00
B-2	2,500,000.00	6.624848	6.624848	13,801.77	0.00	0.00	13,801.77	0.00	0.00	13,801.77	0.00	0.00	0.00	0.00
B-3	1,875,000.00	6.624848	6.624848	10,351.32	0.00	0.00	10,351.32	0.00	0.00	10,351.32	0.00	0.00	0.00	0.00
B-4	1,250,000.00	6.624848	6.624848	6,900.88	0.00	0.00	6,900.88	0.00	0.00	6,900.88	0.00	0.00	0.00	0.00
B-5	1,000,000.00	6.624848	6.624848	5,520.71	0.00	0.00	5,520.71	0.00	0.00	5,520.71	0.00	0.00	0.00	0.00
B-6	875,828.71	6.624848	6.624848	4,835.19	0.00	0.00	4,835.19	0.00	0.00	4,835.19	0.00	0.00	0.00	0.00
Totals	250,016,928.71			1,380,270.06	0.00	0.00	1,380,270.06	0.00	0.00	1,380,270.06	0.00	0.00	0.00	0.00



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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	32052CAA1	220,444,000.00	1,000.000000000	43.825644866	5.520706415	956.174355134	6.624848
A-2	32052CAB9	14,321,000.00	1,000.000000000	43.825644866	5.520706415	956.174355134	6.624848
A-R	32052CAC7	100.00	1,000.000000000	1,000.000000000	5.520706415	0.000000000	6.624848
B-1	32052CAD5	7,751,000.00	1,000.000000000	0.103376000	5.520706415	999.896624000	6.624848
B-2	32052CAE3	2,500,000.00	1,000.000000000	0.103376000	5.520706415	999.896624000	6.624848
B-3	32052CAF0	1,875,000.00	1,000.000000000	0.103376000	5.520706415	999.896624000	6.624848
B-4	32052CAG8	1,250,000.00	1,000.000000000	0.103376000	5.520706415	999.896624000	6.624848
B-5	32052CAH6	1,000,000.00	1,000.000000000	0.103376000	5.520706415	999.896624000	6.624848
B-6	32052CAJ2	875,828.71	1,000.000000000	0.103376000	5.520706415	999.896624000	6.624848
Totals		250,016,928.71	1,000.000000000	41.158829736	5.520706406	958.841170264	



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Pool Level Data	
Distribution Date	12/26/06
Cut-off Date	11/01/06
Determination Date	12/19/06
Accrual Period 30/360	Begin 11/01/06
	End 12/01/06
Number of Days in 30/360 Accrual Period	30

Collateral Information	Group 1
Cut-Off Date Balance	250,016,928.71
Beginning Aggregate Pool Stated Principal Balance	250,016,928.71
Ending Aggregate Pool Stated Principal Balance	239,726,524.52
Beginning Aggregate Certificate Stated Principal Balance	250,016,928.71
Ending Aggregate Certificate Stated Principal Balance	239,726,524.52
Beginning Aggregate Loan Count	879
Loans Paid Off or Otherwise Removed Pursuant to PSA	24
Ending Aggregate Loan Count	855
Beginning Weighted Average Loan Rate (WAC)	6.999848%
Ending Weighted Average Loan Rate (WAC)	6.988582%
Beginning Net Weighted Average Loan Rate	6.624848%
Ending Net Weighted Average Loan Rate	6.613582%
Weighted Average Maturity (WAM) (Months)	358
Servicer Advances	0.00
Aggregate Pool Prepayment	10,264,558.44
Pool Prepayment Rate (CPR)	39.5357



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Delinquency Information		Group 1	
30-59 Days	Balance	0.00	0.000000%
	# of loans	0	0.000000%
60-89 Days	Balance	0.00	0.000000%
	# of loans	0	0.000000%
90+ Days	Balance	0.00	0.000000%
	# of loans	0	0.000000%
Total	Balance	0.00	0.000000%
	# of loans	0	0.000000%

Foreclosure Information		Group 1	
30-59 Days	Balance	0.00	0.000000%
	# of loans	0	0.000000%
60-89 Days	Balance	0.00	0.000000%
	# of loans	0	0.000000%
90+ Days	Balance	0.00	0.000000%
	# of loans	0	0.000000%
Total	Balance	0.00	0.000000%
	# of loans	0	0.000000%



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Bankruptcy Information		Group 1	
30-59 Days	Balance # of loans	0.00 0	0.000000% 0.000000%
60-89 Days	Balance # of loans	0.00 0	0.000000% 0.000000%
90+ Days	Balance # of loans	0.00 0	0.000000% 0.000000%
Total	Balance # of loans	0.00 0	0.000000% 0.000000%

REO Information		Group 1	
30-59 Days	Balance # of loans	0.00 0	0.000000% 0.000000%
60-89 Days	Balance # of loans	0.00 0	0.000000% 0.000000%
90+ Days	Balance # of loans	0.00 0	0.000000% 0.000000%
Total	Balance # of loans	0.00 0	0.000000% 0.000000%



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Aggregate Book Value / Loss Info	
	Group 1
Book Value of all REO Loans	0.00
Percentage of Total Pool Balance	0.000000%
Current Realized Losses	0.00
Additional (Gains)/Losses	0.00
Cumulative Losses	0.00

Senior/Subordinate Allocation Percentages			
	Group 1	Group 2	Group 3
Senior Percentage	0.0000000000%	0.0000000000%	0.0000000000%
Senior Prepayment Percentage	0.0000000000%	0.0000000000%	0.0000000000%
Subordinate Percentage	100.0000000000%	100.0000000000%	100.0000000000%
Subordinate Prepayment Percentage	100.0000000000%	100.0000000000%	100.0000000000%
	Group 4		
Senior Percentage	0.0000000000%		
Senior Prepayment Percentage	0.0000000000%		
Subordinate Percentage	100.0000000000%		
Subordinate Prepayment Percentage	100.0000000000%		

Credit Enhancement Information		
Protection	Original	Current
Bankruptcy Loss	0.00	0.00
Bankruptcy Percentage	0.000000%	0.000000%
Credit/Fraud Loss	0.00	5,000,338.57
Credit/Fraud Loss Percentage	0.000000%	2.085851%
Special Hazard Loss	0.00	0.00
Special Hazard Loss Percentage	0.000000%	0.000000%



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Class Subordination Levels		
<u>Class</u>	<u>Original</u>	<u>Current</u>
Class A	234,765,100.00	224,476,272.48
Class A Percentage	93.899682%	93.638479%
Class B-1	7,751,000.00	7,750,198.73
Class B-1 Percentage	3.100190%	3.232933%
Class B-2	2,500,000.00	2,499,741.56
Class B-2 Percentage	0.999932%	1.042747%
Class B-3	1,875,000.00	1,874,806.17
Class B-3 Percentage	0.749949%	0.782060%
Class B-4	1,250,000.00	1,249,870.78
Class B-4 Percentage	0.499966%	0.521374%
Class B-5	1,000,000.00	999,896.62
Class B-5 Percentage	0.399973%	0.417099%
Class B-6	875,828.71	875,738.17
Class B-6 Percentage	0.350308%	0.365307%



The **BANK**
of **NEW YORK**

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Certificate Account - Deposits	
Beginning Balance	0.00
Payments of Interest and Principal	11,732,168.51
Liquidation Proceeds	0.00
All Other Proceeds	0.00
Other Amounts	0.00
Total Deposits	11,732,168.51
Certificate Account - Withdrawals	
Reimbursement of Servicer Advances	0.00
Payment of Master Servicer Fees	61,494.14
Payment of Sub Servicer Fees	0.00
Payment of Other Fees	0.00
Payment of Insurance Premium(s)	0.00
Payment of Personal Mortgage Insurance	0.00
Other Permitted Withdrawals per the PSA	0.00
Payment of Principal and Interest	<u>11,670,674.25</u>
Total Withdrawals	11,732,168.39
Ending Balance	0.12



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PPIS/Compensating Interest Detail	
	Group 1
Total Gross Prepayment Interest Shortfall	15,386.06
Compensation for Gross PPIS from Servicing Fees	0.00
Other Gross PPIS Compensation	0.00
Total Net PPIS (Non-Supported PPIS)	15,386.06



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Loan Level Loss Detail				
<u>Group</u>	<u>Loan ID</u>	<u>Liquidation Balance</u>	<u>Liquidation Proceeds</u>	<u>Realized Loss</u>
Group 1	N/A			