



101 Barclay Street, 4W
New York, NY 10286

Officer: Kelly Crosson
212-815-3235

Associate: William J. Hermann
212-815-7080

First Horizon Asset Securities Inc.
First Horizon ABS Trust 2006-HE2
First Horizon HELOC Notes, Series 2006-HE2

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
Note R	32052XAA5	Senior Residual	Var-Act/360 Var-Act/360	355,000,000.00 0.00	5.450000 0.000000	4,979,392.43 0.00	1,881,006.94 337,200.98	6,860,399.37 337,200.98	0.00 0.00	350,020,607.57 0.00	0.00 0.00
Totals				355,000,000.00		4,979,392.43	2,218,207.92	7,197,600.35	0.00	350,020,607.57	0.00



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Principal Distribution Detail

Class	Cusip	Original Certificate Balance	Beginning Certificate Balance	Scheduled Principal Distribution	Net Principal Distribution	Current Realized Losses	Ending Certificate Balance	Ending Certificate Factor
Note R	32052XAA5	355,000,000.00 0.00	355,000,000.00 0.00	4,979,392.43 0.00	4,979,392.43 0.00	0.00 0.00	350,020,607.57 0.00	0.98597354245 0.00000000000
Totals		355,000,000.00	355,000,000.00	4,979,392.43	4,979,392.43	0.00	350,020,607.57	



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Interest Distribution Detail

Class	Beginning Certificate Balance	Pass Through Rate (%)	Effective Coupon (%)	Current Interest	Total Interest Due	Net Rate Carryover Paid	Net Interest Shortfall	Interest Paid	Net Rate Carryover After Dist.
Note R	355,000,000.00 0.00	5.450000 0.000000	5.450000 0.000000	1,881,006.94 0.00	1,881,006.94 0.00	0.00 0.00	0.00 0.00	1,881,006.94 337,200.98	0.00 0.00
Totals	355,000,000.00			1,881,006.94	1,881,006.94	0.00	0.00	2,218,207.92	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 (%)
Note R	32052XAA5	355,000,000.00 0.00	1,000.000000000 0.000000000	14.026457549 0.000000000	5.298611111 0.000000000	985.973542451 0.000000000	5.450000 0.000000
Totals		355,000,000.00	1,000.000000000	14.026457549	6.248473014	985.973542451	



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Interest Details on Classes

One-Month Libor Rate	5.32000%
Available Funds Rate	6.75611%
Class A Coupon	5.45000%
Libor Carryover Amount Paid	0.00
Libor Carryover Amount Remaining	0.00

Collateral Detail

Original Mortgage Loan Details

Original Aggregate Loan Count	7,946
Original Stated Principal Balance	355,064,595.40
Original Weighted Average Mortgage Rate	8.74669%
Original Weighted Average Net Mortgage Rate	8.24069%
Original Weighted Average Remaining Term	226
Original Invested Amount	350,085,202.97

Current Mortgage Loan Details

Beginning Aggregate Loan Count	7,946
Ending Aggregate Loan Count	7,725
Beginning Pool Stated Principal Balance	355,064,595.40
Principal Collected	19,081,394.51
Draws	14,102,002.08
Charge Offs	0.00
Ending Pool Stated Principal Balance	350,085,202.97
Beginning Invested Amount	350,085,202.97
Ending Invested Amount	350,085,202.97
Beginning Weighted Average Mortgage Rate	8.74669%
Beginning Weighted Average Net Mortgage Rate	8.24069%
Ending Weighted Average Mortgage Rate	8.73234%
Ending Weighted Average Net Mortgage Rate	8.22634%



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Beginning Weighted Average Remaining Term to Maturity	226
Ending Weighted Average Remaining Term to Maturity	225

Collections

Interest Collections

Interest Collected	2,400,468.50
Net Recoveries	0.00
Other Amounts Allocated to Interest	<u>0.00</u>
Total Interest Collections	2,400,468.50
Less: Servicer Fee	<u>147,943.58</u>
Total Net Interest Collections	2,252,524.92

Principal

Principal Collected	19,081,394.51
Other amounts allocated to Principal	0.00
Total Principal Collections	<u>19,081,394.51</u>

Investor Amounts

Beginning Investor Amount	350,085,202.97
Floating Allocation Percentage	100.000%
Net Interest Collections	<u>2,252,524.92</u>
Invested Interest Collections	2,252,524.92
Principal Collections	19,081,394.51
Principal Draws	<u>14,102,002.08</u>
Investor Principal Distribution Amount	4,979,392.43
Investor Charge Offs	<u>0.00</u>
Ending Investor Amount	350,085,202.97
Rapid Amortization Event	NO



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Prior to November 2011, the Investor Principal Distribution Amount will be excess of Prin Collected over Draws, if any.
The Investor Principal Distribution Amount shall be reduced by the OC Reduction Amount, if any.

Distribution Account

	Beginning Balance	0.00
Deposits	Available Funds	7,231,917.35
	Other Deposits Required by the SSA	<u>0.00</u>
	Total Deposits	7,231,917.35
Withdrawals	To the Trustee, the Trustee Fee	1,775.32
	To the Insurer, the Premium	32,541.67
	To the Classes, Principal and Interest	<u>7,197,600.36</u>
	Total Withdrawals	<u>7,231,917.35</u>
	Ending Balance	0.00

Mortgage Prepayment Details

	Aggregate Pool Prepayment Amount (Gross)	19,081,394.51
	Gross CPR	48.46262%
	Aggregate Pool Prepayment Amount (Net)	4,979,392.43
	Net CPR	15.58947%
	Draw Amount	14,102,002.08
	Draw Rate	38.51171%

Fees of the Trust

	Gross Master Servicing Fee	147,943.58
	Net Master Servicing Fee	147,943.58
	Trustee Fee	1,775.32
	Excess Master Servicing Compensation	149,718.90
	Bond Insurance Premium	<u>32,541.67</u>
	Total Net Loan Fees	331,979.48



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Servicer Advances	
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Principal Advances	0.00
Interest Advances	<u>0.00</u>
Total Advances	0.00
Advances made with Regard to the Mortgage Loans Other than Principal and Interest on Delinquent Payments	NONE



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Collateral Tests

Delinquency Step-Down Test

Rolling Delinq Pct	0.000%
Delinq Step-Down Trigger	8.000%
Pass Delinq Test	YES

Cumulative Charge-Off Step-Down Test

Cumu Charge-Off Pct	0.000%
Cumu Charge-Off Pct Test	0.000%
Pass Cumu Charge-Off Pct Test	YES

Excess Spread Step Up Event

Three Month Rolling Avg Excess Spread	1.156%
Has Excess Spread Step Up Event Occurred	YES

Specified OC Amount

Step-Down Date	NO
Step-Down Test Satisfied	YES
Excess Spread Step Up Event, Cond 1	YES
Excess Spread Step Up Event, Cond 2	NO
Base OC Amount	5,148,436.63
Step Down Base OC Amount	0.00
Step Up Base OC Amount, Cond1	8,876,614.89
Step Up Base OC Amount, Cond2	0.00
Specified OC Amount	5,148,436.63



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OC Details

Specified OC	5,148,436.63
Excess Spread	337,200.98
Excess Spread Distributable	0.00
Excess OC	0.00
OC Reduction	0.00
Ending OC Amount	64,595.40
Ending OC Deficiency	5,083,841.23

OC building begins in March 2007



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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	8	0.10356%	231,759.95	0.06620%	0	0.00000%	0.00	0.00000%	0	0.00000%	0.00	0.00000%

	Foreclosure				Bankruptcy				REO			
	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan Count %	Balance	Balance %	Loan Count	Loan 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%

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

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

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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<u>Issuance Coupon</u>		<u>Number of Items</u>	<u>Percent of Items</u>	<u>Principal Balance</u>	<u>Percent of Balance</u>
<=	5.000000000000	0	0.000	0.00	0.000
5.000000000000	- 5.501000000000	0	0.000	0.00	0.000
5.501000000000	- 6.001000000000	0	0.000	0.00	0.000
6.001000000000	- 6.501000000000	0	0.000	0.00	0.000
6.501000000000	- 7.001000000000	0	0.000	0.00	0.000
7.001000000000	- 7.501000000000	0	0.000	0.00	0.000
7.501000000000	- 8.001000000000	0	0.000	0.00	0.000
8.001000000000	- 8.501000000000	3759	47.837	205,132,805.81	58.595
8.501000000000	- 9.001000000000	748	9.519	34,542,693.42	9.867
9.001000000000	- 9.501000000000	1184	15.067	38,000,986.97	10.855
9.501000000000	- 10.001000000000	798	10.155	27,314,295.90	7.802
10.001000000000	- 10.501000000000	991	12.611	33,488,899.25	9.566
10.501000000000	- 11.001000000000	215	2.736	6,605,233.50	1.887
11.001000000000	- 11.501000000000	71	0.904	2,403,850.52	0.687
11.501000000000	- 12.001000000000	52	0.662	1,508,237.25	0.431
12.001000000000	- 12.501000000000	38	0.484	1,032,180.72	0.295
>	12.501000000000	2	0.025	56,019.63	0.016
Wgt Ave / Total:		7858	100.000	350,085,202.97	100.000

<u>Update Term</u>		<u>Number of Items</u>	<u>Percent of Items</u>	<u>Principal Balance</u>	<u>Percent of Balance</u>
<=	120	0	0.000	0.00	0.000
120	- 180	0	0.000	0.00	0.000
180	- 300	7858	100.000	350,085,202.97	100.000
300	- 360	0	0.000	0.00	0.000
>	360	0	0.000	0.00	0.000
Wgt Ave / Total:		7858	100.000	350,085,202.97	100.000