



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 Trnsf.Int	32052XAA5	Senior Residual	Var-Act/360 Var-Act/360	350,020,607.57 0.00	5.480000 0.000000	4,517,704.51 0.00	1,598,427.44 847,872.57	6,116,131.95 847,872.57	0.00 0.00	345,502,903.06 0.00	0.00 0.00
Totals				350,020,607.57		4,517,704.51	2,446,300.01	6,964,004.52	0.00	345,502,903.06	0.00



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*Principal Distribution Detail*

<b>Class</b>	<b>Cusip</b>	<b>Original Certificate Balance</b>	<b>Beginning Certificate Balance</b>	<b>Scheduled Principal Distribution</b>	<b>Net Principal Distribution</b>	<b>Current Realized Losses</b>	<b>Ending Certificate Balance</b>	<b>Ending Certificate Factor</b>
Note Trnsf.Int	32052XAA5	355,000,000.00 0.00	350,020,607.57 0.00	4,517,704.51 0.00	4,517,704.51 0.00	0.00 0.00	345,502,903.06 0.00	0.97324761425 0.00000000000
Totals		355,000,000.00	350,020,607.57	4,517,704.51	4,517,704.51	0.00	345,502,903.06	



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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 Trnsf.Int	350,020,607.57 0.00	5.480000 0.000000	5.480000 0.000000	1,598,427.44 0.00	1,598,427.44 0.00	0.00 0.00	0.00 0.00	1,598,427.44 847,872.57	0.00 0.00
Totals	350,020,607.57			1,598,427.44	1,598,427.44	0.00	0.00	2,446,300.01	0.00



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*Current Payment Information*  
*Factors per \$1,000*

<b>Class</b>	<b>Cusip</b>	<b>Original Certificate Balance</b>	<b>Beginning Certificate Balance</b>	<b>Principal Distribution</b>	<b>Interest Distribution</b>	<b>Ending Certificate Balance</b>	<b>Pass Through Rate (%)</b>
Note Trnsf.Int	32052XAA5	355,000,000.00 0.00	985.973542451 0.000000000	12.725928197 0.000000000	4.502612511 0.000000000	973.247614254 0.000000000	5.480000 0.000000
Totals		355,000,000.00	985.973542451	12.725928197	6.890985944	973.247614254	



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**Interest Details on Classes**

One-Month Libor Rate	5.35000%
Available Funds Rate	7.88968%
Class A Coupon	5.48000%
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	355,064,595.40

**Current Mortgage Loan Details**

Beginning Aggregate Loan Count	7,725
Ending Aggregate Loan Count	7,538
Beginning Pool Stated Principal Balance	350,085,202.97
Principal Collected	16,870,466.88
Draws	12,352,762.37
Charge Offs	0.00
Ending Pool Stated Principal Balance	345,567,498.46
Beginning Invested Amount	350,085,202.97
Ending Invested Amount	345,567,498.46
Beginning Weighted Average Mortgage Rate	8.75423%
Beginning Weighted Average Net Mortgage Rate	8.24823%
Ending Weighted Average Mortgage Rate	8.75141%
Ending Weighted Average Net Mortgage Rate	8.24541%



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Beginning Weighted Average Remaining Term to Maturity	225
Ending Weighted Average Remaining Term to Maturity	224

**Collections**

**Interest Collections**

Interest Collected	2,626,004.49
Net Recoveries	0.00
Other Amounts Allocated to Interest	<u>0.00</u>
Total Interest Collections	2,626,004.49
Less: Servicer Fee	<u>145,868.83</u>
Total Net Interest Collections	2,480,135.66

**Principal**

Principal Collected	16,870,466.88
Other amounts allocated to Principal	0.00
Total Principal Collections	<u>16,870,466.88</u>

**Investor Amounts**

Beginning Investor Amount	350,085,202.97
Floating Allocation Percentage	100.000%
Net Interest Collections	<u>2,480,135.66</u>
Invested Interest Collections	2,480,135.66
Principal Collections	16,870,466.88
Principal Draws	<u>12,352,762.37</u>
Investor Principal Distribution Amount	4,517,704.51
Investor Charge Offs	<u>0.00</u>
Ending Investor Amount	345,567,498.46
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	6,997,840.17
	Other Deposits Required by the SSA	<u>0.00</u>
	Total Deposits	6,997,840.17
Withdrawals	To the Trustee, the Trustee Fee	1,750.43
	To the Insurer, the Premium	32,085.22
	To the Classes, Principal and Interest	<u>6,964,004.52</u>
	Total Withdrawals	<u>6,997,840.17</u>
	Ending Balance	0.00

**Mortgage Prepayment Details**

Aggregate Pool Prepayment Amount (Gross)	16,870,466.88
Gross CPR	44.71525%
Aggregate Pool Prepayment Amount (Net)	4,517,704.51
Net CPR	14.43235%
Draw Amount	12,352,762.37
Draw Rate	35.01872%

**Fees of the Trust**

Gross Master Servicing Fee	145,868.83
Net Master Servicing Fee	145,868.83
Trustee Fee	1,750.43
Excess Master Servicing Compensation	147,619.26
Bond Insurance Premium	<u>32,085.22</u>
Total Net Loan Fees	327,323.74



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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 Prinicipal and Interest on Delinquent Payments	NONE



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**Collateral Tests**

**Delinquency Step-Down Test**

Rolling Delinq Pct	0.007%
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	2.035%
Has Excess Spread Step Up Event Occurred	NO

**Specified OC Amount**

Step-Down Date	NO
Step-Down Test Satisfied	YES
Excess Spread Step Up Event, Cond 1	NO
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	0.00
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	847,872.57
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	4	0.05306%	163,936.51	0.04744%	4	0.05306%	95,598.36	0.02766%	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%	2	0.02653%	75,736.28	0.02192%	0	0.00000%	0.00	0.00000%

180+ Delinquent Loans

0.00

**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>
<i>Group 1</i>	N/A			

**Material Changes to Pool Assets Disclosure**



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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>		<b>Number of Items</b>	<b>Percent of Items</b>	<b>Principal Balance</b>	<b>Percent of Balance</b>
<=	5.0	0	0.000	0.00	0.000
5.0 -	5.5	0	0.000	0.00	0.000
5.5 -	6.0	0	0.000	0.00	0.000
6.0 -	6.5	0	0.000	0.00	0.000
6.5 -	7.0	0	0.000	0.00	0.000
7.0 -	7.5	0	0.000	0.00	0.000
7.5 -	8.0	0	0.000	0.00	0.000
8.0 -	8.5	3691	48.110	204,182,940.82	59.086
8.5 -	9.0	723	9.424	33,977,542.18	9.832
9.0 -	9.5	1159	15.107	37,543,111.64	10.864
9.5 -	10.0	771	10.050	25,699,971.74	7.437
10.0 -	10.5	961	12.526	32,763,611.98	9.481
10.5 -	11.0	208	2.711	6,455,390.21	1.868
11.0 -	11.5	69	0.899	2,365,328.38	0.684
11.5 -	12.0	51	0.665	1,487,365.55	0.430
12.0 -	12.5	37	0.482	1,046,216.33	0.303
>	12.5	2	0.026	46,019.63	0.013
<b>Wgt Ave / Total:</b>		<b>7672</b>	<b>100.000</b>	<b>345,567,498.46</b>	<b>100.000</b>

<u>Update Term</u>		<b>Number of Items</b>	<b>Percent of Items</b>	<b>Principal Balance</b>	<b>Percent of Balance</b>
<=	120	0	0.000	0.00	0.000
120 -	180	0	0.000	0.00	0.000
180 -	300	7672	100.000	345,567,498.46	100.000
300 -	360	0	0.000	0.00	0.000
>	360	0	0.000	0.00	0.000
<b>Wgt Ave / Total:</b>		<b>7672</b>	<b>100.000</b>	<b>345,567,498.46</b>	<b>100.000</b>