



101 Barclay Street, 4W  
New York, NY 10286

Officer: Kelly Crosson  
212-815-3235

Associate: Rory Hafey  
212-815-5179

**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	355,000,000.00 0.00	5.450000 0.000000	4,979,392.43 0.00	1,881,006.94 331,777.37	6,860,399.37 331,777.37	0.00 0.00	350,020,607.57 0.00	0.00 0.00
Totals				355,000,000.00		4,979,392.43	2,212,784.31	7,192,176.74	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 Trnsf.Int	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	0.985973542 0.000000000
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 Trnsf.Int	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	1,881,006.94 331,777.37	0.00 0.00
Totals	355,000,000.00			1,881,006.94	1,881,006.94	0.00	0.00	2,212,784.31	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	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	6.233195239	985.973542451	



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**Interest Details on Classes**

One-Month Libor Rate	5.32000%
Available Funds Rate	6.74039%
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	355,064,595.40

**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	0.00
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
Number of Loans with Locked Balances	0.00
Aggregate Balance of Loans with Locked Balances	0.00
Aggregate Balance of Locked Portions	0.00

**Collections**

**Interest Collections**

Interest Collected	2,400,468.50
Net Recoveries	0.00
Other Amounts Allocated to Interest	0.00
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	0.00
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>



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Ending Investor Amount 350,085,202.97

Rapid Amortization Event NO

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	37,965.28
	To the Classes, Principal and Interest	<u>7,192,176.75</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%



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**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>37,965.28</u>
Total Net Loan Fees	337,403.09

**Servicer Advances**

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





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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	1.137%
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	
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Specified OC	5,148,436.63
Excess Spread	331,777.37
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%

Number 120+ Delinquent Loans	0
120+ Delinquent Loan Balance	0.00
Number 150+ Delinquent Loans	0
150+ Delinquent Loan Balance	0.00
Number 180+ Delinquent Loans	0
180+ Delinquent Loan Balance	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>
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Group 1

N/A



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Material Changes to Pool Assets Disclosure	
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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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Update Face		Number of Items	Percent of Items	Principal Balance	Percent of Balance
< =	0.00	133	1.693	-44,321.73	-0.013
0.00	- 25,000.00	3362	42.784	45,426,371.12	12.976
25,000.00	- 50,000.00	2279	29.002	82,744,872.33	23.636
50,000.00	- 75,000.00	899	11.441	55,089,060.77	15.736
75,000.00	- 100,000.00	488	6.210	43,008,890.54	12.285
100,000.00	- 125,000.00	211	2.685	23,974,077.54	6.848
125,000.00	- 150,000.00	144	1.833	19,805,930.09	5.657
150,000.00	- 175,000.00	87	1.107	14,098,566.33	4.027
175,000.00	- 200,000.00	78	0.993	14,620,022.02	4.176
200,000.00	- 225,000.00	49	0.624	10,385,388.39	2.967
225,000.00	- 250,000.00	48	0.611	11,619,097.25	3.319
250,000.00	- 275,000.00	13	0.165	3,385,035.19	0.967
275,000.00	- 300,000.00	14	0.178	4,059,874.84	1.160
300,000.00	- 325,000.00	6	0.076	1,875,003.23	0.536
325,000.00	- 350,000.00	13	0.165	4,432,840.42	1.266
350,000.00	- 375,000.00	2	0.025	714,955.45	0.204
375,000.00	- 400,000.00	10	0.127	3,925,793.50	1.121
400,000.00	- 425,000.00	6	0.076	2,477,263.54	0.708
425,000.00	- 450,000.00	5	0.064	2,225,587.31	0.636
450,000.00	- 475,000.00	0	0.000	0.00	0.000
475,000.00	- 500,000.00	7	0.089	3,441,728.86	0.983
500,000.00	- 525,000.00	0	0.000	0.00	0.000
525,000.00	- 550,000.00	0	0.000	0.00	0.000
550,000.00	- 575,000.00	0	0.000	0.00	0.000
575,000.00	- 600,000.00	0	0.000	0.00	0.000
600,000.00	- 625,000.00	1	0.013	619,192.48	0.177
625,000.00	- 650,000.00	1	0.013	649,387.04	0.185
650,000.00	- 675,000.00	1	0.013	670,586.87	0.192
675,000.00	- 700,000.00	0	0.000	0.00	0.000
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	0	0.000	0.00	0.000
775,000.00	- 800,000.00	0	0.000	0.00	0.000
>	800,000.00	1	0.013	879,999.59	0.251
<b>Wgt Ave / Total:</b>		<b>7858</b>	<b>100.000</b>	<b>350,085,202.97</b>	<b>100.000</b>



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Issuance Coupon		Number of Items	Percent of Items	Principal Balance	Percent of Balance
< =	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
<b>Wgt Ave / Total:</b>		<b>7858</b>	<b>100.000</b>	<b>350,085,202.97</b>	<b>100.000</b>

Location	Number of Items	Percent of Items	Principal Balance	Percent of Balance
CA	1079	13.731	74,511,767.88	21.284
FL	214	2.723	13,149,718.57	3.756
AZ	339	4.314	15,627,271.91	4.464
VA	430	5.472	21,471,116.76	6.133
WA	661	8.412	26,563,850.62	7.588
CO	169	2.151	7,607,112.57	2.173
Others	4966	63.197	191,154,364.66	54.602
<b>Wgt Ave / Total:</b>	<b>7858</b>	<b>100.000</b>	<b>350,085,202.97</b>	<b>100.000</b>



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<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	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
<b>Wgt Ave / Total:</b>		<b>7858</b>	<b>100.000</b>	<b>350,085,202.97</b>	<b>100.000</b>