

NEW CENTURY FINANCIAL CORP  
 Form 4  
 December 21, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MORRICE BRAD A

2. Issuer Name and Ticker or Trading Symbol  
 NEW CENTURY FINANCIAL CORP [NEW]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 18400 VON KARMAN, SUITE 1000  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/19/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Vice Chairman, CEO and Pres.

IRVINE,, CA 92612

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	12/19/2006		M		11,250	A	\$ 6.65
Common Stock	12/19/2006		M		5,625	A	\$ 10.47
Common Stock					52,917	I	(1)
Common Stock					15,000	I	(2)

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 6.65	12/19/2006		M	11,250	<sup>(3)</sup> 09/04/2011	Common Stock	11,250
Stock Option (Right to Buy)	\$ 10.47	12/19/2006		M	5,625	<sup>(5)</sup> 02/27/2012	Common Stock	5,625

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MORRICE BRAD A 18400 VON KARMAN, SUITE 1000 IRVINE,, CA 92612	X		Vice Chairman, CEO and Pres.	

**Signatures**

Jennifer Jewett  
(Attorney-in-fact) 12/21/2006

        \*\*Signature of Reporting Person Date

**Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Total reflects a transfer of 25,363 shares from the reporting person's grantor retained annuity trust to the reporting person on August 22, 2006 in a transaction exempt from Section 16.

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- (2) These shares are owned by the Samantha H. Morrice Trust, the sole beneficiary of which is the reporting person's daughter.

This stock option grant vested 20% on September 4, 2002, the first anniversary of the grant date, with an additional 5% vesting on the last day of each succeeding calendar quarter thereafter. The final 5% increment vested on the fifth anniversary of the grant date and the option is, therefore, currently exercisable.

- (4) This column is not applicable.

This stock option grant vested 20% on February 27, 2003, the first anniversary of the grant date, with an additional 5% vesting on the last

- (5) day of each succeeding calendar quarter thereafter. The final 5% increment will vest on the fifth anniversary of the grant date. The portion of this stock option grant exercised by the reporting person on December 19, 2006 vested on September 30, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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