

NEW CENTURY FINANCIAL CORP
 Form 4
 August 17, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
GOTSCHALL EDWARD F

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

3. Date of Earliest Transaction (Month/Day/Year)
 08/15/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

(Street)
 IRVINE,, CA 92612

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

(City) (State) (Zip)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V Amount (D) Price | | | |
| Common Stock | 08/15/2006 | | M | V 71,709 A \$ 5 | 1,146,941 | D | |
| Common Stock | 08/15/2006 | | M | V 28,291 A \$ 7.33 | 1,175,232 | D | |
| Common Stock | 08/15/2006 | | S ⁽¹⁾ | V 100,000 D \$ 41.69 | 1,075,232 | D | |
| Common Stock | 08/16/2006 | | G ⁽²⁾ | V 562 D \$ 0 | 1,074,670 | D | |
| Common Stock | 08/16/2006 | | G ⁽³⁾ | V 562 D \$ 0 | 1,074,108 | D | |

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| | | | | | | | | | |
|--------------|------------|------------------|---|-----|---|------|-----------|---|-----------------------|
| Common Stock | 08/16/2006 | G ⁽⁴⁾ | V | 562 | D | \$ 0 | 1,073,546 | D | |
| Common Stock | 08/16/2006 | G ⁽²⁾ | V | 562 | A | \$ 0 | 1,127 | I | By daughter |
| Common Stock | 08/16/2006 | G ⁽³⁾ | V | 562 | A | \$ 0 | 1,127 | I | By son |
| Common Stock | 08/16/2006 | G ⁽⁴⁾ | V | 562 | A | \$ 0 | 1,127 | I | By son ⁽⁵⁾ |
| Common Stock | | | | | | | 100,000 | I | By wife |

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

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SEC 1474
(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) | \$ 5 | 08/15/2006 | | M | 71,709 | ⁽⁶⁾ 05/24/2007 | Common Stock | 71,709 |
| Stock Option (Right to Buy) | \$ 7.33 | 08/15/2006 | | M | 28,291 | ⁽⁶⁾ 05/24/2007 | Common Stock | 28,291 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| GOTSCHALL EDWARD F 18400 VON KARMAN, SUITE 1000 | X | | | |

IRVINE,, CA 92612

Signatures

Jennifer Jewett
(Attorney-in-Fact)

08/17/2006

__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) This sale was effected pursuant to a 10b5-1 trading plan adopted by the reporting person on June 15, 2006.

This transaction involved a gift of securities by the reporting person to his daughter, who shares the reporting person's household. The

(2) reporting person disclaims beneficial ownership of the shares held by his daughter, and this report should not be deemed an admission that the reporting person is the beneficial owner of his daughter's shares for purposes of Section 16 or for any other purpose.

This transaction involved a gift of securities by the reporting person to his son, who shares the reporting person's household. The

(3) reporting person disclaims beneficial ownership of the shares held by his son, and this report should not be deemed an admission that the reporting person is the beneficial owner of his son's shares for purposes of Section 16 or for any other purpose.

This transaction involved a gift of securities by the reporting person to his wife as custodian for the benefit of his son under the California

(4) Uniform Transfers to Minor Act. The reporting person's wife and son share the reporting person's household. The reporting person disclaims beneficial ownership of the shares held by his wife as custodian for the benefit of his son, and this report should not be deemed an admission that the reporting person is the beneficial owner of these shares for purposes of Section 16 or for any other purpose.

(5) Shares held by the reporting person's wife as custodian for the benefit of his son under the California Uniform Transfers to Minor Act.

(6) This stock option grant vested as to one-third of the total number of options on each of the first three anniversaries of the grant date. The final one-third increment vested on the third anniversary of the grant date and the option is, therefore, currently exercisable.

(7) This column is not applicable.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.