

NEW CENTURY FINANCIAL CORP
 Form 4
 October 04, 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 *
 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
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/02/2006

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	10/02/2006		M		85,444 A \$ 6.65	1,148,990	D
Common Stock	10/02/2006		M		14,556 A \$ 10.47	1,163,546	D
Common Stock	10/02/2006		S(1)		100,000 D \$ 38.98	1,063,546	D
Common Stock						1,127	I By daughter
Common Stock						1,127	I By son

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Common Stock	1,127	I	By son ⁽²⁾
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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(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	10/02/2006		M	85,444	⁽³⁾ 09/04/2011	Common Stock	85,444
Stock Option (Right to Buy)	\$ 10.47	10/02/2006		M	14,556	⁽⁵⁾ 02/27/2012	Common Stock	14,556

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GOTSCHALL EDWARD F 18400 VON KARMAN, SUITE 1000 IRVINE,, CA 92612	X			

Signatures

Jennifer Jewett
(Attorney-in-Fact) 10/04/2006

**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.

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

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 day of each succeeding calendar quarter thereafter. The final 5% increment will vest on the fifth anniversary of the grant date. The portion of the option exercised by the reporting person on October 2, 2006 vested on February 27, 2003.

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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