

NEW CENTURY FINANCIAL CORP
 Form 4
 October 19, 2005

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 *
 FLANAGAN PATRICK J

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)
 10/18/2005

____ Director
 Officer (give title below) _____ Other (specify below)
 Executive Vice President

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 | | | | (A) or (D) | Price |
| Common Stock | 10/18/2005 | | M | | | 7,582 | A | \$ 7.53 | 342,215 | D | |
| Common Stock | 10/18/2005 | | M | | | 29,881 | A | \$ 9.1 | 372,096 | D | |
| Common Stock | 10/18/2005 | | M | | | 16,875 | A | \$ 18.66 | 388,971 | D | |
| Common Stock | 10/18/2005 | | F | | | 14,947 | D | \$ 31.77 | 374,024 | D | |

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) | \$ 7.53 | 10/18/2005 | | M | 7,582 | <u>(1)</u> 10/05/2011 | Common Stock | 7,582 |
| Stock Option (Right to Buy) | \$ 9.1 | 10/18/2005 | | M | 29,881 | <u>(3)</u> 02/22/2012 | Common Stock | 29,881 |
| Stock Option (Right to Buy) | \$ 18.66 | 10/18/2005 | | M | 16,875 | <u>(4)</u> 01/21/2013 | Common Stock | 16,875 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| FLANAGAN PATRICK J 18400 VON KARMAN, SUITE 1000 IRVINE,, CA 92612 | | | Executive Vice President | |

Signatures

Jennifer Jewett
(Attorney-in-fact) 10/19/2005

__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 stock option grant vested 20% on October 5, 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 will vest on the fifth anniversary of the grant date. The portion of this stock option grant exercised by the reporting person on October 18, 2005 vested as follows: 1,916 shares on March 31, 2005, 1,915 shares on June 30, 2005 and 3,751 shares on September 30, 2005.

(2) This column is not applicable.

(3) This stock option grant vested 20% on February 22, 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 this stock option grant exercised by the reporting person on October 18, 2005 vested as follows: 7,381 shares on March 31, 2005, 11,250 shares on June 30, 2005 and 11,250 shares on September 30, 2005.

(4) This stock option grant vested 20% on January 21, 2004, 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 this stock option grant exercised by the reporting person on October 18, 2005 vested as follows: 5,625 shares on March 31, 2005, 5,625 shares on June 30, 2005 and 5,625 shares on September 30, 2005.

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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