FIRST HORIZON
NATIONAL CORPORATION

October 12, 2009

Technical Director
Financial Accounting Standards Board
301 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

By email to: director@fasb.org

Re: File Reference No. 1710-100

Director:

First Horizon National Corporation appreciates the opportunity to comment on the Proposed Accounting Standards Update, *Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements* (the "Proposed ASU"). We support the FASB's objective of providing meaningful information about fair value measurements to financial statement users. However, in our view implementation of the sensitivity disclosures included in the Proposed ASU would result in significant incremental effort and cost for financial statement preparers but would not result in a meaningful improvement to fair value measurement disclosures. Additionally, we have concerns regarding the planned effective date of the Proposed ASU.

Sensitivity Disclosures

For fair value measurements using significant unobservable inputs (Level 3 measurements), the Proposed ASU would amend FASB Accounting Standards Codification Topic 820 (ASC 820) to require a sensitivity analysis showing the effects of reasonably possible alternative Level 3 inputs. While we understand financial statement users' desire to have greater transparency about the sensitivity of fair value measurements for which the inputs are unobservable and subjective in nature, we believe the proposed sensitivity analysis would be costly to prepare and would often provide information of questionable value. The guidance in the Proposed ASU indicates that an entity's sensitivity analysis should include the expected effect of correlation among changes in different significant inputs when more than one input is changed. However, to attain a sufficient correlation, an unmanageable level of disaggregation may be required given the inter-relationship of certain inputs to a fair value measurement. For example, interest rate assumptions related to loans, mortgage servicing assets and asset-backed securities also affect assumptions regarding prepayment rates and probability of default. Therefore, we believe the proposed sensitivity disclosures would be inoperable for preparers and confusing to financial statement users given the volume of data that would be disclosed.

Additionally, determining what are "reasonably possible" alternative inputs from the market's perspective, as would be required under ASC 820, would be difficult given the broad range of results that "reasonably possible" can represent. The Proposed ASU states that a

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"reasonably possible change in inputs shall not include remote or worst case scenarios" but that in determining reasonably possible alternative inputs "the reporting entity shall consider the current economic environment(s) in which it operates". Thus, factors in the current economic environment such as the steep decline in housing prices and the high national unemployment rate would be considered in the determination of reasonably possible alternative inputs for future periods, even though such factors could historically be considered a worst case scenario since most credit cycles are shorter in term and less dramatic. Further, the inherent subjectivity in assessing "reasonably possible" scenarios would naturally produce a wide disparity in disclosures across financial statement preparers due to the unique perspective of the individual(s) performing the assessment. These considerations illustrate the challenges of implementing the proposed sensitivity disclosures based on the difficulties of determining a "reasonably possible" range, and therefore we believe the proposed sensitivity analysis would be burdensome to implement and that the resulting range of reasonably possible alternative inputs could become so wide that the additional disclosures would be of little value to financial statement users.

Given the complexity of the proposed sensitivity analysis, we believe that while the quality of our disclosures would not increase in a way that is meaningful to users the costs to provide the disclosures would increase significantly. The potential costs of the additional disclosures are not limited to the cost of additional preparation time and resources, but also for the increased documentation required by auditors to support the input assumptions used in the analysis and to perform change control testing procedures required under Sarbanes Oxley Act 404 each period as reasonably possible alternative inputs change to reflect current market conditions. Thus, we believe the costs of providing the proposed sensitivity disclosures far outweigh any incremental benefit.

Effective Date

We believe that the proposed effective date provided for the non-sensitivity disclosure provisions of periods ending after December 15, 2009, may prove difficult for financial statement preparers as it relates to the proposed changes in presentation of activity in Level 3 fair value measurements since quarterly disclosures for 2009 were not prepared under the reconciliation's proposed new format, primarily concerning the disaggregated presentation of previously netted amounts of purchases, sales, issuances and settlements. Therefore, we request that the FASB provide for prospective application with and effective date of interim and annual periods ending after March 15, 2010, for this provision of the Proposed ASU if it is made final.

If you have any questions regarding the comments presented in this letter, please contact me at (901) 537-1937.

Sincerely,

/s/ Shawn P. Luke

Shawn P. Luke
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Chief Accounting Officer's Division
First Horizon National Corporation