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

Via email: director@fasb.org  

File Reference: No. 1710-100 Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements  

Dear Mr. Golden:

Renasant Bank appreciates the opportunity to comment on the exposure draft: Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements (ED). The American Bankers Association (ABA) brings together banks of all sizes and charters into one association. Renasant Bank, which operates in three states and has $3.7 billion in assets, is a member of the ABA. Further, Renasant Bank is the wholly-owned subsidiary of Renasant Corporation, a publicly held corporation traded on the NASDAQ Global Index. As of June 30, 2009, approximately $684 million of our assets are valued on the balance sheet at fair value, none of which are based on Level 1 inputs, 92% Level 2 inputs, and 8% Level 3 inputs. The Level 3 inputs consist of four (4) pools of trust preferred securities, a single issue trust preferred, and stock in the Federal Home Loan Bank of Dallas.

The crux of the matter concerning the ED is the cost to prepare the information versus the benefit to the user of the financial statements. First, complying with accounting guidance and disclosures have not only become more complex over the past several years, but also has required more resources to complete. This coupled with a reduced reporting deadline has led to increased staff. At a time when the financial industry needs an opportunity to preserve or enhance earnings, more federal regulation has become imminent which in turn increases the burden on financial institutions to comply. These new disclosures as proposed in ED will require the processes to be documented, controls under SOX 404 be established, and additional audit procedures from both the regulators and external auditors be developed. It will certainly be more costly to disclose as management and the auditors will expend additional time to agree on the basis for the reasonably possible alternative. We currently use 1.5 FTE staff persons to prepare the existing fair value information, including disclosures, and also pay for external services. We estimate that the additional information will cost an additional $50,000 per quarter which includes the addition of another .5 FTE. Further, the additional information contained in the ED is already being discussed in Management’s Discussion and Analysis of publicly filed periodic reports.

Secondly, the guidelines provided in the exposure draft require more detailed disclosures that certainly can be confusing to both the preparers, auditors and users of the financial statements. In addition, Level 3 valuations by their definition are driven by assumptions of management. As a result, it is inevitable that consistency will vary from each reporting entity depending upon their assumptions used under Level 3.
guidance and particularly when disclosing information concerning the effect of an assumption-driven reasonably possible alternative. It should be noted that a number of examples exist where financial institutions presented different results from their fair value approaches in recognizing impairment from their PRETL investments even though the pools and tranches were the same.

As a result, we concur with the ABA in recommending that the FASB omit the sensitivity disclosures from its final standard. Furthermore, we believe that it is prudent to subject the ED to a field test before implementing in its present form.

Thank you for your attention to these matters and for considering our views. Please feel free to contact us at 662-680-1472 if you would like to discuss our views.

Sincerely,

Stuart R. Johnson
Executive Vice President
Chief Financial Officer