

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

National City Corporation Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Jill Hennessey

We have a few question that were submitted via email prior to the call which we'll cover first and then turn it over to live Q&A. The first question is for Rick Michels. Rick, is the company actively seeking to lend money in its local markets to C&I customers and prospects?

Richard Michels

As you know, lending continues to be a very important part of our ongoing relationships with our clients. Many of our clients don't have access to the capital markets and those that do probably don't have access today so lending continues to be a very important part of those relationships. However, we're working very hard to fully realize the direct and integrated strategy which Peter has talked about this morning and on prior calls.

In corporate banking, that means making sure that we're taking a holistic approach to our relationships and looking for opportunities to not only lend money but also to add non-loan revenue fee based business to increase the return on capital that we have in the entire portfolio.

Jill Hennessey

The next question is for Joe [Carloney] of our mortgage company. Joe, overtime the fundamentals of our mortgage lending have strayed away from the fundamentals of lending. What are the guidelines being followed in your direct mortgage channel relative to debt-to-income ratio, written income verification and non-borrowed down payments.

Joe [Carloney]

We do continue to strictly adhere to Fannie Mae, Freddie Mac secondary market guidelines as well as HUD for the FHA programs. Those programs have been tightened up over time and in some cases we've actually instituted above those guidelines more conservative requirements on top of those agency requirements.

We do not originate any stated income loans, those have been ceased. As far as down payment programs, the only programs that allow any non-borrower funded down payment programs and it's only partial non-funded is the FHA so according to HUD guidelines those programs are in place but it's clearly more stringent than it had been.

Jill Hennessey

Tom, I have a question for you, do you support a roll back of mark-to-market accounting rules?

Thomas A. Richlovsky

I can tell you that the proposed mark-to-market rules or revisions to the rules don't have a lot of relevancy to us. We do not have a lot of hard value assets on our balance sheets or specifically loans held for sale are not difficult valuations because they essentially consist of conventional mortgages with a ready market value. So, it's not an item that's particularly relevant for us and as a consequence we do not have a strong opinion on those developments.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.