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TCF Financial Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. (Operator Instructions)

Our first question's from the line of Steven Alexopoulos with JP Morgan. Please go ahead.

Steven Alexopoulos - JP Morgan Securities

Hey, good morning, everyone.

William Cooper

Hi.

Steven Alexopoulos - JP Morgan Securities

Bill, could you break out, speaking of Michigan, the total loans that you have in Michigan and then maybe the amount of home equity loans that you guys have there?

William Cooper

Tom, do you have those numbers? I might mention on the Michigan consumer loans, those charge-offs, delinquencies and so forth, appear to have flattened, but at a quite high rate. But we're looking for those numbers.

Neil Brown

Excuse me, this is Neil. I don't have the exact numbers in front of me, but it's approximately a billion dollars of commercial loans and a billion dollars of consumer loans.

Steven Alexopoulos - JP Morgan Securities

I'm curious, Bill, with the economy weakening here, when you think about the overdraft business, do you expect to see the frequency of overdrafts pick up or in your experience, do people tend to get more sensitive to that fee? How do you think about that here?

William Cooper

Frankly, I don't know. That business, frankly, overdrafts, to the degree they occur are a function of, more than anything, a volume of transactions. And to the degree people are buying more, there are more overdrafts.

It's just kind of a direct thing that works to the degree the volume of transactions go down, overdrafts go down and we've seen some of that. But, the economy, etcetera doesn't seem to drive that as open and down over the years as simply the volume of transactions.

Steven Alexopoulos - JP Morgan Securities

And maybe just one final question, looking at the composition of the reserve, it looked like there was a notable increase in the reserves for commercial business loans. Does that reflect a broad based view you have with concern there or is it specific to a couple of credits?

William Cooper

It's specific to a couple of credits.

William Cooper

It's specific to a couple of credits.

Steven Alexopoulos - JP Morgan Securities

Okay. Thanks.

Operator

Thank you. Our next question comes from the line of Ken Zerbe, with Morgan Stanley. Please go ahead.

Ken Zerbe - Morgan Stanley

Thanks. I know you guys seem pretty optimistic that the worst of the credit crisis is behind you or, at least, that things are stabilizing, but if the economy does go into a recession and unemployment goes up to 7% or above, how would that affect your second lead in the commercial portfolios? I'm sure you guys have probably run some sort of sensitivity analysis on that.

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