

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.

TCF Financial Corporation, Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. Ladies and gentlemen, we'll now begin the question and answer session. (Operator instructions) Our first question comes from the line of Jon Arfstrom with RBC Capital Markets. Please go ahead sir.

Jon Arfstrom - RBC Capital Markets

Thanks. Good morning guys.

William A. Cooper

Good morning. I think you have been the first questioner as long as we've had a profitable quarter.

Jon Arfstrom - RBC Capital Markets

Jason likes me. Question for you, I guess maybe the largest question in terms of the impact on your numbers is the consumer portfolio. And you alluded to a home price that starting to stabilize in your market. Can you maybe give us some qualitative thoughts and how you feel about loss as going forward in that portfolio? Maybe not getting better, but you feel like there's more stress coming or starting to flattened out.

William A. Cooper

One of the things they're a number, and I didn't bring those numbers along, but is it really interesting to see in all of our market areas Homes for Sale have declined significantly. And most of those Homes for Sale are bank-owned. But it's just like any other market when the supply goes down, the price goes up. And with the very low interest rates now in terms of getting long-term fixed rate mortgages and at a higher rate than everywhere else, but flatter for us and when we look at the data and so forth of what's happening with the level of home prices and the inventory of homes for sale and so forth.

It might get a little worse, and particularly in certain categories as they try and liquidate their huge portfolios of low-priced homes in the inner cities and surrounding areas. You may see more depreciation there, but we're not there as much.

Jon Arfstrom - RBC Capital Management

Okay. Thanks for that. And could you update us on the dollar amount of the second lien home equity portfolio that sits above a 90% combined LTV?

William A. Cooper

Tom, do you have that number?

Thomas F. Jasper

No, I don't. We don't report out on the LTVs. On our second mortgage portfolio approximately 17% of our second mortgages fall behind the TCF first mortgage.

William A. Cooper

One of the things about that LTV stuff, we have 100,000 mortgages. We know what the LTV was when we originated and we go through a review of updating that information but frankly no one, including us, has a real good handle on what LTVs are within individual categories based on what home prices are today. We never made over 100% loan-to-value stuff; ours were always under a particular category.

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