TCF®

TCF NATIONAL BANK

James S. Broucek
Senior Vice President
Treasurer

March 26, 2007

Office of the Comptroller of the Currency
250 E Street, S.W.
Mail Stop 1-5
Washington, DC 20219
Attention Docket No. 06-15

Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street & Constitution Ave., N.W.
Washington, DC 20551
Attention: Docket No. R-1238

Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429
Attention: Comments /Legal ESS
(RIN 3064-AC96)

Re: Basel IA Proposed Risk-Based Capital Guidelines

Dear Sir or Madam:

TCF National Bank ("TCF") appreciates the opportunity to submit this comment letter on the Basel IA notice of proposed rulemaking ("NPR"). TCF wishes to express its support for the implementation of the Basel IA capital rules. We are committed to working with all of the federal banking agencies to ensure that the NPR combines the objectives of safety and soundness. TCF would like to provide comments associated with the following questions contained in the NPR:

1. *Question 2: The Agencies seek comment on all aspects of the proposal to allow banks to opt into and out of the proposed rules...*

    - The NPR appears to leave the decision whether to adopt the Basel IA capital rules to the individual non-Basel II banks while providing the regulators the ability to require the utilization of Basel IA by a regulated entity. We recommend that the regulators issue additional guidance identifying characteristics of banks that regulators believe should adopt the Basel IA capital rules. Such guidelines would promote capital consistency in the banking industry and provide better comparability in analyzing the health of financial institutions by ensuring similar banks are calculating and reporting capital using comparable rules, similar to the Basel II required adoption for selected banks.

- The cost to implement Basel IA may be high and transition times will be needed if the regulators require Basal IA implementation.

2. *Question 18: The agencies remain interested in comments on any methods that would increase the risk sensitivity of risk-based capital requirements for other retail exposures...*

   The Agencies' decision not to make any changes in the NPR concerning the risk-based capital treatment for other retail exposures will result in other retail exposures such as unsecured credit card debt having a lower risk weighting than fully secured 1-4 family first residential loans with LTV's greater than 95%. In our opinion this does not properly reflect the differences in the inherent risks contained in the two asset categories based on TCF historical loss ratio for fully secured loans. In 2006, TCF's charge-off ratio on fully secured 1-4 family first residential loans with LTV's greater than 95% was less than 50 basis points compared to a national average loss ratio of about 3.5% on credit card debt.

With the amount of regulatory scrutiny on the development of Basel IA/II, we would also recommend that final Basel IA guidance replace the specific guidance quoted below of 12 CFR, Subpart D, Appendix A which requires that: "*The aggregate amount of all loans in excess of the supervisory loan-to-value limits should not exceed 100 percent of total capital.*"

Thank you for the opportunity to comment on the proposed rulemaking. Should you wish to discuss this material further, please contact me directly at (952) 249-7130.

Sincerely,

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cc: Neil W. Brown, President and COO, TCF Financial Corporation
Thomas F. Jasper, Executive Vice President and CFO, TCF Financial Corporation