



Heather B. Thayer
952-745-2725
hthayer@visi.com

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Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Docket No. R-1406 & RIN No. 7100-AD 65
Regulation Z (Truth in Lending Act) Dodd-Frank Wall Street Reform and
Consumer Protection Act: Escrow Proposal
76 Federal Register 11598 (March 2, 2011)

Dear Ms. Johnson:

TCF National Bank ("TCF") appreciates the opportunity to comment on the proposed amendments (the "Proposed Rule") by the Federal Reserve Board (the "Board") to Regulation Z, setting forth new disclosure requirements for escrow accounts. TCF is a Wayzata, Minnesota-based national bank with \$18.7 billion in total assets. TCF has 442 branches in Minnesota, Illinois, Michigan, Colorado, Wisconsin, Indiana, Arizona and South Dakota, providing retail and commercial banking services.

TCF supports the Proposed Rule but requests that the final rule and model forms take into account that escrow practices vary among lenders and servicers. For example, unless otherwise required by law, TCF requires that escrow accounts be established only for property taxes and flood insurance; TCF does not voluntarily establish escrow accounts for homeowner's insurance. Accordingly, the disclosures specified by the Proposed Rule and model forms may be inaccurate and misleading as applied to the escrow accounts established by TCF for its customers.

The Proposed Rule provides that creditors must disclose the information about escrow accounts specified in § 226.19(f)(2)(i) when an escrow account is established and specified in § 226.19(f)(2)(ii) when an escrow account is not established in connection with the consummation of a transaction. The Proposed Rule requires that these disclosures be in accordance with the specific format requirements of § 226.19(f)(1).

These disclosure provisions and the model forms of Appendix H to Part 226-Closed-End Model Forms and Clauses state that the escrow account will be used to pay “home-related costs such as property taxes and insurance.” This language is likely to be interpreted by consumers to mean that the escrow funds will be used to pay various insurance premiums, including homeowner’s insurance. Furthermore, the model forms suggest that funds in an escrow account are used to purchase homeowner’s insurance:

What could happen if I don’t pay my home-related costs?

If you don’t pay these costs, we could require an escrow account on your mortgage or add the costs to your loan balance. We could also require that you pay for insurance that we buy on your behalf. This insurance likely would be more expensive and provide fewer benefits than traditional homeowner’s insurance.

H-25-Non-Establishment of Escrow Account Model Form (§ 226.19(f)(2)(ii)); H-26-Cancellation of Escrow Account Model Form (§ 226.20(d)). Use of such model forms would likely lead to consumer confusion if the escrows being provided do not match the one variation contemplated by the Proposed Rule.

TCF requests that the Board allow for flexibility in the final rule and model forms to permit lenders and servicers to provide disclosures that accurately reflect the items being escrowed. Without this flexibility, lenders and servicers may be required to choose between providing disclosures that are clear and helpful to consumers or complying with the letter of the regulation.

TCF appreciates the opportunity to comment on the Board’s proposal. Please contact the undersigned at (952) 745-2725 or by email at hthayer@tcfbank.com with any questions or for additional information.

Very truly yours,



Heather B. Thayer
Senior Vice President & Senior Counsel