

From: Clark Brown [mailto:cbrown@lacba.org]
Sent: Thursday, November 13, 2008 7:22 PM
To: Comments
Subject: FDIC RIN 3064-AD37

TO: Robert E. Feldman, FDIC Executive Secretary
FROM: IOLTA Funding recipient: Los Angeles County Bar Association ("LACBA")

LACBA, on behalf of its 25,000 attorney members and the public they serve, urges the FDIC to include IOLTA accounts in the new Temporary Liquidity Guarantee Program (TLGP). The attached Statement is hereby submitted by LACBA in support of that action.

Several Bar Associations have previously noted that the proposed TLGP Interim Rule do not cover Interest on Lawyer Trust Accounts (IOLTA), which are also transactional accounts. These accounts generate interest to a third-party non-profit IOLTA program account pursuant to an exception granted by the Federal Reserve and the FDIC.

IOLTA programs provide grants for legal aid, administration of justice and legal education. Without the full insurance coverage in this uncertain economy, lawyers may feel the need to move their client funds from IOLTA accounts to fully-insured non-interest bearing accounts, which could result in a significant loss in funding for critically needed legal aid programs.

LACBA therefore urges the FDIC to include these accounts in the TLGP program.

With more than 25,000 members, over 100 committees and sections, and a score of public service projects, LACBA is committed to improving the administration of justice in our community. As the largest metropolitan bar association in the country, our voice on behalf of lawyers and the public is heard through our public comment, through our support of major legal services programs, such as Public Counsel and the Legal Aid Foundation of Los Angeles, as well as through our own projects to provide free legal services to thousands of indigent people each year, including battered women, immigrants and people living with AIDS and HIV.

Please contact my office if the FDIC has any questions concerning our Statement, or the information provided in this email. Thank you for your support of the IOLTA program, and the essential work it does on behalf of Americans in need throughout our Country.

Respectfully Submitted, Clark Brown.

Clark Brown
Associate Executive Director
LOS ANGELES COUNTY BAR ASSOCIATION

261 South Figueroa Street, Suite 300
Los Angeles, CA 90012
Direct (213) 833-6703
Fax (213) 896-6500
cbrown@lacba.org

STATEMENT OF THE LOS ANGELES COUNTY BAR ASSOCIATION 11-10-08
RIN # 3064-AD37

Why IOLTA accounts must be included in the new Temporary Liquidity Guarantee Program (TLGP).

IOLTA matters. The California State IOLTA statute went into effect in 1987. With IOLTA monies granted to the Los Angeles County Bar Association ("LACBA"), it funded three LACBA direct legal service projects: the Immigration Legal Assistance Project ("ILAP"), the Barristers Domestic Violence Project ("DVP"), and the Barristers AIDS Project (which is now know as "HALSA"). Collectively, these three projects are incorporated into a single LACBA entity known as "Projects, Inc."

The monies provided through the IOLTA program has allowed Projects, Inc. to continue to serve the unmet need of low income individuals and families throughout Los Angeles County. If IOLTA funds are restricted or reduced this proven services delivery system for those in need, which lives in that delicate financial balance of all non-profit organizations, is undermined and clearly at risk.

Projects Inc. - Domestic Violence Program

The Domestic Violence Project is situated in two Los Angeles Superior Court locations; downtown and Pasadena. In 2007, over 6,000 people visited the DVP. Through the DVP staff and hundreds of local volunteer attorneys, victims of domestic violence and their children are assisted in petitioning for Temporary Restraining Orders (TRO) against the batterer. In most cases, the process of filing a petition, and the granting of the petition, happens in one day. Often, the orders include kick-out and child custody orders.

The Project directly benefits victims and their children by providing legal services, and the service to the community is further enhanced by other DVP activities. The DVP conducts educational CLE seminars, trains law enforcement at roll call briefings, and refers victims to social services.

Filing for a TRO is often the initial step in stopping the cyclical pattern of domestic violence relationships. Sustained recovery and self-reliance could be attained by additional funding, which would allow for the following services and advice:

Workshops in hearing preparation for Domestic Violence victims,
Legal Representation for victims at hearings,
Filing for compensation from "Victims of Crimes" funds,
Expungement Petitions for victims arrested when acting in self-defense,
Housing Discrimination associated with Domestic Violence, and
Immigration issues attendant to Domestic Violence issues.

Victims of Domestic Violence, their children, their employers, and the surrounding neighborhoods would benefit from increased IOLTA funding to provide safety and security to those harmed by domestic violence.

Projects Inc. - Immigration Legal Assistance Project

Over the past 20 years Projects, Inc. has served over 1.5 million persons in dire need of quality immigration services. The ILAP program provides legal assistance and counseling to all categories of low income persons. 2008 continues to be a very successful year for ILAP. Pro bono activity remains strong with 11 full-time law students and 26 volunteer attorneys contributing over 2,500 pro bono hours valued at over \$400,000.

All volunteers made a tremendous impact in helping low-income persons understand their rights and benefits under the immigration law. Here is one example of one such success story.

A client from Cuba is homeless and living from shelter to shelter. He lost all documentation showing he entered the United States in May of 1980 under a special law called the Cuban-Haitian Entrant Status. Thus, he cannot apply for public benefits (general relief) because he has no proof of legal residency. A security guard in our building brought him to the Project because, and I quote, "the immigration service doesn't know what to do with him". He was wandering from office to office trying to seek help, very frustrated, and being turned away.

So the ILAP pro bono attorneys made an appointment to speak to an immigration officer. The database confirmed his status as a Cuban-Haitian. However, USCIS would still not give him an I-94 document confirming his residency status. ILAP staff intervened with USCIS supervisors. For a variety of reasons (none of which were legal) USCIS insisted they did not have jurisdiction to issue the document. ILAP argued for an extended period that they did, but they refused.

ILAP staff then contacted USCIS upper management. After a week of discussions they confirmed that ILAP was right in its interpretation of applicable law and they would issue

the document. So ILAP volunteer attorneys prepare the necessary form and a fee waiver request to USCIS because the client could not pay the fee of \$305.00. USCIS did grant the waiver and the client is now in the process of receiving his I-94 document. With this document he will be eligible for general relief, housing, and other public benefits.

Projects Inc. - AIDS Legal Services Program

It would be impossible to overestimate the impact that IOLTA funds in California have played in leveraging pro bono resources for the past 20 years through the Barristers AIDS Legal Services Project/HALSA. This year alone, 136 legal advocates have volunteered over 4,000 hours of service worth nearly \$900,000 on a wide range of civil legal issues that have helped people living with HIV receive vital benefits, combat HIV discrimination, prevent tenant evictions and otherwise stabilize what are often very unstable lives.

Our clients are among the most disenfranchised in society - about 90% of them are indigent, over 80 % are people of color, sexual minorities and HIV+, and they face a dizzying array of legal problems. Oftentimes, the legal services that are provided through our volunteer attorneys are not available through any other program in the County.

In sum, the IOLTA funded programs of LACBA's Projects, Inc have continually addressed unmet need throughout our County, particularly for those most in need: the indigent who predominantly are part of various minority communities in Los Angeles County. IOLTA funding has been an essential foundation for that unique and life-changing service provided to hundreds of thousands of families in Los Angeles County over the last 20 years.