



November 13, 2008

Via E-mail: Comments@FDIC.gov

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Re: Comments RIN #3064-AD37

Dear Mr. Feldman:

We are writing in response to the invitation for comments regarding the definition of “non-interest bearing transaction accounts” under the Temporary Liquidity Guarantee Program (TLGP) and the applicability of the transaction guarantee to certain NOW accounts. On behalf of the Colorado Bar Association, we urge the FDIC to include IOLTA accounts among those accounts entitled to unlimited insurance coverage under the TLGP. The Colorado Bar Association is a voluntary bar with a membership of 17,000 that has long supported efforts to maintain and improve access to justice in Colorado.

Colorado lawyers are required by the Colorado Rules of Professional Conduct to hold client funds at interest, either for the benefit of the client or, when they cannot earn net interest for the client, for the benefit of the Colorado Lawyer Trust Account Foundation (“COLTAF”). COLTAF was established in 1982 by the Colorado Supreme Court in response to severe cuts in federal funding for legal services. Since that time, using the interest earned on pooled client funds in lawyers’ IOLTA accounts (called “COLTAF accounts” in Colorado), COLTAF has made grants to provide civil legal services and otherwise improve access to justice for low-income and other vulnerable Coloradans. Last year alone COLTAF disbursed \$2.8 million to Colorado’s statewide legal services program, which accounted for over 20% of its budget.

The failure to provide full coverage for IOLTA accounts under the TLGP jeopardizes this critical funding stream for civil legal services in Colorado. Given their fiduciary duty to protect the security of client funds in their possession, and without complete knowledge of their clients’ own banking relationships, Colorado lawyers will be forced to consider placing their client funds in non-interest bearing deposit transaction accounts to secure full coverage.

COLTAF is a critical source of support for Colorado’s civil legal services delivery system. The strength of this system is particularly important during these challenging economic times, when access to the legal services funded by COLTAF is in greater demand and even more important for the vulnerable populations served.

We urge the FDIC to preserve this important source of funding for civil legal services by extending full coverage to IOLTA accounts.

Thank you for your attention.

Respectfully submitted,

William E. Walters III
President, Colorado Bar Association

Charles C. Turner
Executive Director, Colorado Bar Association