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Ms. Sheila C. Bair  
Chair, Federal Deposit Insurance Corporation  
550 17th Street, NW  
Room 6028  
Washington, DC 20429

Dear Chairman Bair:

I write to express my concern about the potential unintended consequences to the Interest on Lawyers Trust Accounts (IOLTA) program associated with your announced Temporary Liquidity Guarantee Program (TLGP).

I am writing on behalf of Equal Justice Works, a nonprofit organization dedicated to create a more just society by mobilizing the next generation of lawyers committed to equal justice. We provide leadership to ensure a sustainable pipeline of talented and trained lawyers involved in public service on behalf of low-income and under-served communities. Equal Justice Works provides a continuum of programs that begin with incoming law school students and extend into later careers in the profession. We provide the nation's leading public interest law fellowship program and offer more postgraduate, full-time legal positions in public service than any other organization.

Many of our law students and lawyers work with legal aid programs that are funded by IOLTA programs. Some IOLTA programs fund fellowships through our organization. Without IOLTA's critical funding, many low-income people would be without legal representation when facing issues such as homelessness, lack of health care or domestic violence. Our organization cares deeply about the success of IOLTA programs, and we are concerned that the impact of the TLGP could undermine those programs.

I urge the FDIC to make an accommodation as you implement your interim rules to ensure that the critical resources generated by the IOLTA program to provide legal representation to the impoverished are not adversely affected.

I hope the FDIC will consider IOLTA accounts as non-interest bearing accounts under the terms of the TLGP. This position is supported by the very structure of IOLTA. No attorney or client have any expectation of receiving interest on the short-term escrow accounts that are accumulated to support the provision of legal assistance to the poor. If the FDIC cannot consider IOLTA accounts to be non-interest bearing, we would ask in the alternative that an exception be made in the TLGP interim rules providing unlimited deposit insurance to IOLTA accounts.

We appreciate your consideration of our views. I would be happy to provide further information at any time.

Sincerely,

David Stern  
Chief Executive Officer