
From: Peter W. Brown [mailto:pbrown@bowlaw.com]

Sent: Monday, November 10, 2008 4:57 PM

To: Comments

Subject: FDIC Interim Rule RIN #3064-AD37

I am a member of the Board of New Hampshire Legal Assistance and Co-Chair of the Campaign for Legal Services, an organization that raises funds to support the work of New Hampshire Legal Assistance, The Legal Advice and Referral Center and the New Hampshire Pro Bono Referral Program . These three organizations provide vitally needed legal services to New Hampshire's low income community. They all are critically dependent on funding from the New Hampshire Bar Association's Interest on Lawyers Trust Accounts (IOLTA) program.

My concern is that Interim Rule RIN #3064-AD37 (Interim Rule) will , unintentionally , diminish funding from the IOLTA program during a period of increasing need for the legal services provided by the organizations mentioned above. This concern stems from the fact that lawyer's trust funds deposited in IOLTA accounts are deposited in "interest bearing" accounts in New Hampshire banking institutions for the sole purpose of providing a vital funding source for the three organizations noted above. These accounts are "non interest bearing " to the lawyers who deposit the funds and the clients for whom the deposits are made. As I understand the Interim Rule as written , FDIC insurance will not be extended to balances in excess of \$250,000 in interest bearing accounts. Our experience here in New Hampshire is that as a result of large real estate closings or other commercial transactions , often deposits are , on a short term basis, made to interest bearing IOLTA accounts in excess of \$250,000. As a result Lawyers will likely refrain from depositing amounts in excess of \$250,000 in IOLTA accounts - they cannot and will not jeopardize client funds during the current credit crisis and needed funding for legal services to the poor will be diminished.

In light of current conditions and in keeping with the overall beneficial intent of the Interim Rule , I urge you to extend FDIC coverage to all balances in IOLTA accounts that are maintained not only in New Hampshire but in the numerous other states that have Bar sponsored IOLTA programs. I appreciate your attention to these comments and look forward to your amendments to the Interim Rule to extend FDIC coverage to all balances in IOLTA accounts.

Respectfully,

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