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Sent: Thursday, November 13, 2008 2:23 PM
To: Comments
Cc: roger@legalhospice.org
Subject: FDIC RIN 3064-AD37

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

Dear Chairman Bair:

I am an attorney practicing in the State of Texas and a member of the Board of Directors of Legal Hospice of Texas, a nonprofit law firm that provides legal services on health-related issues to low income individuals with a terminal condition or who are HIV-positive. Our organization depends upon funds from the Texas Access to Justice Foundation, which, in turn, depends on interest on lawyers' trust accounts (IOLTA) for its funds. The funds we receive from the Texas Access to Justice Foundation amount to a very large percentage of our yearly budget.

I am greatly concerned about the potential effect of the Temporary Liquidity Guarantee Program (TLGP) on the Texas IOLTA program and the IOLTA programs of other states. The interim rules, as currently stated, would appear unintentionally to result in a reduction of at least half of the IOLTA funds available to the Texas Access for Justice Foundation. The reduction in funds to my agency, and to other agencies that provide legal services to low income and indigent individuals in Texas and throughout the United States, would result in a drastic reduction in the services that we can provide. Many individuals would be unable to receive any legal representation or assistance within the justice system. My agency serves what is perhaps the most underrepresented group in Texas, the dying poor or the poor living with HIV disease. Without the representation of Legal Hospice of Texas attorneys and volunteer attorneys, many people would lose their jobs with no hope of reinstatement, which we can provide; many people would lose benefits, whether private or public, and have no hope of reinstatement of those benefits; many people would become unable to manage their own finances or make their own medical decisions because we could not prepare Powers of Attorney and Medical Powers of Attorney for them; and many people would die without a Will specifying who would be guardian of their minor children, or who would receive their worldly goods, which while meager when compared to those of some of us, are all the goods they have. Our clients are people with dignity, who deserve to be treated with dignity, and we will simply be unable to meet the needs of many potential clients with the reduction in funds available from the Texas Access to Justice Foundation.

IOLTA is the second largest resource available nationally to ensure that the promise of equal justice is available to all Americans, not just to those who make "enough" money or those who have "enough" money. All of the United States is gripped by a recession, which promises to be long lived, and which results in a strain on agencies provide basic legal services for those who otherwise could not pay for the services. Texas currently has an even greater need than most states, since many of our funds need to be used to help those displaced by Hurricane Ike. For many clients and potential clients of legal services in Texas, the legal service that they can obtain through the agencies like Legal Hospice of Texas is the only barrier between them and homelessness. They deserve much, much better from our justice system.

I urge the FDIC to consider IOLTA accounts as non-interest bearing accounts under the terms of the TLGP. The very structure of IOLTA supports the position that the accounts are non-interest bearing, since neither the attorney nor the client have any expectation of receiving interest on the short-term escrow accounts that accumulate to provide legal assistance to the poor. If the FDIC

is unable to consider IOLTA accounts as non-interest bearing accounts, I request that the FDIC make an exception to the TLGP interim rules that will provide unlimited deposit insurance to IOLTA accounts.

Thank you for your consideration of this matter.

Very truly yours,

Lynne M. Candler
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