



SUPREME COURT OF PENNSYLVANIA  
**PENNSYLVANIA INTEREST ON  
LAWYERS TRUST ACCOUNT BOARD**

October 13, 2010

Mr. Robert E. Feldman, Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Sent by Email: [Comments@FDIC.gov](mailto:Comments@FDIC.gov)  
Re: RIN 3064-AD37

Dear Executive Secretary Feldman:

Proposed FDIC regulations regarding implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act would require notice no later than December 31, 2010 to IOLTA account depositors that the accounts would no longer be eligible for unlimited FDIC coverage effective January 1, 2011. In view of the currently pending legislation that would allow for continued unlimited FDIC coverage for IOLTA accounts, we respectfully request that the notice not be required for IOLTA accounts until after Congress has recessed or, if required, that the notice be sent to IOLTA account depositors **no earlier than** December 30, 2010.

On behalf of the PA IOLTA Board, I thank the FDIC for having included IOLTA accounts in the Transaction Account Guarantee Program (TAGP). The FDIC action recognized that IOLTA accounts are functionally non-interest bearing to the depositor owner of the IOLTA account (the lawyer), and also non-interest bearing to the owner of the funds in the IOLTA trust account (the client). But for the requirements imposed by the Supreme Court of Pennsylvania and the Pennsylvania legislature, no interest would be paid on these accounts and the accounts would qualify for the unlimited FDIC coverage. These public authorities enacted the IOLTA program to help provide critically needed non-tax funding for civil legal aid for indigent Pennsylvania residents. IOLTA funding helps prevent homelessness, provides protection to women and children from abusers, and assists the elderly confronting predatory lending and consumer fraud.

A bill is currently pending in the U.S. Senate that would correct the unintended exclusion of unlimited coverage for IOLTA accounts. Banks sending the proposed notification prematurely

Pennsylvania Judicial Center  
601 Commonwealth Ave., Ste. 2400  
PO Box 62445, Harrisburg, PA 17106-2445  
717/238-2001 • 888/PA-IOLTA (724-6582) • 717/238-2003 FAX  
[paiolta@pacourts.us](mailto:paiolta@pacourts.us) • [www.paiolta.org](http://www.paiolta.org)

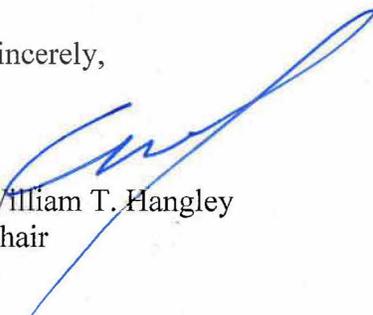
Administering Pennsylvania's Interest On Lawyers Trust Account (IOLTA) Program

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will have to rescind that notification if, as we hope, the legislation is passed, causing significant confusion among depositors about the insured funds. Upon receiving the proposed notice, attorneys with significant deposits in their IOLTA accounts will face difficult decisions: Should they move the accounts to larger banks that are presumed to be "too big to fail" to be in compliance with state mandates? Establish multiple IOLTA accounts at multiple banks and greatly increase administration of attorney trust accounts? Violate state rules and place the IOLTA trust account funds in non interest bearing, non IOLTA accounts to assure unlimited FDIC coverage?

I respectfully request that the FDIC delay the proposed required notification requirement relative to IOLTA account depositors, allowing time for Congress to consider and act on the pending Senate bill or other corrective action.

Sincerely,



William T. Hangle  
Chair