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November 13, 2008

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:

I am writing to comment on the October 23 interim rule establishing the Temporary Liquidity Guarantee Program (TLGP). I urge you to ensure that the Transaction Account Guarantee Program, through which the FDIC will guarantee certain noninterest-bearing accounts, also covers Interest on Lawyer Trust Accounts (IOLTA) accounts.

The interim rule provides for full deposit insurance coverage for non-interest bearing accounts, regardless of the dollar amount. However, as drafted, the rule does not provide an exception that the FDIC will provide insurance to IOLTA accounts. The Massachusetts IOLTA program is mandated by the state's Supreme Judicial Court (SJC). Like IOLTA programs in many other states, it requires lawyers

and law firms to establish interest-bearing accounts for client deposits which are nominal in amount or expected to be short-term. First approved as a voluntary program in 1985, the SJC adopted a comprehensive IOLTA program in 1989 requiring all eligible lawyers to participate.

While IOLTA accounts do bear interest, the interest does not inure to the benefit of either the client or attorney. Rather, the interest generated by IOLTA accounts is distributed to fund legal services programs across the Commonwealth to assist low-income residents with dire problems involving domestic violence, child custody and support, health care, housing, disability benefits, elder abuse or similar non-criminal issues. Recipients of these legal services must have incomes below 125% of the federal poverty line (\$481 per week for a family of four). Massachusetts families depend on the legal services that are funded in large part from IOLTA funds.

Absent clarification that IOLTA accounts are guaranteed under TLGP, there is a risk that attorneys and their clients may begin to resist compliance with the state's IOLTA requirements when they are holding client funds in excess of \$250,000 -- the maximum amount of deposit insurance for interest bearing accounts. Avoidance of the IOLTA requirements would further diminish an already stretched legal services budget. At a time when Massachusetts faces significant fiscal challenges, we cannot afford to lose this essential funding for legal services.

For these reasons, I urge you to clarify in any final rule that IOLTA accounts are guaranteed unlimited deposit insurance through TLGP.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deval Patrick", written over a horizontal line.