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November 13, 2008

Senator Max Baucus
511 Hart Senate Office Building
Washington, D.C. 20510

Sent via fax and mailed

Re: Clarification/Exception needed to Temporary Liquidity Guarantee Program(TLGP) to Protect Lawyer Trust Accounts

Dear Senator Baucus,

As president of the State Bar of Montana, I am writing to urge your attention to an unintended consequence of recent regulatory action by the FDIC that will have severe impact on our ability to fulfill our commitment to provide access to the justice system for low income Montanans.

The Montana Rules of Professional Conduct require Montana attorneys and law firms to place client funds that are nominal in amount or held for a short period of time in a pooled interest-bearing account. These are called Interest on Lawyer Trust Accounts(IOLTA). The interest generated by these IOLTA accounts is collected by the Montana Justice Foundation and distributed in a competitive grant process among qualified non-profit organizations committed to achieving access to justice for all Montanans.

Enclosed is a recent letter sent to the Chair of the Federal Deposit Insurance Corporation from the American Bar Association addressing the concern that the FDIC's new Temporary Loan Guarantee Program does not fully cover interest on Lawyers Trust Accounts. Immediate action is requested to provide full coverage with detailed explanation.

We would urge your support in this effort and specifically ask that you inform the FDIC that for Montanans this coverage is essential to continue the critical financial support that is need for qualified non-profit organizations to provide their work and services for low-income Montanans.

Sincerely,

Chris Tweeten
President, State Bar of Montana
cc: Mark Williams, President, Montana Justice Foundation
Karla Gray, Chief Justice, Montana Supreme Court
encl: ABA FDIC letter and ABA point paper