



LAW ACCESS NEW MEXICO

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November 13, 2008



Federal Deposit Insurance Corporation
Comments@FDIC.gov

RE: Temporary Liquidity Guarantee Program (TLGP)
FDIC RIN #3064-AD37

Extending Full FDIC Insurance Coverage of IOLTA Accounts.

To Whom It May Concern:

The recently announced Temporary Liquidity Guarantee program (TLGP) and the Interim Rule which provides full coverage on non-interest bearing deposit transaction accounts will deal an unintended but potentially devastating blow to legal services funding in the State of New Mexico.

Like Law Access, most legal service providers in New Mexico still do not have sufficient resources to provide legal services to all those who qualify for those services; and, we, therefore, obtain much of our funding in bits and pieces from the few resources available to us. IOLTA Funds are one significant source of such funding.

The unintended consequence of the Interim Rule proposed is that a lawyer much choose between the interest which constitutes the funding capability of IOLTA accounts and FDIC insurance coverage. Because a lawyer's duty first duty is to the client, lawyers will most certainly opt to ensure their client's funds are safe and insured. Thus, we at Law Access would urge the expansion of the TLPG to provide full coverage for IOLTA accounts, regardless of dollar amount, because:

1. Under the current Interim Rule, encouraging lawyers to move their trust accounts could greatly reduce the interest income received by IOLTA programs;
2. IOLTA accounts are effectively the same as the covered transaction accounts;
3. FDIC and Federal Reserve exceptions permit banks to pay interest on covered transaction accounts similar to IOLTA program accounts.

Thank you for the opportunity to comment.

Respectfully,

Conrad M. Rocha
Executive Director