

From: Tracy Daniel [mailto:tdaniel@alfinc.org]
Sent: Thursday, November 13, 2008 4:53 PM
To: Comments
Subject: FDIC RIN 3064-AD37

Comment sent on behalf of Thomas Methvin.

I am writing you regarding the potentially devastating effects of the FDIC's Temporary Liquidity Guarantee Program (TLGP) on the Interest on Lawyers Trust Accounts (IOLTA) program. Through the TLGP funds in non-interest-bearing transaction accounts will receive unlimited deposit insurance coverage. We are requesting that the unlimited coverage be extended to client funds that are in IOLTA accounts.

Interest paid on IOLTA accounts is sent to third-party non-profit organizations, which use the funds to provide civil legal aid to the poor and improve the administration of justice. Nearly \$20 million in IOLTA grants have been awarded since 1989.

In 2007 the Alabama State Bar and the Supreme Court of Alabama worked to convert Alabama's IOLTA program to a mandatory program, which will result in significantly more money for grants. These funds are desperately needed in Alabama, where we have long ranked last among all states in legal aid funding per poor person.

The unintended consequence of the TLGP is that individual client funds are only covered up to \$250,000. This places lawyers in a quandary because they are required by the Alabama Rules of Professional Conduct to place client funds that cannot otherwise earn interest for individual clients in an IOLTA account, but they are fiduciaries with the duty to keep client funds safe.

Thank you for your consideration in this matter.

Thomas J. Methvin
Montgomery, AL