

From: Tara Shockley [mailto:TaraS@hba.org]
Sent: Friday, November 14, 2008 1:04 PM
To: Comments
Subject: FDIC RIN 3064-AD37

I am writing as president of the 12,000-member Houston Bar Association and as an attorney who is deeply concerned with the unmet legal needs of the poor in our community and our state. I want to express my concern about the potential unintended consequences to the Interest on Lawyers Trust Accounts (IOLTA) program associated with your announced Temporary Liquidity Guarantee Program (TLGP).

I urge you to make an accommodation as you implement your interim rules to ensure that the critical resources generated by the IOLTA program to provide legal representation to the impoverished are not adversely affected.

IOLTA funds provide a critical source of revenue for basic civil legal services to the poor in Texas. As a pro bono volunteer, as well as one who has served on the boards of legal service providers, I know that these individuals are the most vulnerable in our communities, including the elderly, persons with disabilities and victims of domestic abuse. Our Houston Volunteer Lawyers Program (HVLP) could be adversely affected by any change in funding, and this would create extreme hardship for people who often find themselves excluded from participation in the justice system. The HVLP currently has 2,517 open cases that often involve critical, life-changing problems for people who already face compounded difficulties because they live in poverty.

In Texas, and particularly in the Houston/Galveston area, the need for legal advice and representation has never been more critical as legal aid offices across the country are being besieged by additional requests as a result of needs stemming from Hurricane Ike and resulting from the economic downturn. Our volunteers are working at legal advice booths at Disaster Recovery Centers, staffing legal clinics in hard-hit areas, and answering online questions. For many of these families, access to legal advice and assistance might be all that stands between them and the growing rate of homelessness facing needy families in our area and nationwide.

I urge the FDIC to consider IOLTA accounts as non-interest bearing accounts under the terms of the TLGP. This position is supported by the very structure of IOLTA. No attorney or clients have any expectation of receiving interest on the short-term escrow accounts that are accumulated to support the provision of legal assistance to the poor. If the FDIC cannot consider IOLTA accounts to be non-interest bearing, we would ask in the alternative that an exception be made in the TLGP interim rules providing unlimited deposit insurance to IOLTA accounts.

We appreciate your consideration of our request on such short notice. I would be happy to provide further information at any time.

Sincerely,

A handwritten signature in black ink, reading "Travis J. Sales". The signature is written in a cursive style with a large initial 'T' and 'S'.

Travis J. Sales
President
Houston Bar Association