

C. DALE McCLAIN

November 7, 2008

Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington DC 20429

Attention: Comments re: Temporary Liquidity Guarantee Program (TLGP)  
RIN #3064-AD37

Dear Mr. Feldman:

On behalf of the Pennsylvania Bar Association and its 29,000 members, I write to support the expansion of the TLGP for the inclusion of IOLTA accounts for unlimited deposit insurance. IOLTA accounts contain client funds held by a lawyer on behalf of a client that are nominal in amount or held for a short period of time such that they cannot earn interest for the client net of banking charges and administrative fees. Typical funds held in IOLTA accounts include advances from clients for court filing fees, real estate closings, settlements, and retainers.

IOLTA accounts are effectively the same as covered accounts in TLGP. About 30 years ago, exceptions authorized by the FDIC and Federal Reserve allowed for the payment of interest on IOLTA accounts, which are demand accounts that previously did not earn interest. Interest generated from IOLTA accounts is used for grants to non profit organizations that provide civil legal assistance to the poor.

TGLP coverage is vital for IOLTA accounts which may hold funds for a client that could exceed the \$250,000 coverage limit, such as for a large real estate transaction which would be concluded in a week or so. Establishing multiple accounts at various financial institutions is not viable since lawyers cannot know whether a client may later deposit additional funds on her own at a particular bank, and it is not practical to separate a large deposit that would be in the IOLTA account just long enough for the check to clear.



---

Lawyers should not be forced to abandon this critical program serving the poor, particularly in these economic times. As it is currently written, the TLGP would have lawyers establish non-IOLTA accounts for very large deposits in order to obtain the security provided by the TLGP for their client's funds. I urge the inclusion of IOLTA accounts for the unlimited deposit insurance provided by the TLGP.

Sincerely,

A handwritten signature in black ink that reads "C. Dale McClain". The signature is written in a cursive style.

C. Dale McClain

cc: Eric Spitler, Director  
Office of Legislative Affairs, FDIC  
Fax 202/898-7062