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October 29, 2008

Sheila C. Bair
 Chair, Federal Deposit Insurance Corporation
 550 17th Street, NW
 Room 6028
 Washington, D.C. 20429

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

Dear Chairman Bair:

On behalf of Legal Services of the Hudson Valley (LSHV), the largest not-for-profit civil legal services provider in the Hudson Valley, I am writing to ask you to correct a gap in the coverage of the recently announced Temporary Liquidity Guarantee Program (TLGP). It is my understanding that this program, as announced, does not cover Interest on Lawyers Trust Accounts (known as IOLTA or IOLA). The Board of Directors of LSHV requests your immediate action to provide full coverage, regardless of dollar amount, for these unique and critically important interest-bearing deposit transaction accounts. We support in full the letter of Thomas Susman of the American Bar Association, and attach a copy of his letter hereto for your review.

In 2008 LSHV received over \$1 million in funding from the IOLA Fund of New York. That money has been critical to ensure that indigent residents of Westchester, Putnam, Dutchess, Orange, Ulster and Sullivan Counties receive legal representation in civil areas impacting the basic necessities of life, such as shelter, food, clothing, and health. If attorneys in New York State have to put client funds into non-interest bearing accounts, rather than IOLA accounts, LSHV and all other civil legal services providers will lose this irreplaceable source of funding. Thousands of LSHV clients (and millions statewide) will lose access to the critical legal help they need.



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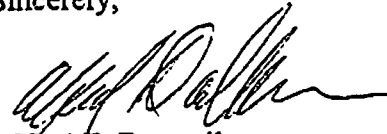
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We urge the FDIC to construe IOLTA and IOLA accounts as non-interest bearing accounts under TLGP. Alternatively, we urge the FDIC to grant an exception in the TLGP rules explicitly stating that funds in IOLA or IOLA accounts have unlimited deposit insurance coverage regardless of dollar amounts.

We appreciate your consideration of this matter.

Sincerely,



Alfred E. Donnellan
President of the Board
Legal Services of the Hudson Valley
90 Maple Avenue
White Plains, NY 10601