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Congress of the United States
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November 10, 2008

Robert E. Feldman
Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th Street, NW
Room 6028
Washington, D.C. 20429

Subject: Interim Rule on Temporary Liquidity Guarantee Program (TLGP)
RIN #3064-AD37

Dear Mr. Feldman:

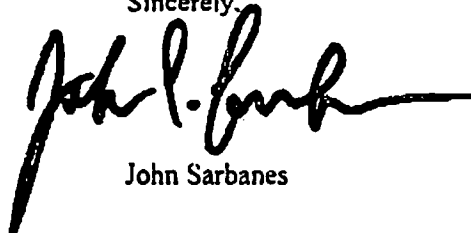
I am writing in response to the interim rule announced on October 23, 2008 for the recently-created Temporary Liquidity Guarantee Program (TLGP). The FDIC should expand TLGP to include Interest on Lawyer Trust Accounts (IOLTA) as non-interest bearing transaction accounts for the purposes of the TLGP. This issue is also of great concern to one of my constituents, Maryland Legal Services Corporation.

IOLTAs are accounts that lawyers use to hold funds on behalf of their clients and are effectively similar to payroll accounts. Lawyers are mandated in 37 states to deposit their clients' funds in IOLTA accounts. Maryland is one of the states with this requirement. Traditionally, these accounts were treated as non-interest bearing checking accounts, but with changes in banking law and the explicit permission of federal regulators, more recently IOLTAs have been allowed to generate interest. Under the IOLTA program, the interest generated by these accounts goes towards funding legal education and legal aid for those who cannot afford it. These services are especially important now because of the increase in foreclosures and evictions in our current economic situation, which created the necessity for TLGP.

IOLTA accounts allow attorneys to manage client funds in a manner consistent with their fiduciary responsibility while generating much needed funding for low income legal services. The current TLGP, however, does not recognize that IOLTA accounts are materially similar to non-interest bearing transaction accounts which have been granted increased insurance. Because neither the attorney nor his or her clients receive interest payments from the IOLTA, it is my recommendation that the FDIC explicitly recognize IOLTAs as eligible for TLGP or provide an exception so that coverage is extended to IOLTAs.

I appreciate your consideration of these comments.

Sincerely,



John Sarbanes

Member of Congress