

November 11, 2008

Via Facsimile (202) 898-7062  
Ms. Sheila C. Bair  
Chair, Federal Deposit Insurance Corporation  
350 17th Street, NW  
Room 6028  
Washington, DC 20429

RE: Temporary Liquidity Guarantee Program  
RIN # 3064-AD37

Dear Chairman Bair:

Poor people are going to be hurt by the FDIC's proposed Temporary Liquidity Guarantee Program (TLGP). A byproduct of the TLGP, as currently written, will be the immediate loss of half of the funding for the Texas Equal Access to Justice Foundation (TEAJF), which funds non-profit legal services offices that represent poor people in Texas, people who otherwise would not have representation.

Texas lawyers' client escrow accounts that do not accrue interest except for that which is paid pursuant to the Interest on Lawyers Trust Accounts (IOLTA) program are the source of funding for TEAJF. TEAJF funding provides lawyers to poor people in matters such as domestic violence, eviction, consumer fraud, home repair scams, disability, access to health care, loss of housing, food stamps, nursing home care, Medicaid, Medicare, Social Security, SSI, unemployment, access to school, abusive debt collection, termination of water and other utilities, and various other legal quagmires poor people are caught up in every day. Without the TEAJF funding from the IOLTA program, many of the people in these kinds of cases will not have a lawyer and they will be denied their legal rights. At risk for them is loss of food, shelter, health care, physical safety, education, jobs, and any access to the judicial system.

I am writing as an individual attorney who has been involved in legal services to the poor for over 25 years, who has personal knowledge of the clients served by the IOLTA program since its inception in Texas, who is very familiar with poverty law and the tremendous difference that access to an attorney makes in the lives of TEAJF clients. I am also aware of the immediate and tremendously harmful impact in the lives of tens of thousands of low income Texans that will result from loss of TEAJF funding.

You can avoid this grossly unfair and far-reaching consequence of the TLGP by defining IOLTA accounts as covered, insured accounts under the TLGP. Unless you make this accommodation, poor people will suffer the greatest impact from the TLGP. Without this clarification to the TLGP, attorneys will be compelled to move their large trust accounts to non-IOLTA accounts (in order to obtain the benefit of the TLGP's unlimited FDIC

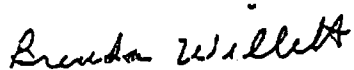
insurance for their clients). As a result, TEAJF will lose half its funding and poor people will lose legal representation.

Writing about the current financial crisis and the government bailout, Bob Herbert wrote yesterday in the New York Times, "When the Champagne and caviar crowd is in trouble, there is no conceivable limit to the amount of taxpayer money that can be found, and found quickly. But when it comes to ordinary citizens in dire situations . . . then we have to start pinching pennies."

As the federal government shapes its program to bail out the banks from their financial problems, it should be mindful of the harmful impact this program could have on the poor and should carefully craft the language of its TLGP so as avoid this clear and avoidable impact on the poor.

Thank you for your kind consideration of this concern.

Sincerely,



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