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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

Dear Ms. Bair:

We write to join our colleagues at the American Bar Association and the National Legal Aid and Defender Association to urge your consideration of changes to the recently announced Temporary Liquidity Guarantee Program (TLGP) in order to protect Interest on Lawyer Trust Accounts (IOLTA); known in New York as Interest of Lawyer Accounts (IOLA).

As noted by NLADA: IOLTA programs have been adopted by the highest courts or legislatures of all states, under their supervisory powers to regulate the legal profession, for the purpose of helping meet the enormous need for legal assistance that confronts low-income individuals, families and communities across the Nation.

The legal needs of low income individuals and families go largely unmet in this country. In its latest review of the legal needs of the poor, the federal Legal Services Corporation found that – at best – we are meeting less than twenty percent of the civil legal needs of poor and low income families. The legal issues these families confront impact their most basic needs, including: access to affordable housing; protection from domestic violence; access to health, unemployment and public assistance benefits; the availability of disability supports and services; access to child care and appropriate educational supports for their children.

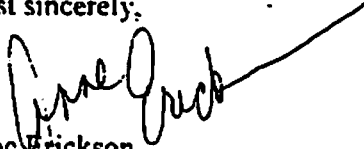
By providing the second largest source of funding for civil legal services in this country, these IOLA/IOLTA funds provide legal services programs the capacity needed to meet on-going needs as well as to respond to new and emerging legal issues. The starkest and most recent example of an emerging crisis is the overwhelming legal needs of those facing the growing wave of foreclosures.

Should funding from IOLA/IOLTA accounts be compromised as an unintended consequence of this new program, the blow to access to justice will be incredibly damaging at the very time the legal needs of poor and low income families will be increasing dramatically as the current economic downturn continues to take its toll.

The blow would be particularly devastating in New York where over the course of the past year state funding has been cut by 55% and IOLA income is far below projected levels (generated as it is on declining interest rates). The state is now confronting unprecedented budget shortfalls and its ability to continue funding legal services is always in question.

We urge you to take whatever steps necessary to protect these public interest accounts.

Most sincerely,



Anne Erickson
President/CEO

C: Sen. Christopher Dodd
Rep. Barney Frank
Sen. Charles Schumer
Sen. Hillary Clinton