


ALABAMA LAW FOUNDATION, INC.
Making a difference.

October 24, 2008

Senator Richard Shelby
United States Senate
110 Hart Senate Office Building
Washington, DC 20510
Attn: Mark Oesterle
senator@shelby.senate.gov

POST OFFICE BOX 671
MONTGOMERY, ALABAMA
36101
334.269.1515
ALFINC.ORG

Executive Director
TRACY A. DANIEL
tdaniel@alfinc.org

BOARD OF TRUSTEES

President
LARRY W. MORRIS
Alexander City

Vice President
DAVID R. BOYD
Montgomery

Treasurer
LAURA L. CRUM
Montgomery

Secretary
BENJAMEN T. ROWE
Mobile

SAMUEL N. CROSBY
Daphne

PATRICK C. DAVIDSON
Opelika

RICHARD T. DORMAN
Mobile

PATRICK S. McCALMAN
Andalusia

WALTER E. MCGOWAN
Tuskegee

THOMAS J. METHVIN
Montgomery

ANNE W. MITCHELL
Birmingham

THOMAS L. OLIVER
Birmingham

BENJAMEN T. ROWE
Mobile

IRVING SILVER
Mobile

CAMERON VOWELL
Birmingham

W.N. WATSON
Fort Payne

J. MARK WHITE
Birmingham

Dear Senator Shelby:

I am writing regarding the FDIC's Temporary Liquidity Guarantee Program (TLGP) and its potentially devastating affect on the Interest on Lawyers' Trust Accounts (IOLTA) program, as well as to urge you to contact the FDIC and ask them to provide deposit insurance on the full balances of IOLTA accounts. At its October 22 meeting, the FDIC board adopted its Interim Rule implementing the TLGP and opened a 15-day comment period on the Interim Rule.

IOLTA accounts contain client funds that held by a lawyer and are nominal in amount or held for a short period of time that cannot earn interest for the client net of banking charges and administrative fees. Interest earned on IOLTA accounts is sent to IOLTA programs, who use this interest to award grants to groups providing civil legal aid to the poor and to improve the administration of justice. The Alabama State Bar established the Alabama Law Foundation, and we have awarded \$13.7 million in IOLTA grants since 1989.

I have attached a letter to FDIC Chairman Shelia Bair from the American Bar Association as well as a fact sheet on IOLTA. Our grantees provide services to the poor who have been most hurt by the financial crisis we find ourselves in, including people who have lost their homes due to foreclosure. Do not hesitate to contact me if I can provide more information. Your support at this time would be appreciated.

Very truly yours,


Tracy A. Daniel
Executive Director

TD/ta