

From: Denise Brown [mailto:dbrown@moiolta.org]
Sent: Wednesday, October 13, 2010 12:10 PM
To: Comments
Subject: RIN 3064-AD37

Robert E. Feldman, Executive Secretary

Attention: Comments

Federal Deposit Insurance Corporation

550 17th Street, NW

Washington, DC 20429

Sent via email comments@fdic.gov

Subject: RIN 3064-AD37

Dear Mr. Feldman:

On behalf of the Board of Directors of the Missouri Lawyer Trust Account Foundation, I respectfully request the FDIC delay the implementation of the proposed regulation referenced above and also delay the notification requirement relative to Interest on Lawyer Trust Accounts (IOLTA) until Congress acts on pending corrective legislation. This request advances concepts of government efficiency and transparency, protects the most vulnerable of our citizens and avoids confusion among depositors nationwide.

Bi-partisan legislation introduced in the Senate before it recessed, corrects the unintended exclusion of IOLTA accounts in the Dodd Frank Wall Street Reform and Consumer Protection Act, thus making the pending regulations moot upon passage of the measure. Past regulations implementing the Transaction Account Guarantee (TAG) program included IOLTA accounts as a functional equivalent to the non-interest bearing transaction accounts targeted for protection. Accordingly, IOLTA accounts, which act as non-interest bearing accounts for the account owner and those reaping the benefit of these agency accounts, previously passed the FDIC's policy muster and were afforded full insurance coverage. The evidence on record leaves the clear conclusion that

failure to continue full insurance coverage on IOLTA accounts was an oversight that will be corrected when Congress resumes deliberations.

To move forward with the proposed regulatory scheme would create a significant burden on the banking community to quickly notify affected depositors that their accounts are no longer fully insured. These same institutions will then be forced to retract the notice as soon as corrective legislation is in effect. In the interim, account holders will be forced by a network of state mandates to fulfill their fiduciary responsibility and consider moving all accounts to institutions deemed to large to fall into receivership. With close to 300 banks participating in the IOLTA program in Missouri, I fear many of our valuable regional and community banks will suffer irreparable harm. This can be avoided if Congress is permitted a reasonable period to clarify its original intent.

In addition, I respectfully request the FDIC to reaffirm its support for full insurance coverage on IOLTA accounts. Interest derived from these accounts provides a desperately needed safety net for hundreds of thousands of citizens across the country who would otherwise be denied quality access to the justice they deserve. The services funded provide advocates for women and children in need of protection, legal services for the poor, homelessness prevention programs and an array of other programs and services targeted to meet the greatest demands in each community served. With the assurance that an IOLTA account is fully insured, attorneys and law firms will renew confidence in the financial institutions in their communities and strengthen the health of all participating banks. These relationships, in turn, will ensure the success of programs depending upon the stability of IOLTA accounts. Thank you for your consideration.

Sincerely,

Denise Brown
Executive Director
Missouri Lawyer Trust Account Foundation
P.O. Box 63
Jefferson City, MO 65102