

Maine Supreme Judicial Court

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Jon D. Levy
Associate Justice

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October 13, 2010

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

RE: RIN 3064-AD37

Dear Mr. Feldman:

I write in my capacity as the Chair of the Maine Justice Action Group (“JAG”), Maine’s commission on equal access to civil justice. JAG is a coalition of the Maine Judiciary, Maine State Bar Association, Maine Bar Foundation, University of Maine School of Law, Maine Civil Legal Services Fund Commission, and Maine’s leading statewide legal aid providers.

The Regulation to implement the provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act, (Dodd-Frank Act) providing unlimited coverage for non-interest-bearing transaction accounts, would have a serious negative impact on Maine’s Interest on Lawyers Trust Account (IOLTA) program.

IOLTA accounts now receive unlimited deposit insurance coverage under the existing Transaction Account Guarantee (IAG) program, but will be excluded from that full coverage if the revised Regulation takes effect. I understand the exclusion of IOLTA Accounts from coverage in the Dodd-Frank Act was unintentional and that a bipartisan bill has been introduced in the Senate to remedy this situation.

Maine’s IOLTA program may be substantially harmed if the Regulation takes effect. Once financial institutions notify attorneys that their IOLTA accounts are no longer eligible for full coverage, some attorneys may respond by moving their IOLTA funds to non-interest-bearing accounts. This will result in the loss of IOLTA revenues for Maine’s legal aid providers and will, in turn, reduce the providers’ ability to meet the ever-increasing demand for civil legal services by Maine’s low income and elderly citizens.

In order to promote uninterrupted coverage for IOLTA accounts, JAG’s Executive Committee has authorized me to request that the FDIC postpone the implementation of the Regulation until after Congress has had the opportunity to act.

Thank you for your consideration.

Sincerely,

Jon D. Levy
Chair, Maine Justice Action Group