



THE MISSISSIPPI BAR

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

Re: FDIC rule; RIN 3064-AD37

Dear Mr. Feldman:

On behalf of The Mississippi Bar and Mississippi Bar Foundation, I write to raise serious concerns about the impact to Mississippi's IOLTA Program, from the proposed rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) that provides temporary unlimited coverage for non interest-bearing transaction accounts.

IOLTA accounts now receive unlimited deposit insurance coverage under the existing Transaction Account Guarantee (TAG) program but would be excluded from that full coverage in the revised Regulation as of January 1, 2011. It is my understanding that the exclusion of IOLTA accounts in the Dodd-Frank Act was unintentional and that a bi-partisan bill has been introduced in the Senate to remedy this situation. Hopeful this bill will be acted upon by the end of this year.

However, confusion and lasting harm to the IOLTA program could occur if this Regulation takes effect before Congress acts. If financial institutions are required to individually notify holders of IOLTA accounts that their accounts will no longer be eligible for full coverage after year end, some attorneys may feel obligated to move their IOLTA funds to a non-interest bearing account or to a bank perceived as "too big to fail." This could result in the loss of IOLTA revenue for important civil legal services for the poor in Mississippi. The movement of funds to new accounts and new banks would also be disruptive to clients and to banks.

In order to prevent these negative effects and facilitate uninterrupted full coverage for IOLTA accounts, The Mississippi Bar and Mississippi Bar Foundation respectfully request that the FDIC delay finalization or implementation of this Regulation and the notification requirements until Congress takes action on this matter.

On behalf of the Bar and Bar Foundation I thank the FDIC for including IOLTA accounts in the TAG program and ask that the FDIC continue to support the policy of unlimited deposit insurance for IOLTA accounts.

Sincerely,

James B. Reynolds III