



PHILADELPHIA BAR ASSOCIATION

October 14, 2010

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

**RE: Philadelphia Bar Association's Opposition to FDIC Implementation of Proposed Regulations Regarding IOLTA Accounts
RIN 3064-AD37**

Dear Mr. Feldman:

On behalf of the Philadelphia Bar Association and its 13,000 members, I write to urge the FDIC to delay finalization and implementation of proposed regulations regarding the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) relative to its application to Interest on Lawyer Trust Accounts (IOLTA).

As you know, under the Transaction Account Guarantee Program (TAGP), IOLTA accounts currently receive unlimited insurance coverage, but as of January 1, 2011 would be excluded from full coverage under FDIC's proposed regulations. These proposed regulations would require that notice go to IOLTA account depositors soon, before the end of the calendar year, informing them that their accounts would no longer be eligible for unlimited FDIC coverage. However, we understand that the exclusion of IOLTA accounts in the Dodd-Frank Act was unintentional and Congress is actively considering proposed legislation that would remedy this situation and is likely to act before the end of the calendar year.

We are concerned that if the FDIC does not delay implementation of the proposed regulation and required notification to IOLTA account depositors, lawyers may feel that they are obligated to move their IOLTA funds now to new, non-interest bearing accounts or to different banking institutions, causing disruption, confusion, and a diminution of available IOLTA funds to serve the poor. This will have a serious and detrimental effect on the provision of free legal services to low-income Philadelphians at a time when the poor most need legal help to protect their homes, income, health, safety, and children.



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The Philadelphia Bar Association has a long and distinguished record of support for equal access to justice for low-income individuals who cannot afford legal representation. The Philadelphia Bar Association strongly supports and works closely with many non-profit, legal aid organizations which provide direct, free legal assistance to the poor and which recruit pro bono lawyers from the private bar to assist in this effort. IOLTA funding is critical to the success of these programs, especially in these difficult economic times.

For these reasons, the Philadelphia Bar Association respectfully requests that the FDIC continue to support its current policy of unlimited deposit insurance for IOLTA accounts, and that it delay proposed notification requirements to IOLTA account depositors so that Congress may have an opportunity to take action to remedy this matter.

Thank you for the opportunity to provide these comments.

Very Truly Yours,

SCOTT F. COOPER, Chancellor

SC/bks