The Florida Bar Foundation

Leadership and Funding for Justice in Florida

October 15, 2010
VIA e-mail to comments@fdic.gov

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

Reference Number: RIN 3064-AD37

Dear Mr. Feldman:

The Florida Bar Foundation requests that the FDIC delay implementation of the requirement that financial institutions notify IOTA account holders that their accounts will no longer be eligible for unlimited FDIC coverage after December 31, 2010.

We are advised that bi-partisan legislation was introduced in the Senate in October to re-include IOTA accounts in TAG program as originally implemented. We are further advised that the exclusion of IOTA accounts from the TAG program was unintentional under the Dodd-Frank Wall Street Reform and Consumer Protection Act providing temporary unlimited coverage for non-interest bearing transaction accounts.

Florida's IOTA program provides nearly 35% of all funding for legal aid in Florida. The recession has dramatically increased the need for legal aid at the same time it has caused an 88% drop in IOTA revenue due to falling interest rates.

We urge the FDIC to delay until Congress acts on the corrective legislation requiring banks to notify their lawyer and law firm customers that IOTA accounts will not have unlimited FDIC coverage after the end of 2010. Such notification now would further erode IOTA revenue as lawyers may feel compelled to change their IOTA accounts to non-interest bearing before Congress acts. Further, if Congress passes the legislation re-including IOTA accounts for the unlimited insurance, it will take months for IOTA accounts to be changed back to interest bearing resulting in even fewer resources for legal aid.

Please let me know if I can provide additional information.

Sincerely,

John A. Noland

John A. Noland
President

JAN/caw

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