



October 15, 2010

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

RE: FDIC rule: RIN 3064-AD37

Dear Mr. Feldman:

On behalf of the clients and staff of Texas Legal Services Center (TLSC), I write to share our concern with the exclusion of the Interest on Lawyer Trust Account (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 FDIC coverage for non interest-bearing transaction accounts.


A Senate bill was recently filed that addresses our concern; therefore, I urge you to delay any notice to IOLTA account holders about ineligibility for FDIC insurance until December 30, 2010 or later. The IOLTA program is the primary source of funding for legal aid programs in Texas. Any earlier notice may cause attorneys to withdraw their funds from such accounts unnecessarily and harm funding for legal aid programs that depend on the interest from IOLTA accounts.

The IOLTA program in Texas has already been devastated by historically low interest rates these past two years. Simultaneously, the economic recession has increased unemployment rates and poverty levels and compounded the need for legal aid services. Implementation of this rule would add another set-back to Legal Aid.

TLSC is a beneficiary of the IOLTA program. Our mission is to improve the quality of advocacy and to expand the availability of legal assistance for low income individuals, seniors, and people with disabilities, as well as other organizations in Texas that serve these populations. The Legal Hotline for Texans (LHT) is TLSC's principal program, and it has served over 130,000 older and disabled Texans in the past 21 years.

Again, we respectfully request the FDIC delay implementation of the proposed Regulation and notification requirement to IOLTA accounts until Congress passes the pending Senate bill or other corrective legislation.

Thank you for your careful attention to this very important matter that will negatively harm legal aid services.

Sincerely,  
  
Randall Chapman  
Executive Director

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