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October 14, 2010

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

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Re: Delay needed to Transaction Account Guarantee implementation to protect the Interest on Lawyer Trust Accounts

Dear Mr. Feldman:

I am writing on behalf of the Boston Bar Association (the "BBA"), to express our concerns about the potential unintended consequences for legal aid to the poor and for the Interest on Lawyers Trust Account (IOLTA) Program if the FDIC implements proposed rule RIN 3064-AD37 to carry out provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Beginning December 31, 2010, through December 31, 2012, the proposed rule would provide depositors at all FDIC-insured institutions unlimited deposit insurance coverage only on non-interest bearing transaction accounts. IOLTA accounts, which by definition earn interest, would not be federally insured.

Under the FDIC's Transaction Account Guarantee (TAG) Program which expires this December, the FDIC guaranteed IOLTA accounts to ensure that the critical resources generated by the IOLTA Program, which are used to provide legal representation to the poor, would not be adversely affected. This time, we are asking for a delay in notifying account holders of the proposed rule until Congress has time to pass its own legislation to include IOLTA accounts in the deposit insurance revisions. This assistance will help preserve this critically important program.

The IOLTA program has been in existence for nearly 25 years. Currently all 50 states and the District of Columbia have such programs. Thirty-seven states mandate IOLTA programs. IOLTA funds are generated by attorneys holding either nominal amounts of client funds, or large amounts of client funds for brief periods of time. Examples would be funds held in escrow

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pending the completion of a real estate transaction or funds held by attorneys for large settlements for multiple clients prior to distribution.

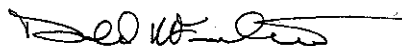
Because the interest on IOLTA accounts cannot inure to the benefit of either the client or the attorney, neither lawyer account holders nor the ever-changing list of clients whose funds are in IOLTA accounts have any expectation of receiving interest. Instead, IOLTA accounts produce interest on the aggregate of funds that could not otherwise benefit, for the benefit of low-income individuals who require and receive free civil legal aid.

IOLTA funds are essential because they provide more than 50% of revenues for legal aid programs in the Commonwealth of Massachusetts and the need for such programs has never been greater. The economic downturn has boosted unemployment and exacerbated problems in housing, transportation, health care and education. In addition, federal and state budget cuts are significantly affecting programs that protect the poor. The lingering effects of the recession will plague the poor and lower income families for years to come. During these challenging economic times, the demand for assistance with critical civil legal problems is growing. Without sufficient funds from IOLTA, thousands of Massachusetts residents will be left without hope in the face of eviction, abuse, fraud and other crises.

Under this proposed rule, attorneys holding significant client funds will be required to decide whether to deposit client funds in IOLTA accounts or to place them in fully insured, non-interest bearing deposit transaction accounts. By providing insurance only for non-interest bearing accounts, the rule will encourage some lawyers with large funds to remove their accounts from IOLTA entirely, thereby diminishing IOLTA's ability to provide much needed grants for civil legal aid. Other attorneys and law firms may move their accounts to the largest financial institutions presumed "too big to fail", which would undermine the goals of stabilizing the banking environment and unnecessarily punish smaller financial institutions.

It is our hope that you will delay the implementation of this proposed rule until Congress passes the FDIC/IOLTA bill in the Senate. Please let me know if you need further information or clarification. Thank you for your consideration of this request.

Sincerely,



Donald R. Frederico
President