



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:

I am writing to respectfully request that the FDIC delay the proposed notification requirements relative to IOLTA account holders of the proposed rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) in order to allow the time necessary for Congress to take action on this matter.

Since 1978, Legal Services for Prisoners with Children has focused on the specific legal and social policy issues affecting incarcerated mothers and their children, parents in prison, and family members caring for the children of incarcerated parents. Our mission is to advocate for the civil rights and empowerment of incarcerated parents, children, family members and people at risk for incarceration. We respond to requests for information, trainings, technical assistance, litigation, community activism, and the development of more advocates. Our focus is on women prisoners and their families, and we emphasize that issues of race are central to any discussion of incarceration.

California legal services organizations are concerned that detriment to the IOLTA program will occur if this Regulation takes effect before Congressional action. In California, there are approximately \$2.2 billion in balances in over 41,000 IOLTA accounts with over 75,000 attorneys participating in the IOLTA program. If financial institutions are required to notify individual account holders of IOLTA accounts that their accounts will no longer be eligible for full FDIC coverage after this year, attorneys will be faced with a dilemma as to how to protect their client funds. They may feel compelled to move their IOLTA funds to a non-interest bearing account, which is not permitted under California statute; to move their accounts to a bank that is "too big to fail;" or to split their funds between banks in order to maximize insurance coverage – an impractical solution because the funds are short-term and because attorneys do not know what other funds their clients may have at the bank. The potential loss of IOLTA revenue could have devastating consequences to a significant source of funding for civil legal aid to the indigent in California and would be disruptive to attorneys, banks, and nonprofit recipients of IOLTA funding.

In order to prevent any negative effects and facilitate uninterrupted full coverage for IOLTA accounts, I respectfully request the FDIC delay the proposed notification

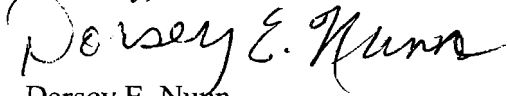
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www.prisonerswithchildren.org

requirements relative to IOLTA account holders, allowing Congress the time necessary to take action on this matter.

Sincerely,

A handwritten signature in black ink that reads "Dorsey E. Nunn". The signature is written in a cursive style with a large initial "D".

Dorsey E. Nunn
Executive Director
Legal Services for Prisoners with Children