

**From:** President [mailto:President@gabar.org]  
**Sent:** Thursday, October 14, 2010 4:24 PM  
**To:** Comments  
**Subject:** RIN 3064-AD37 Comment

October 14, 2010

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

Sent by Email: [Comments@FDIC.gov](mailto:Comments@FDIC.gov)  
Re: RIN 3064-AD37

Dear Mr. Feldman:

On behalf of the 42,000-member State Bar of Georgia, I am writing to comment on your proposed regulations regarding implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The proposed FDIC regulations require banks to tell their lawyer customers not later than December 31, 2010, that IOLTA accounts will no longer be eligible for unlimited FDIC insurance coverage effective January 1, 2011. As you may know, the IOLTA community has been aggressively seeking a legislative solution to this problem so that unlimited FDIC insurance remains in place on these accounts. We are very optimistic that bipartisan support to fix the problem will be successful at least by the Christmas recess. Under your proposed regulations, some banks are likely to notify lawyer customers, while Congress is still in session, that unlimited FDIC insurance on IOLTA account balances will be ending. Such notification may well cause widespread confusion, and, in the event of a legislative remedy, those banks would then have to send out second notices to their lawyer customers rescinding the first notification.

While no one can guarantee that the proposed legislative fix which is currently pending in the U.S. Senate will become law, a simple change in your proposed regulations will likely save banks, lawyers and the FDIC itself a lot of work. We urge you to consider requiring banks to wait until after Congress has recessed for Christmas before notifying their lawyer customers. That would give the banks a chance to see if our legislative fix has been passed and thus avoid any problems or confusion caused by having to rescind a prior notification rendered invalid by such passage.

We are concerned that proceeding with this notification prior to Congressional action would cause some lawyers, unaware of the potential remedy to this problem, to remove funds from IOLTA accounts, thus damaging a major source of funding for civil legal services to the poor.

Speaking for my fellow Georgia lawyers, I thank you for including IOLTA accounts in the Transaction Account Guarantee Program in your regulations last year. Without being included last year, IOLTA revenues might well have been adversely affected. Your decision to insure IOLTA accounts made possible a level of grant funds that provided assistance to thousands of Georgia residents. IOLTA revenues help prevent homelessness, provide protection to battered women and their children and assist the elderly trying to deal with predatory lending and consumer fraud. This funding provides major support for civil legal services for disadvantaged Georgians.

I respectfully request that the FDIC delay the proposed required notification of lawyers to allow time for Congress to correct the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Lester Tate, III". The signature is written in a cursive style with a large, prominent initial "S" and "T".

S. Lester Tate, III  
President  
State Bar of Georgia