



ROBERT M. BELL
CHIEF JUDGE

COURT OF APPEALS OF MARYLAND
634 COURTHOUSE EAST
111 N. CALVERT STREET
BALTIMORE, MARYLAND 21202
(410) 333-6396
(410) 347-3908 (FAX)
robert.bell@courts.state.md.us

October 14, 2010

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Reference: RIN 3064-AD37

Dear Mr. Feldman:

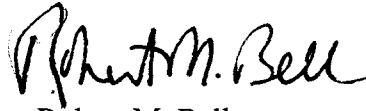
On behalf of the Maryland Judiciary and the Maryland Access to Justice Commission, we write to inform you that implementing the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) that provides temporary unlimited coverage for non interest-bearing transaction accounts will have a devastating impact on the Interest on Lawyers Trust Account (IOLTA) Program in our state. Although IOLTA accounts are included in the current definition of non-interest bearing accounts receiving unlimited coverage under the existing Transaction Account Guarantee (TAG) program, they would be excluded in the Dodd-Frank Act, and thus cease to be fully covered, effective January 1, 2011. Therefore, we do not support the proposed rule that would effect that result.

In states, like Maryland, with mandatory IOLTA participation, the current version of the Dodd-Frank Act creates ethical dilemmas for attorneys. The attorney may be faced with the problem of complying with mandatory IOLTA rules or protecting the client's fiduciary interests. Moreover, as you may know, in our state and many others, interest income from IOLTA accounts is used to fund organizations that provide civil legal services to the indigent. This critical source of funding is essential to ensure access to the courts for many who would otherwise go without legal help. We understand that several Senators, of both parties, have introduced legislation to correct the inadvertent exclusion of IOLTA accounts from the Dodd-Frank Act definition. Hopefully that legislation will remedy that omission and before the end of the year, obviating both the need to notify attorneys that the protection afforded these accounts under the TAG program will terminate and the need either to curtail legal services or search for an additional, more stable source of funding.

The proposed regulation requires the notification of attorneys that their IOLTA accounts will no longer have unlimited FDIC insurance. While true under the current version of the bill, it would not be, and indeed would be confusing, if we are successful in amending the bill before the end of the year. In that event, the notice as outlined in the proposed rule, would cause unnecessary confusion to the thousands of lawyers in our state with IOLTA accounts, disrupt existing banking relationships, and further weaken IOLTA programs already impacted by historically low interest rates.

In sum, we respectfully request the FDIC delay implementation of the proposed regulation and notification requirement relative to IOLTA accounts until Congress passes the pending Senate bill or other corrective legislation. Further, the FDIC should continue to support as a matter of sound public policy, unlimited deposit insurance or other full guarantee coverage for IOLTA accounts, to avoid the potential wide-scale disruption of the banking system, and irreparable harm to IOLTA programs nationwide.

Very truly yours,



Robert M. Bell



Irma S. Raker
Court of Appeals, ret'd
Chair, Maryland Access to Justice Commission