

October 15, 2010

Mr. Robert E. Feldman, Executive Secretary  
ATTN: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

**Reference Number: RIN 3064-AD37**

Dear Mr. Feldman:

We are writing you regarding the provision in the proposed regulations regarding unlimited deposit insurance coverage on noninterest-bearing transaction accounts. Previously, Interest on Lawyers Trust Accounts (IOLTA) accounts were included in unlimited deposit insurance under the TAGP program, but they were not included under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The proposed rules would require that financial institutions provide written notice of this change to individual IOLTA account holders no later than December 31, 2010. We respectfully urge the FDIC to delay that notice requirement, at least until Congress has adjourned in December.

The unintended and unfortunate consequence of the Dodd-Frank Act is that individual client funds are covered only up to \$250,000. This limitation places some lawyers in a quandary because they are required by legislation or court rule to place client funds that cannot otherwise earn interest for individual clients in an IOLTA account, but they are fiduciaries with the duty to keep client funds safe. A curative bill has been introduced to once again extend unlimited deposit insurance to IOLTA accounts, which we hope will be passed before the end of the year.

Even though we believe the majority of IOLTA accounts in Alabama would be covered by the Dodd-Frank Act deposit insurance limits, we fear that if financial institutions notify IOLTA account holders of the coverage limits change before the pending legislation cures the underlying problem, some may overreact and change their IOLTA accounts to regular noninterest-bearing demand deposit accounts unnecessarily. The result could be mass confusion on the part of lawyers, unnecessary administrative headaches for banks, time spent unnecessarily in reestablishing IOLTA accounts once the curative legislation is passed, and, in the meantime, the loss of desperately needed revenue for civil legal aid funding.

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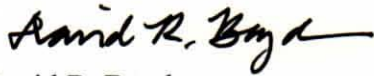
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The FDIC helped stabilize our banking system in 2008 by implementing the TLGP program, for which we are grateful. By giving the Senate time to act before advising banks to notify their IOLTA account holders, you will help avoid fear-driven actions by attorneys when they have much less reason to be concerned about the security of deposited funds than they may have had in the recent past.

Sincerely,



David R. Boyd  
President  
Alabama Law Foundation



Alyce M. Spruell  
President  
Alabama State Bar

DRB/AMS/tad