

DIALOGUE

Summer 2010
VOL. 14, NO. 3

News and Perspectives from the ABA Division for Legal Services

Home

IOLTA

The History
of IOLTA

From the Chair

Grantee
Spotlight

News and
Notes

Pro Bono

LAMP

*Download this
issue in PDF*

*Download this article
in PDF*

News and Notes

Revenue Enhancement

On June 10, 2010, the Delaware Supreme Court issued an order adopting mandatory IOLTA and IOLTA rate comparability, effective November 1, 2010. Rate comparability requires that lawyers place their IOLTA accounts only in a financial institution that pays those accounts the highest interest rate or dividend generally available at the institution to other customers when IOLTA accounts meet the same minimum balance or other qualifications.

Once these rule revisions become effective, there will be a total of 43 mandatory IOLTA jurisdictions and a total of 33 jurisdictions with interest rate comparability in place.

Assistance in exploring, drafting, and implementing an IOLTA interest rate comparability requirement is available through the Commission on IOLTA and National Association of IOLTA Programs Joint Technical Assistance Committee. Contact Commission Counsel, [Bev Groudine](#) or call 312/988-5771 for more information.

FDIC Insurance Update

On June 22, 2010, the Board of Directors of the FDIC approved a final rule extending the Transaction Account Guarantee (TAG) Program, which was scheduled to end on June 30th, to December 31, 2010. The final rule also gives the Board the discretion to extend the program to the end of 2011 without additional rule making if it determines that economic conditions warrant such an extension. Participating institutions had the option to opt out of the TAG Program, effective July 1, 2010, but if they do not, they are required to remain in the program until it ends.

Under the TAG Program, funds held in IOLTA accounts will continue to be fully guaranteed by the FDIC, without limit, for participating financial institutions. IOLTA funds held in institutions that opt out of the extended TAG program (or that previously opted out of the TAG program) will be insured up to \$250,000 per owner (i.e. client) until December 31, 2013. Institutions are required to display their status as either participating or not participating. For further information, visit the FDIC website at www.fdic.gov.

Dialogue is published by the [ABA Division for Legal Services](#)

Copyright © 2010 American Bar Association

[ABA Privacy Statement](#) | [ABA Copyright Statement](#)

Updated: 09/09/2010