

111TH CONGRESS
2D SESSION

S. 4052

To require the Federal Deposit Insurance Corporation to fully insure Interest on Lawyers Trust Accounts.

IN THE SENATE OF THE UNITED STATES

DECEMBER 22, 2010

Mr. MERKLEY (for himself, Mr. JOHNSON, Mr. CORKER, and Mr. ENZI) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Federal Deposit Insurance Corporation to fully insure Interest on Lawyers Trust Accounts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INTEREST ON LAWYERS TRUST ACCOUNTS.**

4 (a) IN GENERAL.—Section 11(a)(1)(B)(iii) of the
5 Federal Deposit Insurance Act, as added by section 343
6 of the Dodd-Frank Wall Street Reform and Consumer
7 Protection Act (Public Law 111–203), is amended—

8 (1) by redesignating subclauses (I), (II), and
9 (III) as items (aa), (bb), and (cc), respectively, and
10 adjusting the margins accordingly;

1 (2) by striking “means a deposit” and inserting
2 the following: “means—

3 “(I) a deposit”;

4 (3) in item (cc), as so redesignated, by striking
5 the period at the end and inserting “; and”; and

6 (4) by adding at the end the following:

7 “(II) a trust account established
8 by an attorney or law firm on behalf
9 of a client, commonly known as an
10 ‘Interest on Lawyers Trust Account’,
11 or a functionally equivalent account,
12 as determined by the Corporation.”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 subsection (a) shall take effect on December 31, 2010.

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