

Jeffrey *A.L.C. Merkley*

111TH CONGRESS
2D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. MERKLEY introduced the following bill; which was read twice and referred to the Committee on _____

*(for himself,
Mr. Johnson,
Mr. Corbett,
and
Mr. Enzi)*

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.