



Colorado Lawyer Trust Account Foundation

February 15, 2021

**Officers and  
Board of Directors**

Bruce L. Plotkin  
**President**

Elizabeth H. Titus  
**Vice-President**

Chuong M. Le  
**Secretary**

David Schafer  
**Treasurer**

Jonathan D. Asher  
Ilene L. Bloom  
Angela D. Boykins  
Erin M. Eiselein  
Janette L. Ferguson  
David M. Johnson  
Keith D. Lapuyade  
Josh W. Mack  
William J. Martinez  
Madison Stinnett  
Trung Nguyen  
J. Steven Patrick

Diana M. Poole  
**Executive Director**

Ann E. Misback, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

VIA ELECTRONIC MAIL  
[regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

RE: Docket No. R-1723; RIN 7100-AF94; Modernizing the Community Reinvestment Act Regulatory Framework; Response to Advance Notice of Proposed Rulemaking

Dear Secretary Misback:

The Colorado Lawyer Trust Account Foundation (COLTAF), which is Colorado’s Interest on Lawyer Trust Account (IOLTA) program, joins the comment submitted by a number of other IOLTA programs, urging that a financial institution’s participation in a state’s IOLTA program, by paying interest or dividends on its IOLTA accounts in excess of minimum participation requirements, should be recognized as a qualifying activity under the Community Reinvestment Act (CRA). The services provided by IOLTA-funded civil legal aid organizations help low-income individuals and families, including those in rural and tribal areas far removed from urban centers, with issues impacting core economic stability, including housing, consumer finance, access to education and employment, income maintenance, and the ability to qualify for credit. A decision by a financial institution to pay interest or dividends on IOLTA accounts in excess of what would otherwise be required is a direct investment in low-income communities, intended to strengthen those communities, and is in complete alignment with the financial inclusion objectives of the CRA.

The reason for our additional comment is to suggest that, given the significant and nationwide scope of the public-private partnership between IOLTA and the banking community, Bank regulators across the country would be better served by the inclusion of a specific reference to participation in IOLTA programs among the examples of qualifying activities. Therefore, we respectfully request that the definition of “community support services” be amended to include legal assistance services that partially or primarily serve or assist low- or moderate-income individuals or families. Additionally, we request that the list of qualifying activities specifically include paying interest or dividends on Interest on Lawyer Trust Account (IOLTA) accounts in excess of minimum participation requirements.

In the alternative, or in addition, we request that the regulations make clear that when a grant is made to a legal assistance program for low income individuals, financial institutions should receive investment credit for the interest from which the grant is derived to the extent the interest is more than otherwise required by IOLTA’s minimum participation requirements. When grants that have community development as their primary purpose are considered a qualified investment, the interest from which such grants are comprised should be treated the same way.

Thank you for your attention to this comment, and for your efforts to clarify what qualifies for credit, enabling banks and their partners, including IOLTA programs, to better implement and sustain activities and programs that benefit low- and moderate-income communities.

Respectfully submitted,

Colorado Lawyer Trust Account Foundation (COLTAF)

1120 Lincoln Street, Suite 701  
Denver, Colorado 80203-2137  
Phone: 303-863-7221  
Fax: 303-863-7226  
e-mail: [coltaf@legalaidfoundation.org](mailto:coltaf@legalaidfoundation.org)  
Web site: [www.coltaf.org](http://www.coltaf.org)