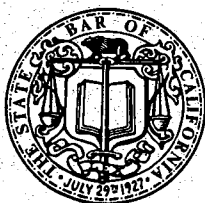


**Bermudez, Pat**

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**From:** Bermudez, Pat  
**Sent:** Tuesday, August 10, 2010 3:07 PM  
**To:** 'George Davis'; 'Howard B. Miller'; 'Jeannine English'; Johnson, Judy; 'Michael Marcus'; 'Patricia White'; 'Paul Kramer'; 'Rex Heinke'; 'Richard R. Rubin'; 'William Gailey'; 'William Hebert'  
**Cc:** Babcock, Starr; Yee, Larry  
**Subject:** E-Poll Authorizing Legal Services Trust Fund Commission To Respond To Requests For Public Comment

State Bar President Howard Miller has authorized an e-poll of the Board Committee on Operations to approve by consensus an emergency request of the Legal Services Trust Fund Commission for authority to respond to a request for public comment by August 17, 2010. The request is explained below with a staff recommendation to approve the request.



**THE STATE BAR OF CALIFORNIA  
OFFICE OF GENERAL COUNSEL  
180 HOWARD STREET  
SAN FRANCISCO, CA 94105-1639**

**Date:** August 10, 2010  
**To:** Members of the Board Committee on Operations  
**From:** Starr Babcock, General Counsel  
Larry Yee, Chief Asst. General Counsel  
**Subject:** Authorization of Legal Services Trust Fund Commission To Respond To Requests For Public Comment On Regulations

The Legal Services Trust Fund Commission is requesting authorization to provide written comments and testimony in response to the joint requests for public comment by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision (collectively "the Banking Agencies") as they consider updating their regulations for assessing a financial institution's performance under the Community Reinvestment Act, 12 U.S.C. § 2901 et seq. (CRA).<sup>[1]</sup> Public comment is being received at a series of public hearings in Arlington, Virginia; Atlanta, Georgia; Chicago Illinois; and Los Angeles, California. In order to permit the Legal Services Trust Fund Commission to provide comment for the August 17, 2010, hearing, the President of the State Bar has authorized this e-poll of the Board Committee on Operations.<sup>[2]</sup>

The CRA provides, among other things, that "regulated financial institutions have a continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered." Each of the Banking Agencies is required to evaluate the performance of the institutions it regulates. Under CRA regulations, a grant by a financial institution for "community services targeted to low- or moderate-income individuals" is considered a qualifying investment credit. 12 C.F.R. § 228.12(g). The Legal Services Trust Fund Commission would prepare and present public

comment to the Banking Agencies that regulated financial institutions should receive credit in their evaluations for remittances of interests to the State Bar on IOLTA accounts above the legal minimum rate under state law or waivers of service fees for administering the IOLTA accounts.

The proposed action of the Legal Services Trust Fund Commission is consistent with the State Bar's policy to "[u]ndertake activities to encourage the expansion of the access to justice by low-income Californians and expanded provision of low- and no-cost legal services to low- and moderate-income Californians." (State Bar of California, Long Range Strategy, Goal 2, strategy no. 3, p. 12, as adopted by Board Resolution, July 11, 2008.) In addition, the Commission's proposed written comments will be reviewed by the Office of General Counsel and the Office of Governmental Affairs under the standards of the State Bar's legislative policy. (Board Book, tab 16, art. 2, § 4.)

It is recommended that the request of the Legal Services Trust Fund Commission be granted. If you concur, the following resolution may be adopted:

RESOLVED, that the Board Committee on Operations, acting on behalf of the Board of Governors between meetings, hereby authorizes the Legal Services Trust Fund Commission to prepare and provide written comments and testimony, which are consistent with existing State Bar policies on the expansion of low- and no-cost legal services to low- and moderate-income Californians, in response to the requests for public comment of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision for the updating of regulations for assessing a financial institution's performance under the Community Reinvestment Act.

To vote, click on the vote icon/button at the top of the screen and select on "yes," "no," or "meet to discuss:"

- If you agree and approve the proposed resolution, select "Yes."..
- If you do not agree and do not approve the resolution, select "No."
- If you would like more information or a discussion, please select "Meet to Discuss."

**Please respond by no later than 4:00 PM on Friday, August 13, 2010.**

**If you have any questions or difficulty with the voting buttons, please contact Pat Bermudez at (415) 538-2270 or [pat.bermudez@calbar.ca.gov](mailto:pat.bermudez@calbar.ca.gov). (Cathy Torney is on vacation this week.**

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<sup>[1]</sup> Under State Bar Rule 6.21, no officer, agent, committee, commission, or other entity of the State Bar may make any public communications in the name of the State Bar unless expressly authorized under the Rules of the State Bar or by the Board. Unlike, for example, Sections, the Standing Committees on Administrations of Justice, Alternative Dispute Resolution, Appellate Courts, or Delivery of Legal Services—which are all authorized to comment on proposed legislation and regulations, the Legal Services Trust Fund Commission is not.

<sup>[1]</sup> The Board Committee on Operations may take action on behalf of the Board in emergency situations when it would be impractical convene the full Board. "An emergency means those circumstances that call for immediate action before the next regular meeting of the board or board committee. If an emergency can be resolved by unanimous consent without discussion, the board or board committee may act by fax poll, email, or other electronic means without meeting." State Bar Rule 6.51(B); Board Book, tab 9, art. 2.

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