



**ILLINOIS STATE
BAR ASSOCIATION**

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Federal Trade Commission
Office of the Secretary
Room H-135 (Annex W)
600 Pennsylvania Avenue, NW
Washington, DC 20580

In re: FTC "Mortgage Assistance Relief Services" Rulemaking,
Rule No. R911003, 75 Fed. Reg. 10707 (March 9, 2010)

Greetings:

The Illinois State Bar Association objects to the Commission's proposed rule for "Mortgage Assistance Relief Services." We request that you amend this rule to exempt licensed attorneys who are practicing law and those acting under their direction. This rule is counterproductive and not in the best interests of our *consumer* clients. We endorse the American Bar Association's previously filed comments as a fuller explanation of our concerns.

This proposed rule undermines the confidential attorney-client relationship and interferes with traditional state court regulation of lawyers in several ways. **First**, it subjects lawyers to burdensome recordkeeping and then presumably makes that confidential information available to the Commission.

Second, it prohibits lawyers from giving their clients who live in another state appropriate legal advice by prohibiting them from advising these clients not to communicate directly with the lenders.

Third, it creates a perverse incentive for clients to file a bankruptcy petition or a lawsuit instead of negotiating an informal resolution of their mortgage dispute. It does so by prohibiting lawyers from charging an advance fee for helping their clients renegotiate their mortgages or avoid foreclosure if a bankruptcy petition or lawsuit is not filed. This unnecessary ban on advance fees also increases the risk that consumer clients may not get necessary legal representation because lawyers may not get paid for their services.

Respectfully,

JIM COVINGTON