

ILLINOIS REAL ESTATE LAWYERS ASSOCIATION, INC.

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

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

Dear Sir or Madam:

The Illinois Real Estate Lawyers Association (IRELA) is a bar association comprised of over 2,000 real estate practitioners in Illinois, many of whom are engaged in the process of trying to assist their consumer clients in dealing with foreclosures, mortgage loan workouts, and related matters.

Because the Commission's proposed rule for "Mortgage Assistance Relief Services" does not adequately exempt licensed attorneys who are practicing law and those acting under their direction, IRELA opposes the proposed rule and requests that you amend this rule. Unless modified to fully exempt licensed attorneys who are practicing law and those acting under their direction, the result will be 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.

Although Illinois attorneys are already monitored in their practices by the Illinois Supreme Court through the Illinois Attorney Registration and Disciplinary Commission, the proposed rule adds cumbersome and unnecessary layers of federal regulation which would undermine the confidential attorney-client relationship and interfere with traditional state court regulation of lawyers in several ways.

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Letter to Federal Trade Commission

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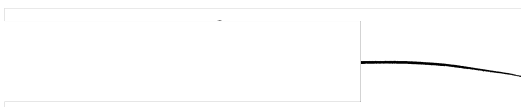
First, it subjects lawyers to burdensome record keeping and then presumably makes that confidential information available to the Commission, tending to undermine the attorney-client privilege, which is a key, centuries-old pillar of the relationship between an attorney and a client.

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, even though such advice may be appropriate.

Third, it creates a counterproductive 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. Moreover, this unnecessary ban on advance fees increases the risk that consumer clients may not get necessary legal representation because lawyers may not get paid for their services. We are confident that the Commission does not desire the unintended consequence of fostering more, rather than less, litigation, and does not want to create a situation where real estate practitioners are reluctant to come to the aid of distressed borrowers.

On behalf of the more than 2,000 members of the Illinois Real Estate Lawyers Association who are engaged in the provision of legal services to clients engaged in real estate transactions of all kinds, we respectfully urge the Commission to amend the proposed rule.

Respectfully submitted,

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Ralph J. Schumann
President, Illinois Real Estate Lawyers Association

cc: Board of Directors,
Illinois Real Estate Lawyers Association