



Program Letter 10-1

TO: All LSC Program Directors

FROM: Victor M. Fortuno *VMF*
Interim President

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Victor M. Fortuno

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DATE: February 18, 2010

SUBJECT: Supplemental Guidance on Attorneys' Fees

This Program Letter 10-1 supplements the guidance provided in LSC Program Letter 09-3 (*Compliance Guidance and Interim Guidance on Attorneys' Fees*) issued on December 17, 2009. Since LSC issued Program Letter 09-3, the LSC Board of Directors, at its January 30, 2010 meeting, took action to repeal the LSC regulation prohibiting LSC grantees from claiming, collecting and retaining attorneys' fees.

Following the Board's direction, LSC issued an Interim Final Rule lifting the regulatory restriction on claiming, or collecting and retaining attorneys' fees available under Federal or State law permitting or requiring the awarding of such fees. Accordingly, as of March 15, 2010, recipients will be permitted to make claims for attorneys' fees in any case in which they are otherwise legally permitted to make such a claim. Recipients will also be permitted to collect and retain attorneys' fees whenever such fees are awarded to them. With the repeal of the restriction, recipients will be permitted to claim and collect and retain attorneys' fees with respect to any work they have performed for which fees are available to them, without regard to when the legal work for which fees are claimed or awarded was performed. The Interim Final Rule may be found on the LSC website at: <http://www.lsc.gov/lscgov4/AttorneysFeesIFR.pdf>.

For the period prior to March 15, 2010, the LSC Board adopted a policy under which LSC will exercise its enforcement discretion consistent with the changes being adopted in the Interim Final Rule. Accordingly, LSC will not take enforcement action against any recipient that filed a claim for, or collected or retained attorneys' fees during the period of December 16, 2009 through March 15, 2010. Enforcement activities related to claims for attorneys' fees filed prior to December 16, 2009, or fees collected or retained prior to December 16, 2009, are no longer suspended and any violations which are found to have occurred prior to December 16, 2009 will subject the grantee to compliance and enforcement action. The regulatory provisions regarding accounting for and use of attorneys' fees and acceptance of reimbursement

from clients remain in force, and violations of those requirements, regardless of when they have occurred, will subject the grantee to compliance and enforcement action.

Should you have any questions about this Program Letter, please contact Mattie Cohan, Senior Assistant General Counsel, LSC Office of Legal Affairs, 202-295-1624 or mcohan@lsc.gov.