What is IOLA?

Often, in the context of an attorney-client relationship, attorneys receive funds transferred by a client, or by a third party on behalf of a client, to be held for a variety of purposes. Generally, an attorney chooses to deposit these funds into a bank account at a financial institution of the attorney’s choosing. The account is known as an attorney’s trust account. If the funds are large enough and are to be held long enough to earn net interest, the lawyer and client discuss where and how the funds should be held, with the client usually obtaining the benefit of any interest earned.

Sometimes, however, the funds are too small, or will be held too briefly, to generate interest in excess of the costs of opening and maintaining an account for the client’s benefit. For many years, attorneys deposited such funds in non-interest-bearing checking accounts, separate from their operating accounts, but commingled with other, similar funds held in trust by the attorney. The aggregate balance of all the deposits in such trust accounts could be quite large, yet, no interest accrued because the funds were held in a checking account. As a result the attorney’s client did not receive interest income from these deposits. Effectively, these funds were free loans to the attorney’s banking institution.

In 1983, after Congress authorized payment of interest on checking accounts, the New York State Bar Association became the principal legislative advocate of a change in the procedure for handling small client deposits in New York. That change was to create a new type of attorney trust account that would allow attorneys to pool small client deposits in one interest-bearing checking account. The interest income from accounts that previously benefited only the banking institutions would be harvested to provide funds for civil legal assistance to low-income New Yorkers. That was the beginning of the “Interest on Lawyer Account Fund of the State of New York,” or the IOLA Fund (IOLA).
What does the NYS IOLA Fund do?

IOLA is a fiduciary fund in the custody of the State Comptroller. A board of trustees (the “Board”) administers the fund. It is required to distribute funds as grants and contracts to not-for-profit tax-exempt entities for the purpose of delivering civil legal services to the low-income New Yorkers and for purposes related to the improvement of the administration of justice. These purposes include, but are not limited to, the provision of civil legal services to groups currently underserved, such as the elderly and the disabled; and the enhancement of civil legal services to the poor through innovative and cost-effective means, such as volunteer lawyer programs and support and training services.

At least 75% of the total funds distributed by the Board in any fiscal year must be allocated according to the geographical distribution of persons at 125% or less of the Federal Poverty Level throughout the state, based on the latest available figures from the U.S. Department of Commerce, Bureau of Census. Up to 25% of the funds may be allocated “for purposes related to the improvement of the administration of justice,” which includes the provision of legal services to underserved groups (e.g., the elderly, the disabled, victims of domestic violence), volunteer lawyer programs, and support and training services.

IOLA also serves as the regulatory body that oversees banks' administration of IOLA accounts, as governed by statute.
IOLA laws and regulations require that the interest paid on IOLA account products not be less than the rate paid on comparable account products offered by the bank to its best customer. Comparable products include account products that bear interest and have check-writing capabilities (including accounts for business, personal and high wealth clients). Alternatively, a participating bank may elect the Safe Harbor interest rate option, which is equal to 60% of the Federal Funds Target Rate or 1.00%, whichever is higher.

These requirements ensure maximum returns for the IOLA Fund, which enables generous grantmaking to New York State legal services organizations.

**Net Interest Revenue, FY22**

$31,504,787

To see a list of participating banking institutions, please click here.
IOLA Fund - Grantmaking

Since it was established in the 1980s, through the $70 million in recent grants issued in 2021, IOLA has awarded over $540 million to civil legal services nonprofits throughout New York State. IOLA grantees vary in size and focus, and provide a myriad of legal services: direct representation, advice and counsel, pro se assistance, legal education, and/or referrals to low-income or otherwise disadvantaged individuals living in the State. IOLA grantees also provide community and attorney trainings, engage in partnerships and community collaborations, and initiate impact cases that enhance the quality of life for all New Yorkers.

About Civil Legal Aid in NYS

In 2022, IOLA funded a network of 74 organizations which provide legal assistance to the citizens of New York's 64 counties. The network represents organizations with budgets of $250,000 to those with $123 million; with 3 staff up to 630. They are legal projects housed in domestic violence prevention agencies, religious organizations, multi-social service organizations, bar associations, or are stand-alone nonprofits. While IOLA does not fund every nonprofit providing civil legal services in the State, the network represents a majority of providers and serves millions of New Yorkers annually.

- 2.4 million NYers eligible for civil legal services
- 74% of low-income families experience >1 civil legal issue annually
- 1 legal aid attorney for every 938 eligible clients
Civil Legal Assistance

IOLA’s grantees provide a myriad of legal services: direct representation, advice and counsel, pro se assistance, legal education, and/or referrals to low-income or otherwise disadvantaged individuals living in the State. Highlights for this fiscal year include:

- **265,587 legal cases closed**, with **521,396 people benefitted**
- **467,560 hours donated** by **35,955 pro bono volunteers**, valued at **$284.3 million**
- **4.8 million individuals** provided legal education in-person, online, and via other means
- **125,700 individuals** provided assistance to handle their legal issues *pro se*
- **5.1 million individuals** prepared or accessed legal forms online
265,587 total cases closed

- **67,222** Housing: Preventing homelessness and providing housing stability
- **46,955** Immigration: Ensuring immigrants have access to appropriate legal protections
- **41,753** Family: Assuring family safety, protecting domestic violence survivors, and improving family stability
- **29,079** Income Maintenance: Assisting low-income, elderly, and disabled individuals access income assistance
- **22,043** Miscellaneous: Protecting rights and assuring fairness on other miscellaneous matters
- **17,768** Education: Ensuring equity in access to education
- **11,804** Health: Assisting low-income, elderly, and disabled individuals navigate insurance, Medicare, Medicaid, and other health-related matters
- **11,589** Consumer: Protecting household income from predatory lending, illegal debt collection practices, and other unethical consumer practices
- **8,467** Employment: Enforcing fair employment law and removing barriers to employment
- **4,922** Individual Rights: Protecting individual rights for disabled and otherwise disadvantaged individuals
- **3,985** Juvenile: Assisting at-risk and system-involved juveniles with civil legal matters
Mr. N, a native of Tibet, suffered physical and psychological harm at the hands of Chinese authorities because of his ethnicity, actual and imputed political opinion, and religion. While on a religious pilgrimage in Tibet, Mr. N was arrested, interrogated, beaten, and threatened by Chinese police. As a Tibetan Buddhist monk, he was forced to attend weekly political “re-education” camps and renounce his core beliefs, including his belief in the Dalai Lama, which he experienced as torture.

After participating in a peaceful pro-Tibetan demonstration which was violently suppressed by the police, Mr. N was forced to go into hiding before managing to flee to the U.S. with fake papers via Nepal and India.

IOLA Grantee Human Rights First placed Mr. N’s case with a pro bono team that worked diligently to gather evidence of Mr. N’s identity and past harm and to overcome the charge that Mr. N had firmly resettled in India. A US immigration judge granted Mr. N asylum. He can now live in safety without fear of persecution.
IOLA grantee Disability Rights New York (DRNY) brought a class action lawsuit against the New York State Board of Elections (NYSBOE) to challenge its inaccessible absentee ballot program.

DRNY obtained a settlement agreement under which the NYSBOE will create a statewide process to allow blind voters and people with print disabilities to fill out a remote, accessible vote-by-mail ballot online, print it out, and mail or return it to their county board of elections.

The settlement requires NYSBOE to choose a remote accessible vote-by-mail (RAVBM) system that allows disabled voters to use their own computers to read and mark a ballot, using their own screen-reader software that converts the ballot content into spoken word or into Braille displayed on a connected device. NYSBOE must also create a statewide portal that voters can use to require an accessible absentee ballot and train each of the fifty-eight county boards of elections on the use of the RAVBM system. 3,843 voters used the accessible absentee ballot system during the 2021 fiscal year.
Mr. B and his wife both lost their jobs during the COVID-19 pandemic and found themselves unable to pay rent. Their landlord filed a nonpayment eviction case in late 2020. They were scared and afraid of becoming homeless with their three children. The laws were rapidly changing, and they didn’t understand their rights.

Mr. B contacted Volunteer Lawyers Project of Central New York (VLPCNY), an IOLA grantee, which helped them to file Tenant Hardship Declarations to assert their rights and helped them navigate and request multiple court adjournments despite the landlord's protests. VLPCNY advised them of their rights to seek emergency rental assistance and other help with their back rent.

After some delays, the client finally received help with the back rent. After over 10 months, the landlord acknowledged receipt of payment and withdrew the case. They are no longer facing the threat of homelessness. Their 3 children were able to continue their schooling and have a stable home during the pandemic.
Economic Impact of Civil Legal Services in New York State, 2021

$3.41 Billion in Benefits and Savings

The monetary value of the legal outcomes achieved for IOLA grantee clients is astounding. In the last NYS fiscal year, direct benefits and savings to New Yorkers topped $1.19 billion, while the avoidance of emergency shelter and domestic violence-related costs saved communities across the state over $323 million. When combined with the “Economic Multiplier Effect,” or the economic stimulus of federal funds brought into the state from elsewhere, the total economic benefit of the work accomplished by IOLA-funded grantees was over $3.4 billion.

- Cost Savings to the Community: $323 million
- Direct Dollar Benefits to Clients and Their Families: $1.2 billion
- The Economic Multiplier Effect: $1.9 billion
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Find a list of current IOLA grantees here.