

# Interest on Lawyer Account Fund of the State of New York

*Funding civil legal assistance for low-income New Yorkers since 1984*

## FOR IMMEDIATE RELEASE

**(New York, New York) March 13, 2023—The Interest On Lawyer Account Fund of the State of New York (IOLA) provides an update on Signature Bank.**

On March 12, 2023, the Treasury, Federal Reserve, and FDIC, as well as the New York Department of Financial Services (DFS) announced the closure of Signature Bank. The FDIC has been appointed as receiver. The federal and NYS announcements are here:

<https://www.federalreserve.gov/newsevents/pressreleases/monetary20230312b.htm>

[https://www.dfs.ny.gov/reports\\_and\\_publications/press\\_releases/pr20230312](https://www.dfs.ny.gov/reports_and_publications/press_releases/pr20230312)

The regulators further announced that ALL deposits of Signature Bank (including those in excess of \$250,000) would be fully covered and have access to funds as of today, March 13, 2023. With this announcement, lawyers and law firms maintaining IOLA accounts should see normal operations at the Signature Bank. For more information, please contact the **FDIC at 1-866-744-5463**.

It is important for lawyers and law firms, to understand that, for FDIC insurance purposes, IOLA accounts are treated as fiduciary accounts and qualify for pass through coverage to the underlying owner. This means, generally, that each client with funds in an IOLA account is insured up to the FDIC maximum of \$250,000 (subject to other funds the client may have at the institution, and satisfactory documentation to demonstrate ownership, etc.). Again, in the case of Signature Bank, however, regulators have announced that deposits would be fully covered.

For questions regarding IOLA account management, please see the lawyer FAQs page of the IOLA website. <https://www.iola.org/lawyers/lawyers-faqs>



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