

IOLA Fund of the State of New York

Annual Report

2023

About IOLA

In the context of an attorney-client relationship, attorneys may receive funds from 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 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. Prior to the creation of IOLA, 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 for changing 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).

IOLA is a fiduciary fund in the custody of the State Comptroller. A board of trustees (the “Board”) administers the fund and is required to distribute grants 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.

The administration of justice grants (“AOJ”) support the provision of civil legal services to groups currently underserved (e.g. the elderly, the disabled, victims of domestic violence) 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. Up to 25% of the funds may be awarded to support the administration of justice.

At least 75% of the total funds distributed by the Board in any fiscal year must be awarded to civil legal service providers (“CLS”) 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.

IOLA Fund - Banking

IOLA also oversees the participation of financial institutions in the IOLA program, ensuring that their IOLA account products comply with applicable statutes and regulations.

The regulatory framework requires 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 (such as accounts for municipalities, businesses, 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, FY23 **\$107,150,309**



To see a list of participating banking institutions, please click [here](#).

IOLA Fund - Grantmaking

Since it was established in the 1980s, through the two-year \$70 million grants issued for fiscal years 2022 and 2023, IOLA has awarded over \$640 million to civil legal services non-profits 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 fiscal year 2023, IOLA funded 74 organizations that provide legal assistance to the citizens of New York's 64 counties. These organizations vary greatly in size with budgets ranging from \$246,000 to \$126 million; and with 3 staff up to 630. Many are stand alone nonprofits. Others are legal projects housed in domestic violence prevention agencies, religious organizations, social service organizations, and bar associations. While IOLA does not fund every non-profit providing civil legal services in the State, it supports the vast majority of providers whom help millions of New Yorkers annually.



*These numbers come from the U.S Census Bureau, "Poverty in the United States: 2022," U.S. Government Publishing Office, Washington, DC, September 2023 and data collected in IOLA's FY23 Annual Grant Activity Report.

Civil Legal Aid: FY23 Overview



307,488 legal cases closed, with **639,435** people benefitted



891,733 hours donated by **36,484** pro bono volunteers, valued at **\$323.7 million**



5.3 million individuals provided legal education in-person, online, and via other means



209,716 individuals provided assistance to handle their legal issues *pro se*



2.6 million individuals prepared or accessed legal forms online

Civil Legal Aid: FY23 Cases Closed (307,482)

99,383 **Housing:** Eviction defense and housing stability

50,275 **Immigration:** Visa and asylum applications and other immigration matters

40,084 **Family:** Family safety, custody, support, and guardianship

31,083 **Income:** SSI, SSD, SNAP, VA, Worker's Comp, and other benefits

18,237 **Education:** IEP/504 and school discipline cases

12,837 **Health:** Medicare, Medicaid, Insurance, and other health-related matters

15,570 **Consumer:** Predatory lending, bankruptcy, illegal debt collection, and consumer defense

9,189 **Employment:** Wage claims, workplace safety, employment discrimination

5,796 **Individual Rights:** Access to housing, employment, and public facilities for people with disabilities

4,332 **Juvenile:** Various cases for at-risk and system-involved children

20,696 **Miscellaneous:** Name changes, advanced planning, tax

Advocacy Spotlight

Journey's End Refugee Services assisted a lawful permanent resident apply for a visa and secure the necessary consular processing for her son, who was living in Ethiopia.

After a visa became available, violence broke out in the Tigray region where the client's son had been living and he was forced to flee to Sudan. Once reaching Khartoum, the client's son was living alone and faced constant discrimination. At one point, he was robbed, kidnapped, and held for ransom. He was eventually released but was left lost and deserted, and once found by police, was sent back to Ethiopia, from which he had just recently fled.

Journey's End assisted the client in submitting a request to expedite the case based on the facts of this child's situation, both to the National Visa Center and to the embassy. Thanks to their advocacy, the case was expedited, approved, and ultimately, the client and her son were reunited in the U.S.



**Securing
immigration
visas for
those
escaping
violence in
their home
country**

Advocacy Spotlight

The **Jewish Association of Services for the Aged** represented Mr. Z, a 71-year-old low-income Queens resident. Mr. Z rented a room in an apartment from another older adult, Mr. P, who was also low income.

In 2022, Mr. P became ill and passed away. Following his death, the owner of the building locked Mr. Z out of the apartment, leaving him without access to his medicines, his worker's compensation checks and other necessary documents. Mr. Z called the police, but the landlord refused to allow him back into his apartment causing him to be homeless. Mr. Z then filed a pro se illegal lockout case and was referred to JASA.

JASA first requested an order granting Mr. Z the right to gain access to his apartment so that Mr. Z could retrieve his medicine, clothing, and documents. The court granted the request but would not permit him to stay in the apartment without a hearing. JASA provided funds through one of its social service programs so Mr. Z could stay in a low budget motel pending the hearing. Thereafter JASA represented Mr. Z in a 4-day hearing, resulting in a decision that the owner had illegally locked Mr. Z out of his apartment and ordering immediate restoration to possession.



**Preventing
homelessness
and housing
instability by
fighting
against illegal
landlord
practices**

Advocacy Spotlight

While a client of **Disability Rights New York (DRNY)** was in a skilled nursing facility, her sister was stealing her benefits and trying to remove her belongings from her apartment. Prior to her stay at the facility, the client lived independently in her apartment with around the clock healthcare, including day programming that she enjoyed.

During her short stay at the facility, her sister, who was her power of attorney, lied to the hospital, nursing facility, and her representative payee in order to steal her SNAP benefits card and SSDI checks. Her sister had also started clearing out her belongings in her apartment so she could not return home and would be forced to remain institutionalized.

DRNY assisted the client to revoke her sister's power of attorney, report the financial abuse to her representative payee, and to contact her apartment manager to prevent her sister's access to her apartment. DRNY also ensured that the client was able to return home.



**Protecting
individual
rights for
disadvantaged
individuals by
stopping
financial
abuse**

Economic Impact of Civil Legal Services in New York State, FY23

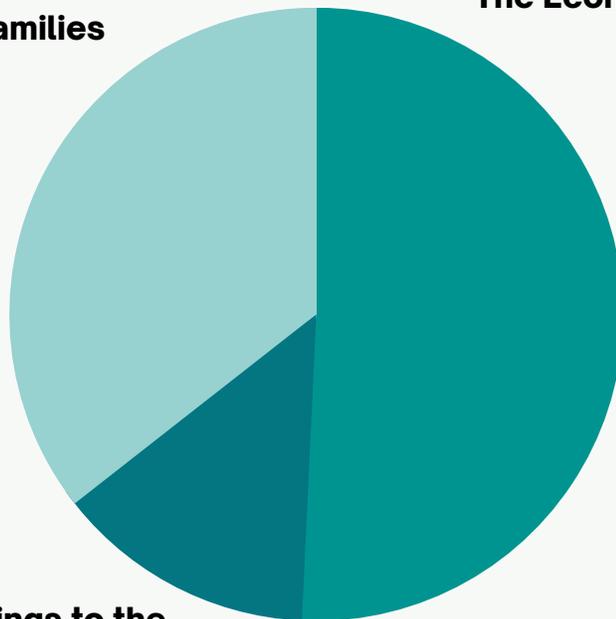
\$3.55 Billion in Benefits and Savings

The monetary value of the legal outcomes achieved for IOLA grantee clients is significant, bringing into the state hundreds of millions of dollars more than is invested in civil legal aid. In the last NYS fiscal year, direct benefits and savings to New Yorkers topped \$1.8 billion, while the avoidance of emergency shelter and domestic violence-related costs saved communities across the state over \$485 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 **\$3.55 billion**.

Direct Dollar Benefits to Clients and Their Families
\$1.3 billion

The Economic Multiplier Effect
\$1.8 billion

Cost Savings to the Community
\$485 million



IOLA Board of Trustees

Mary Rothwell Davis (Chair)

John A. Cirando

Douglas W. Dunham

Paula Galowitz

Susan B. Lindenauer

Edwin J. Lopez-Soto

Kathryn Grant Madigan

Paulette E. Ross

Sergio Villaverde

IOLA Staff

Christopher B. O'Malley, Executive Director

Christine Fecko, General Counsel

Michele Agard, Director of Administration

Colleen Finan Fehringer, Deputy Director of Grant Administration

Jessica Reyes, Deputy Director of Administration

Juliette Moffatt, Bank Remittance Specialist

Emily Radigan, Grants Assistant

Kristen Thompson, Grants Assistant

Contact

IOLA Fund of the State of New York

11 E. 44th Street, Suite 1406

New York, NY 10706

646-865-1541

www.iola.org

iolaf@iola.org

Find a list of current IOLA grantees [here](#).