

**IOLA Fund of the
State of New York**

Annual Report

2024

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.

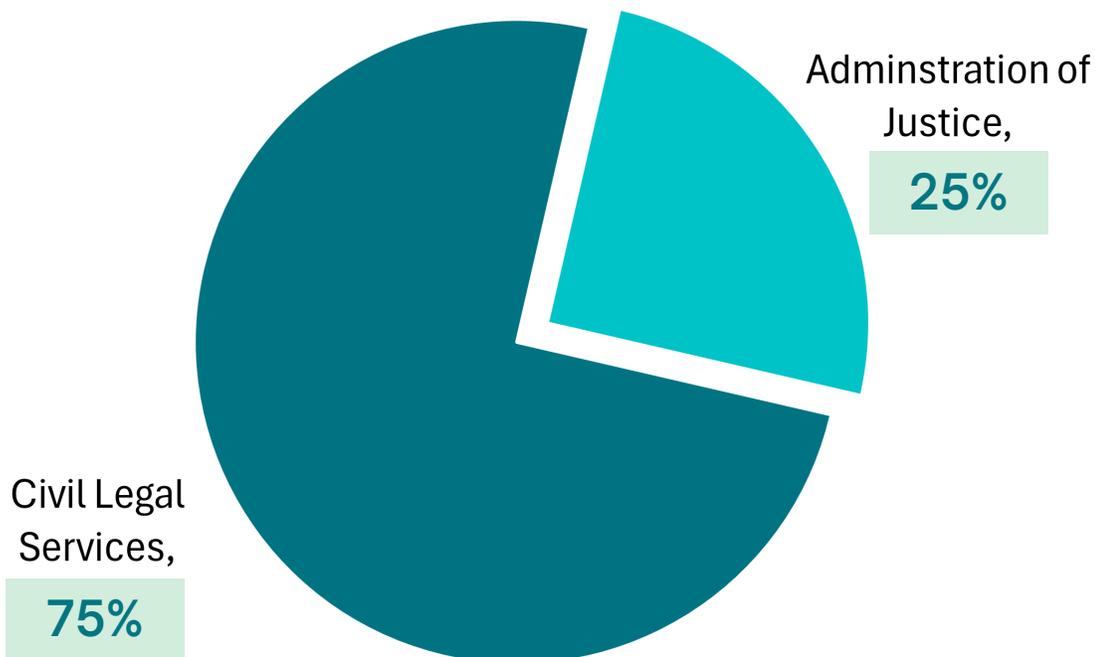
Sometimes, however, the funds are too small, or will be held too briefly, to generate interest in excess of the costs of opening and maintaining an account for the client's benefit. For many years, attorneys deposited such funds in non-interest-bearing checking accounts, separate from their operating 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. 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).

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 solely 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 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.

At least 75% of the total funds distributed by the Board in any fiscal year must be awarded to civil legal service providers 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 awarded to support the administration of justice.

IOLA Funding Distribution



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.

Platinum Partner Banks pay the greater of 60% of the Federal Funds Target Rate or 1.00% or more

Platinum Partners

- 1st Century Bank, a division of MidFirst Bank
- Alma Bank
- Alpine National Bank
- Amalgamated Bank of New York
- Apple Bank for Savings
- Banco Popular
- Bank of America
- Bank of Hope
- Bank of New York Mellon
- Bank United
- Berkshire Bank (Massachusetts)
- BMO Bank, N.A.
- Chemung Canal Trust Co.
- Citibank
- Citizens Bank, N.A.
- City National Bank/California
- Community Bank, N.A.
- Cross County Savings Bank
- Eastbank
- East West Bank
- Evans Bank, NA
- First Citizens Community Bank
- First Horizon Bank
- Five Star Bank
- Flagstar
- Flushing Bank
- Genesee Co-op FCU
- Glens Falls National Bank and Trust Company
- HSBC
- Kearny Bank
- Key Bank Services Corp.
- Lyons National Bank
- M&T Bank
- Metropolitan Commercial Bank
- Modern Bank
- National Bank of Coxsackie
- NexTier Bank, N.A.
- Newtek Bank
- Northeast Community Bank
- Pathfinder Bank
- Piermont Bank
- Pioneer Savings Bank
- Royal Business Bank
- Safra National Bank of New York
- Saratoga National Bank and Trust Co.
- Savannah Bank N.A.
- Spring Bank
- Valley National Bank
- Webster Bank
- Wells Fargo
- Woori America Bank

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

Grantmaking

Since it was established in the 1980s, through the two-year \$110 million grants issued for fiscal years 2024 and 2025, IOLA has awarded over \$750 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.

In fiscal year 2024, IOLA funded a network of 80 organizations that provide legal assistance to the citizens of New York's 64 counties. The network represents organizations with budgets ranging from \$264,000 to \$142 million; with 4 staff up to 673. They include 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, the network represents the vast majority of providers and serves millions of New Yorkers annually. Find a list of current IOLA grantees [here](#).

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 FY24 Annual Grant Activity Report.

About Civil Legal Aid in NYS

2.4 million
New Yorkers
are eligible for
civil legal
services

74% of
low-income
families
experience
>1 civil legal
issue annually

1 legal aid
attorney for
every 846
eligible
clients

Civil Legal Aid: FY24 Overview



340,779 legal cases closed, with **698,666** people benefitted



877,963 hours donated by **40,731** pro bono volunteers, valued at **\$335** million



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



198,533 individuals provided assistance to handle their legal issues *pro se*



4.8 million individuals prepared or accessed legal forms online

340,779 Legal Cases Closed

104,682 **Housing:** Eviction defense, repairs, mortgage foreclosure prevention

64,741 **Immigration:** Visa and asylum applications and other immigration matters

44,514 **Family:** Family safety, custody, support, and guardianship

32,012 **Income:** SSI, SSD, SNAP, VA, Worker's Comp, and other benefits

21,507 **Education:** IEP/504 and school discipline

18,917 **Consumer:** Predatory lending, bankruptcy, illegal debt collection, and consumer defense

13,972 **Health:** Medicare, Medicaid, Insurance, and other health-related matters

9,557 **Employment:** Wage claims, workplace safety, employment discrimination

5,229 **Individual Rights:** Ensuring fair access to housing, employment, and public facilities

4,211 **Juvenile:** Various cases for at-risk and system-involved children

21,437 **Miscellaneous:** Name changes, advanced planning, tax

Advocacy Spotlight

David, an **Safe Horizon** client, was granted asylum in the New York City Immigration Court in November, 2023, over eight years after fleeing political persecution in Cameroon. David was detained, tortured and sexually assaulted by the Cameroonian government in 2011 after he voted against the ruling political party. The police then spent the next four years extorting David, arresting him if he refused to pay bribes and forcing him to perform free labor for the government.

Safe Horizon helped David file his asylum application in January 2016 and represented David at his asylum interviews in 2020 and 2021. Despite David's strong asylum claim, he was referred to immigration court in 2021 without a final decision on his case. Safe Horizon filed a motion to get a hearing calendared for his asylum claim based on humanitarian grounds. That motion was granted and he was scheduled for a final merits hearing on November, 2023.

Safe Horizon represented David in a two-hour hearing and ultimately prevailed—the judge granted David asylum. He can now continue to heal from the trauma he experienced and build his life in peace and safety here in the U.S.



**Securing
asylum for
those
persecuted
for religion,
culture, or
political
beliefs**

Advocacy Spotlight

Ms. L, a 58-year-old Black New Yorker, called **New Economy Project's** hotline seeking help because her wages were being garnished. With New Economy Project's help, she found out that the debt buyer had sued her on a credit card she didn't recognize – and that her wages were protected from garnishment under New York law.

New Economy Project helped her prepare and file papers asking the court to throw out the judgment and lawsuit and return her garnished wages. The judge agreed to vacate the judgment and ordered the return of her wages, but wouldn't throw out the case and scheduled another court date. To make matters worse, the debt buyer took several weeks to return her garnished wages.

On her court date, she called New Economy Project to say the debt buyer's lawyer was pressuring her to enter into a payment plan. With further advice and encouragement from one of their staff attorneys, Ms. L decided to stand her ground and reiterate her strong legal defenses. As a result, the debt buyer agreed to drop the case for good.



Protecting workers' wages by stopping illegal debt collection practices

Advocacy Spotlight

One day, Ms. R went into the bathroom in her apartment and found that it was already occupied—by a big rat. This was just the latest of many problems in her apartment. There were also roaches, fly infestations, and ceiling leaks. Her stove, refrigerator, windows, and fire escape were all defective. The landlord ignored Ms. R’s repeated pleas to have these hazardous conditions addressed.

With the help of her **Legal Services New York City** attorney, Ms. R exercised her right to withhold her rent—which New York law allows in certain especially severe conditions—to force her landlord to make repairs. Ms. R was able to secure funds for her bond through a Defense Fund established by the Urban Homesteading Alliance Board (UHAB).

She and her LSNYC attorney prevailed in her case, forcing her landlord to provide her a new oven, refrigerator, bathtub, and vanity, as well as address the building-wide violations, including the defective fire escape, illegal gate and door fastenings.



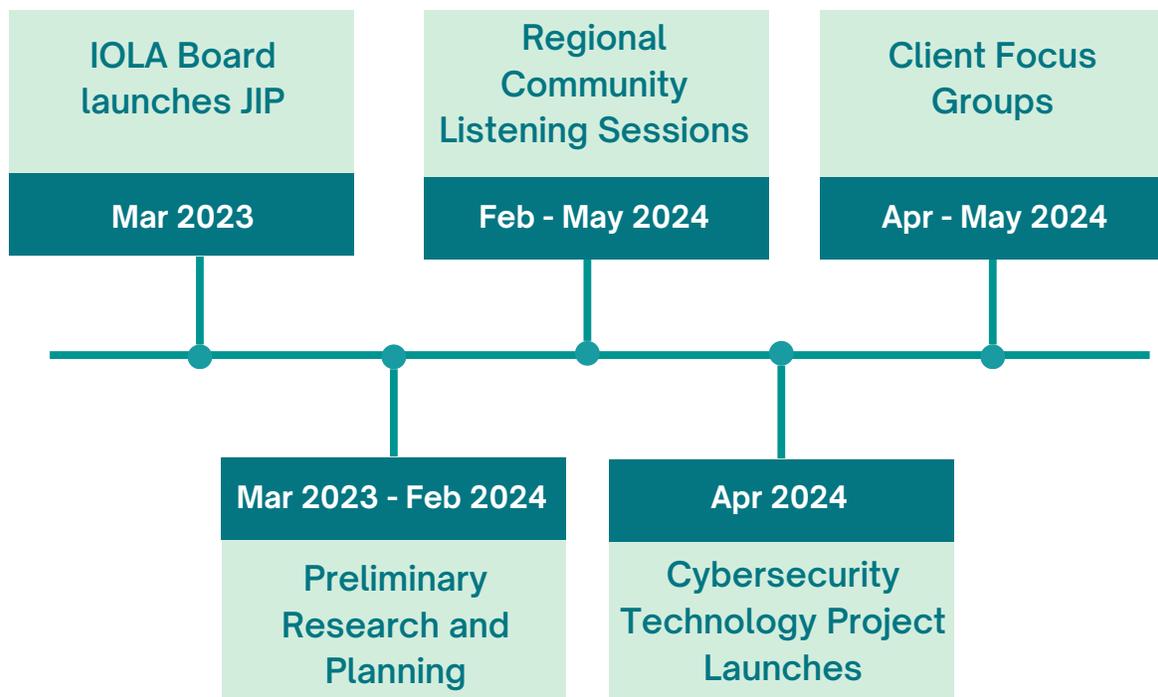
**Fighting
against
negligent
landlords to
ensure safe
living
conditions
for tenants**

Justice Infrastructure Project

Due to recent historic revenue growth, the IOLA Fund found itself with a generational opportunity to enhance the delivery system of civil legal aid in New York. The IOLA Board of Trustees approved the development of a plan that would increase coordination, innovation, and capacity in the sector, known as the Justice Infrastructure Project.

Consistent with the IOLA Fund’s mission, this Project seeks to ensure that every New Yorker with a legal problem has clear and timely access to high quality legal information, advice, and representation. The IOLA Fund, with the assistance of its project management firm Stout Risius Ross and technical advisor JustTech, has worked to more fully define the steps necessary to achieve this goal.

In FY24, the Justice Infrastructure Project launched and began Phase 1 activities, including significant stakeholder engagement in communities across New York, engagement with national and local leaders in access to justice, quantitative analyses of resident survey responses as well as data from the New York State Courts, IOLA grantees, LawHelp New York and 2-1-1, and the launch of a cybersecurity improvement project for our grantees.

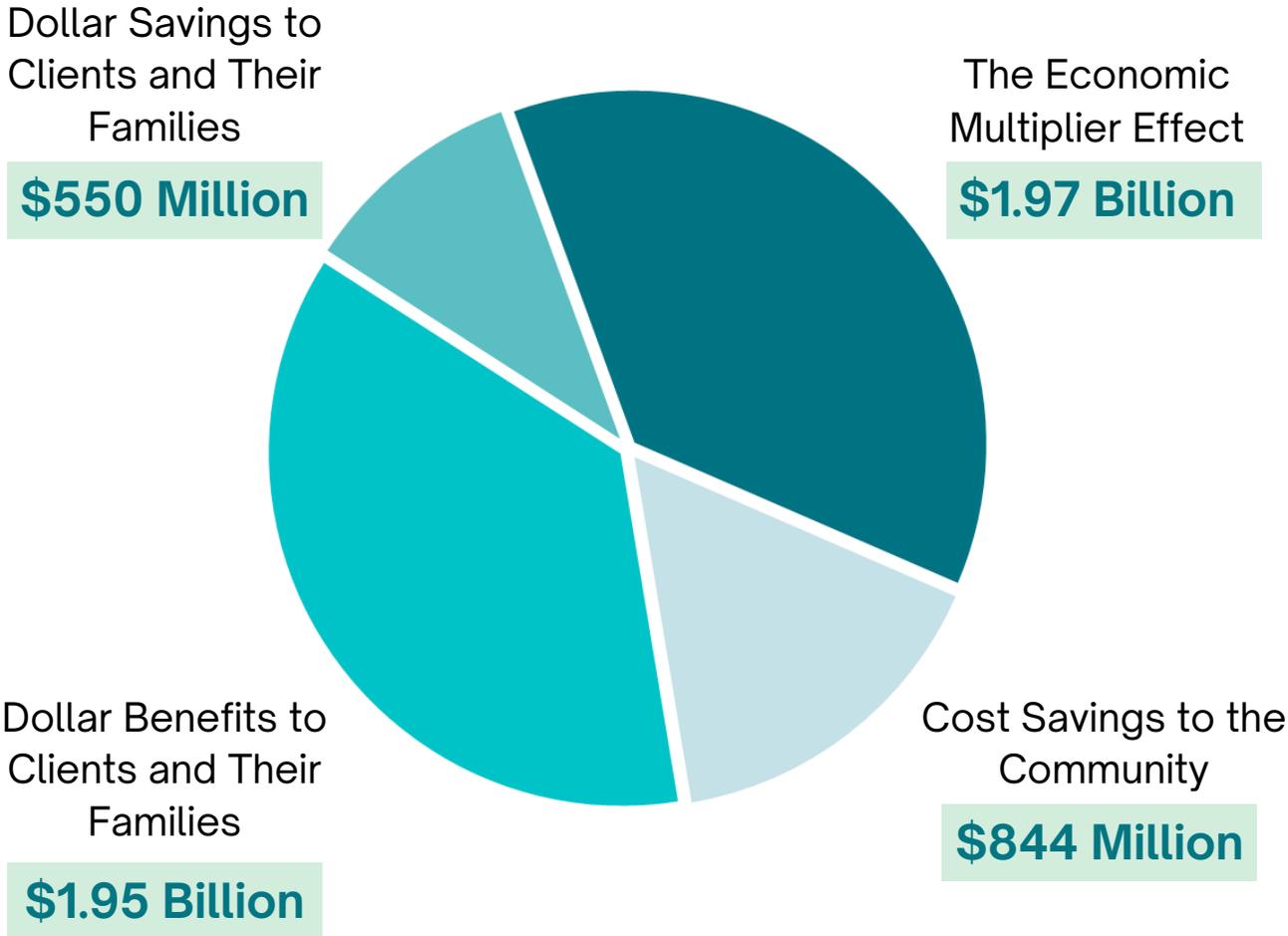


For more information on the Project’s status, please click [here](#).

Economic Impact of Civil Legal Services in New York State, FY24

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 \$2.53 billion, while the avoidance of emergency shelter, foreclosures, and domestic violence-related costs saved communities across the state over \$844 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 **\$5.32 billion**.

\$5.32 Billion in Benefits and Savings



Staff Transitions

Christine M. Fecko Named Executive Director

Christine M. Fecko, Esq. has been appointed the next Executive Director. She takes over from Christopher B. O'Malley, who retired as Executive Director after 15 years with the IOLA Fund.

Through a 28 year legal career that included serving as General Counsel and Chief Operating Officer of My Sister's Place, President of the National Association of IOLTA Programs, and, for the last twelve years, as the IOLA Fund's General Counsel, Fecko has worked to advance equity and access to justice for all New Yorkers.



Licha Nyiendo Named General Counsel



Licha Nyiendo has been named as the next General Counsel. Ms. Nyiendo brings 24 years of experience as an attorney in non-profit organizations, government, and the private sector.

Her most recent position was as the Chief Legal Officer of Human Rights First, a non-profit organization that provides legal representation to asylum seekers and promotes human rights around the globe.

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Licha Nyiendo, General Counsel

Michele Agard, Director of Administration

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Juliette Moffatt, Bank Remittance Specialist

Emily Radigan, Grants Assistant

Kristen Thompson, Grants Assistant

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