

# “WHERE YOU BANK MATTERS!”

## INTEREST ON LAWYERS TRUST ACCOUNTS PROGRAM (IOLTA)

Presentation by:  
Oregon Law Foundation  
Leadership Bank Campaign

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# What is IOLTA?

## (Interest on Lawyer Trust Accounts)

- Attorneys who hold client funds have a duty to segregate and safeguard the money.
- Client funds that can't earn net interest to the client are placed in an IOLTA account with interest earned payable to the Oregon Law Foundation.

# Where Do IOLTA Funds Go?

- Oregon Law Foundation distributes the funds through grants primarily to four **nonprofit** civil legal aid programs that:
  - ▣ Give civil legal aid service to **low-income individuals** (125% of the federal poverty threshold)
  - ▣ Related to life issues that help **break the cycle of poverty, support economic stability** and build stronger communities.
  - ▣ Services provided statewide with offices in 17 communities throughout Oregon in geographies in which a bank has its **“assessment area”**.

# Statewide Community Offices

## Center for Nonprofit Legal Services

● Medford

## Lane County Legal Aid and Advocacy Center

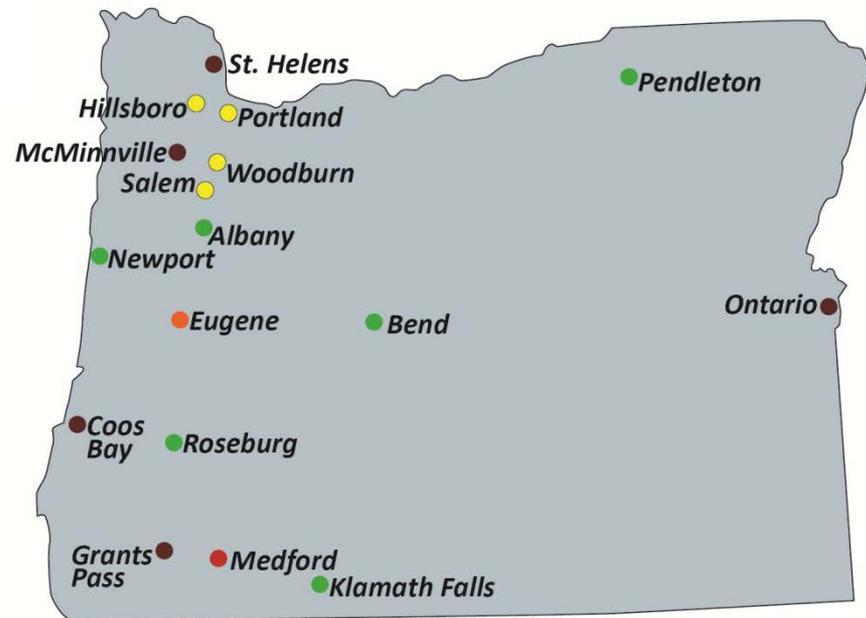
● Eugene

## Oregon Law Center

● Coos Bay  
 ● Grants Pass  
 ● Hillsboro  
 ● McMinnville  
 ● Ontario  
 ● Portland  
 ● Salem  
 ● St. Helens  
 ● Woodburn

## Legal Aid Services of Oregon

● Albany  
 ● Bend  
 ● Hillsboro  
 ● Klamath Falls  
 ● Newport  
 ● Pendleton  
 ● Portland  
 ● Salem  
 ● Woodburn



● Indicates instances of multiple programs sharing office space.

# CRA and Civil Legal Aid

## Partners in Community Development

### Share Common Goals: Essential Community Services

- Affordable Housing
- Foreclosure prevention program (*goal of providing affordable sustainable long-term loan modifications and restructurings*)
- Health and Social Services
- Consumer Education
- Family Stability
- Domestic Violence Prevention

# Leadership Bank Program

- Leadership Banks pay over the prevailing rate on IOLTA accounts than paid on similarly situated accounts.
- 17 Banks participate as a Leadership Bank currently paying 0.7% to 1% and waiving fees.

# CRA CREDIT FOR IOLTA

- Waive fees and pay a higher rate on IOLTA than the prevailing rate on similarly situated accounts
- Provide comparison of interest provided on IOLTA vs. similarly situated accounts
- Documentation explaining distribution of IOLTA proceeds and description of program and who it benefits

# CRA Investment Credits

NON IOLTA RATE	IOLTA RATE	AVERAGE BALANCE ON DEPOSIT	NET INTEREST REMITTED ON NON IOLTA ACCOUNTS	NET INTEREST REMITTED ON IOLTA ACCOUNTS	CALCULATED CRA CREDIT YEARLY
.15%	1%	\$ 18,367,254	\$ 27,551	\$ 173,153	\$ 145,602
.01%	1%	\$ 26,653,918	\$2,665	\$ 212,844	\$ 210,179
.12%	1%	\$ 5,615,526	\$ 6,739	\$ 51,755	\$ 45,016
.20%	.70%	\$ 9,504,978	\$ 19,010	\$ 64,904	\$ 45,894
.03%	.70%	\$ 14,069,720	\$ 4,221	\$ 187,928	\$ 183,707

# Leadership Bank Program

Everybody Wins!

## For Banks:

- CRA investment credits
- Your bank stands out from the others
- Appreciation from high value customers
- A way to attract new business

## For Low-Income Communities:

- Access to critically needed legal aid
- Develops stronger communities and helps break the cycle of poverty

# OLF Leadership Banks

## **VISIONARY BANKS**

*These banks pay at least 1% interest*

**Bank of Eastern Oregon**

**First Republic Bank**

**KeyBank**

**Peoples Bank of Commerce**

**Pioneer Trust Bank**

**Siuslaw Bank**

**Washington Trust Bank**

**Wells Fargo Bank**

**Willamette Valley Bank**

## **ADVOCACY BANKS**

*These banks pay between .7% and 1% interest*

**Albina Community Bank**

**Bank of the Cascades**

**Bank of the West**

**Capital Pacific Bank**

**Community Bank**

**Heritage Bank**

**Pacific West Bank**

**Umpqua Bank**