



NORTH CAROLINA  
IOLTA

NORTH CAROLINA  
INTEREST ON LAWYERS' TRUST ACCOUNTS  
A program of the North Carolina State Bar

www.nciolta.org IOLTA@ncbar.gov

**NC IOLTA Report to the  
North Carolina State Bar Council  
Annual Meeting, October 2020**

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Mary L. Irvine  
Executive Director  
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**Income**

Revenue received by NC IOLTA in the third quarter remained well below 2019 figures. Interest income earned on IOLTA accounts between January and August of 2020 totaled \$2.78 million, a 17% decrease compared to the same period in 2019. As interest earned on IOLTA accounts is received in the month after it is earned, IOLTA is currently receiving September participant interest income. IOLTA staff and Board will continue to closely monitor income and interest rates over the coming months and communicate impacts to stakeholders.

IOLTA seeks to maintain positive policies at Prime Partners and other banks paying interest rates higher than the average on IOLTA accounts. Prime Partners are banks that agree to go above and beyond the IOLTA eligibility requirements to improve access to justice. Prime Partners pay at least 75% of the Federal Funds target rate or .75%, whichever is higher. The following banks maintain Prime Partner status:

- Bank of Oak Ridge
- Carolina State Bank
- Premier Federal Credit Union
- Providence Bank & Trust
- *Settlement agent accounts only*: Congressional Bank
- Roxboro Savings Bank
- Union Bank
- US Bank
- Wells Fargo

Benchmark Banks pay at least 65% of the Federal Funds target rate or .65%, whichever is higher. The following banks maintain Benchmark Bank status:

- American Bank of the Carolinas
- Aquesta Bank
- *Settlement agent accounts only*:  
Bank United, First Federal Bank of Florida, and Sandy Spring Bank
- Bank of America
- Pinnacle Bank
- PNC Bank

**State Funds**

NC IOLTA administers state funding on behalf of the NC State Bar under the Domestic Violence Victim Assistance Act. Funds generated by costs assessed in civil and criminal court actions are distributed to Legal Aid of North Carolina and Pisgah Legal Services to support legal assistance for domestic violence victims. During the 2019-2020 year, NC IOLTA administered \$903,002 in domestic violence state funds.

**Grants**

Applications for 2021 funding from NC IOLTA were due on October 1. NC IOLTA staff and trustees review applications and finalize awards at the December 1, 2020 Grantmaking meeting. More information about IOLTA's grantmaking purposes can be found at [www.nciolta.org](http://www.nciolta.org).

**Annual Report**

The 2019 Annual Report [Celebrating Justice](#) provides highlights of IOLTA's work including grantee accomplishments, 2019 grants and amounts, audited financial information for the 2019 year, and a list of IOLTA staff and board.



# 2020 Snapshot

## January - September Data

	2020 (Sept. 30, 2020)	2019 (Year-End)
<b><i>INCOME</i></b>		
<b>Total IOLTA Income</b>	\$ 3,028,437	\$ 5,647,900
Participant Income	2,888,415	5,231,244
Cy Pres Funds	41,591	232,530
Miscellaneous Income	98,430	184,127
<b><i>EXPENSES</i></b>		
<b>Total Operating Expenses</b>	206,291	362,054
<b><i>RESERVE FUND BALANCE</i></b>	\$ 2,473,932	\$ 2,449,133
<b><i>IOLTA Grant Awards - Paid</i></b>		
	<b>2020</b>	<b>2019</b>
Grant Awards (paid in calendar year)	\$ 2,748,147	\$ 1,902,000
Matching Grants (met in calendar year)		24,000
<b><i>Bank of America Grant Awards - Paid</i></b>		
Grant Awards (paid in calendar year)	1,141,450	2,592,165
<b><i>TOTAL GRANT AWARDS - PAID</i></b>	<b>\$ 3,889,597</b>	<b>\$ 4,518,165</b>
<b><i>Balance of Committed Grant Awards</i></b>		
IOLTA Grant Awards	2020 Awards 621,500	
Bank of America Grant Awards	2019-21 CRD & 2020 Awards 1,718,400	
<b><i>TOTAL FUNDS COMMITTED</i></b>	<b>\$ 2,339,900</b>	
<b>STATE FUNDS ADMINISTERED</b>	537,773	1,105,133
<b><i>ACCOUNT &amp; BANK DATA</i></b>		
Number of Eligible Banks	76	76
Total Number of IOLTA Accounts	10,020	9,444
Total Number of Settlement Agent Only Accounts	60	60
Service Charges Paid	\$ 232,365	\$ 369,929
<b><i>PROGRAM TOTALS</i></b>		
Total IOLTA Income	\$ 112,901,340	
Income from IOLTA Accounts	\$ 93,192,918	
State Funds Administered (since Oct. 2004)	\$ 56,088,701	
Total Grant Awards (Including Matching & BofA)	\$ 97,455,947	

## HISTORY OF STATE FUNDS DISBURSEMENT BY IOLTA

### Access to Civil Justice (ATCJ)

In 1988, The General Assembly provided dedicated state funding from court filing fees for providing access to legal representation for indigent persons in certain civil matters throughout the state through now three legal aid organizations (Legal Aid of NC, Pisgah Legal Services, and Charlotte Center for Legal Advocacy). Additional appropriation of recurring funds was included in the state budget for these purposes beginning in 2006-07; however, the appropriation was removed from the 2014-15 budget. Allocations were based on poverty population in areas served as established by the census.

***In the 2017 legislative session, the ATCJ Act was repealed and funding was eliminated.***

### Domestic Violence Victim Assistance (DV)

As of October 2004, the General Assembly began providing funds for now two legal aid programs (Legal Aid of NC and Pisgah Legal Services) specifically for domestic violence work. Allocations are: 20% divided equally among all NC counties and 80% allocated according to the numbers of 50b protective orders filed in their program areas during the previous state fiscal year as established by AOC statistics.

### Foreclosure Protection

In 2008, the General Assembly appropriated additional funds for foreclosure protection legal services to be divided evenly between the Land Loss Prevention Project and the Financial Protection Law Center. Beginning with the 2009-10 state year, funding was for Financial Protection Law Center only. Funding was eliminated in state year 2014-15.

### Veteran's Assistance

In 2016, the General Assembly appropriated one-time non-recurring funding of \$100,000 to Pisgah Legal Services for 2016-2017. Funding was received again in 2017-18 & 2018-19. The funds were used for civil legal representation of veterans.

### Center for Death Penalty Litigation (CDPL)

The Center for Death Penalty Litigation receives funds for the purpose of providing training, consultation, brief banking, and other assistance to attorneys representing indigent capital defendants. IDS began administering this funding with the 2009-10 year and currently contracts with CDPL for these services.

			Accrual Period			
AGENCY	CATEGORY	Total Funds Administered by IOLTA	2020 Jan - Sept	2019 Jan - Dec	2018 Jan - Dec	Oct. 2004 thru Dec. 2017
Legal Aid of NC	ATCJ Filing Fees	24,585,566				24,585,566
	DV Filing Fees	17,679,916	505,400	1,008,955	985,627	15,179,934
	ATCJ Appropriation	5,623,671				5,623,671
	<b>Sub-Total</b>	<b>47,889,153</b>	<b>505,400</b>	<b>1,008,955</b>	<b>985,627</b>	<b>45,389,171</b>
Pisgah L.S.	ATCJ Filing Fees	1,396,407				1,396,407
	DV Filing Fees	1,190,739	32,373	66,425	69,506	1,022,435
	VA Appropriation	300,000		100,000	50,000	150,000
	ATCJ Appropriation	320,059				320,059
	<b>Sub-Total</b>	<b>3,207,205</b>	<b>32,373</b>	<b>166,425</b>	<b>119,506</b>	<b>2,888,901</b>
Charlotte Center for Legal Advocacy	ATCJ Filing Fees	1,414,497			63,133	1,351,364
	ATCJ Appropriation	306,271				306,271
	<b>Sub-Total</b>	<b>1,720,768</b>	<b>0</b>	<b>0</b>	<b>63,133</b>	<b>1,657,635</b>
Financial Protection Law Center	Appropriations	458,750				458,750
Land Loss Prevention	Appropriations	98,750				98,750
CDPL	Appropriations	2,448,500				2,448,500
LASNNC	D.V.	265,577				265,577
<b>GRAND TOTALS</b>		<b>56,088,704</b>	<b>537,773</b>	<b>1,175,380</b>	<b>1,168,266</b>	<b>53,207,285</b>