Interest on Lawyers Trust Accounts (IOLTA) Program

Leadership Bank Program

Partnering together, financial institutions and lawyers can help meet the tremendous need for civil legal aid for the poor.

www.msbf.org
ABOUT IOLTA
The Michigan State Bar Foundation (MSBF) administers the Interest on Lawyers Trust Account (IOLTA) program and works closely with Michigan financial institutions to facilitate their participation. Through the Michigan Rules of Professional Conduct, the Michigan Supreme Court requires attorneys to hold client or third-party funds in trust accounts at eligible financial institutions. Financial institutions must pay interest rates on IOLTA accounts comparable to the rates they pay on other similarly situated customers.

LEADERSHIP BANK PROGRAM
The Leadership Bank Program will recognize financial institutions that go above and beyond eligibility requirements. These Financial Institutions demonstrate a commitment to helping to ensure that low-income families in Michigan have access to justice.

BENEFITS OF PARTICIPATING
Promote access to justice in your community: Civil legal aid organizations in Michigan, funded by IOLTA, help approximately 45,000 low-income families and individuals each year with critical civil legal issues to reduce poverty and stabilize communities.

Attract new customers: There are approximately 44,000 members of the State Bar of Michigan. Lawyers value access to justice, and MSBF will encourage lawyers to bank with Leadership Banks. MSBF is launching a campaign to lawyers called “Banking on Justice,” explaining the significant difference it would make if all lawyers choose to bank at Leadership Banks.

Earn community reinvestment credits: Becoming a Leadership Bank can help a financial institution meet its Community Reinvestment Act (CRA) credit requirements. You can receive CRA credit for waiving fees on IOLTA accounts and for paying an interest rate on IOLTA accounts which is higher than the rate paid on similar accounts.

HOW TO PARTICIPATE:
1. Qualify for the IOLTA Honor Roll of Financial Institutions by waiving all fees on the IOLTA accounts;
2. Pay the Leadership Bank interest rate on IOLTA accounts, which is a net yield of 60% or 75% of the Effective Federal Funds Rate; and
3. Contact the Michigan State Bar Foundation at iolta@msbf.org for more information.
MSBF will provide meaningful recognition to the Leadership Banks. Leadership Banks will be recognized at two levels - a net yield of 75% and a net yield of 60% of the Effective Federal Funds Target Rate. Participating Banks will be recognized prominently on the MSBF website, the Michigan Bar Journal, in the MSBF Annual Report and on social media. Additionally, banks that qualify at the 75% level will be recognized with a logo and link on MSBF’s website.

**RECOGNITION AND TIERS**

A single mother with an eight-year-old son called legal aid for help. She was receiving temporary cash assistance while striving to complete post-secondary training so that she could find a better paying job to support her family. She was terminated from cash assistance during a required unpaid internship program. Legal aid successfully challenged the termination. Ms. Brown was able to complete her degree program, is now employed, and no longer receives cash assistance.

A young couple contacted legal aid for help with a pending foreclosure. After an illness and job loss, the couple was three months behind on their property tax and mortgage payments. Both had regained employment and were in a position to catch up their payments. Legal Aid helped the couple apply for a hardship tax deferral on their home and also negotiated a payment plan with the mortgage company. The couple was able to catch up their arrears and save their family home.

**HOW YOUR SUPPORT HELPS**

**MICHIGAN STATE BAR FOUNDATION**

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