

# IOLTA Interest Rate Certification

## Michigan State Bar Foundation (MSBF)

### **Instructions**

This certification must be completed, signed by an authorized official, and returned to the Michigan State Bar Foundation with supporting documentation for your institution to obtain and maintain eligibility to hold Michigan IOLTA lawyer trust accounts.

*Authority:* Michigan Rules of Professional Conduct (MRPC) 1.15 (see also the Michigan Financial Institution IOLTA Handbook as adopted by the Michigan Supreme Court as part of the Michigan Rules of Professional Conduct regulating Michigan lawyers)

### **1. Interest Rate Certification (must select one)**

#### **A. Banking on Justice Rate:**

- Waive all fees and pay a variable interest rate on all IOLTA accounts with an equivalent yield of not less than the higher of 75% of the Federal Funds Target Rate (FFTR) or 0.5% as of the first business day of the month. Interest rate comparability evidence is not required for Banking on Justice participating institutions.
  - Michigan attorneys are encouraged to bank with Banking on Justice participating institutions. Participation also qualifies a financial institution for CRA Acknowledgement, recognition, and marketing opportunities. For more information about the Banking on Justice program, please visit [www.msbf.org/iolta-for-institutions](http://www.msbf.org/iolta-for-institutions) or email [iolta@msbf.org](mailto:iolta@msbf.org).

#### **B. Comparable Rate (supporting documentation required):**

- Pay an interest rate with a yield equal to the highest yield available from the institution for non-IOLTA customers when the IOLTA account meets the same minimum balance or other eligibility qualifications. Indicate below the comparable interest rate that shall be paid.
  - The following flat interest rate is determined to be the highest comparable and shall be paid on all IOLTA accounts: \_\_\_\_\_ **OR**
  - The following tiered interest rates have been determined to be the highest comparable and shall be paid on all IOLTA accounts as shown below:

Average Daily Balance Tier	Interest Rate

- Honor Roll (optional):* The financial institution agrees to waive all fees on IOLTA accounts and wishes to be recognized on the Michigan State Bar Foundation’s Honor Roll. (Note: Institutions electing to join the Banking on Justice program are automatically included on the MSBF Honor Roll.)

**SUPPORTING DOCUMENTATION:** Please provide documentation to support your rate comparability determination. Examples of this information include:

- Internal rate sheet on ALL deposit/investment accounts [required]
- Rates, fees, requirements, and disclosures for business sweep products [required]
- Service fee schedules [required if assessing fees]
- Explanatory product literature and disclosures in support of Option B above
- Any analysis or explanation in support of Option B above
- Any other documentation requested by MSBF as part of this certification process

If electing Option B, the financial institution must provide evidence of rate comparability and complete a new rate certification agreement when a previously certified rate methodology changes, or whenever requested by MSBF. Changing the interest rates on the remittance reports provided to MSBF is not sufficient notice to change a previously certified interest rate.

## 2. Bank Compliance Obligations

**Service Fees:** The financial institution shall not charge service fees of the type prohibited by MRPC 1.15. Fees and service charges shall be calculated in accordance with the institution’s standard practice. Fees in excess of the interest earned on an IOLTA account for any period shall not be taken from interest earned on other IOLTA accounts or any principal balance of the accounts.

**Account Reporting:** The financial institution shall provide reporting, no less frequently than quarterly (preferably monthly), on: 1) average daily balance, 2) interest income, 3) service fees, 4) account numbers, and 5) account names for all IOLTA accounts, as well as remit payments to MSBF in the format requested.

**Periodic Reviews:** The financial institution shall make reasonable efforts to promptly address requests for information or respond to issues identified by MSBF.

**Variable rate option:** If electing Option A, the financial institution shall adjust the interest rate in accordance with any changes in the Federal Funds Target Rate (FFTR). The Michigan State Bar Foundation will attempt to notify institutions of changes to the FFTR, but it is the institution’s obligation to ensure rate changes are effective on or before the first business day of the month following any published rate change. For FFTR changes late in the month, the Foundation may grant additional time to initiate the change, upon good cause shown and to accommodate operational requirements of the financial institution.

## 3. Contact Information

<b>Name of Financial Institution</b>	
<b>Address</b>	

<b>Operations Contact</b>	
Name & Title	
Email	
Telephone	

Compliance Contact	
Name & Title	
Email	
Telephone	

Interest Rate Contact	
Name & Title	
Email	
Telephone	

Administrative or Other Contact	
Name & Title	
Email	
Telephone	

**4. Certification**

(i) I certify that the financial institution wishes to be approved as an eligible institution which may offer Interest on Lawyer Trust Accounts (IOLTA) in Michigan.

(ii) I certify that the account product and/or rate(s) declared above are the highest non-promotional rates offered to other customers and will be paid on all IOLTA accounts (*N/A for institutions electing to participate in the Banking on Justice program*).

(iii) I certify that if the highest paying comparable product offered by the financial institution changes from what is approved here, or whenever reducing the interest rate on IOLTA accounts, the financial institution will file a new Rate Certification Form (which must be reviewed and approved by MSBF).

(iv) I certify that the financial institution will adjust the IOLTA rate consistent with changes in the approved product and will pay rates on IOLTA accounts which satisfy applicable comparability requirements.

**(v) EFFECTIVE DATE of the interest rate indicated above in Section 1 will be: \_\_\_\_\_**

(vi) I certify the above statements are true and accurate and that any supporting information required in Section 1 has been provided.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Please e-mail this form to: [iolta@msbf.org](mailto:iolta@msbf.org)