

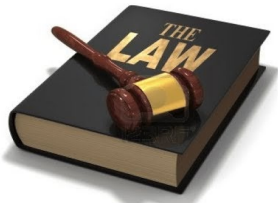


IOLTANJ

2021

ANNUAL REPORT





MESSAGE FROM THE CHAIR

In 2021 we found ourselves in the midst of an unprecedented situation for IOLTA and the economy. Hopes for a 2021 post Covid-19 Pandemic re-boot quickly dwindled as the pandemic continued to rage and create havoc on the economy. The Covid-19 Pandemic had devastating and tragic effects on the lives of all New Jersey residents. Disproportionately, the low-income citizens of our state were, and still are, the most at-risk to suffer life-changing consequences borne from the global pandemic.

Uncertainty continues to remain around the outlook, alongside long-term factors that shape and influence social and economic recovery. As we enter the post-COVID-19 Pandemic period, the economy is now experiencing high levels of inflation and is threatened with recession. The Federal Reserve Bank will intervene by raising interest rates which will likely result in increased IOLTA revenue and, consequently, IOLTA's ability to increase support of those organizations that provide legal services to New Jersey's low-income population.

The New Jersey IOLTA program has been an important source of funding for civil legal assistance, improvement in the administration of justice, and education of the public about law-related topics since 1989.

N.J. Court Rule 1:28A requires that attorneys deposit client funds in the attorneys' IOLTA accounts in certain circumstances. The interest generated by these accounts supports legal representation and advocacy in civil matters faced by low income individuals,

improvements in the administration of justice, and public education about the law. The funds can be used for no other purpose.

Recipients of IOLTA grants serve New Jersey residents experiencing a civil legal problem, but who cannot afford an attorney and have nowhere else to turn for help. Grantee organizations provide assistance to:

- Victims of domestic violence---women, men, seniors, and teens;
- Tenants facing eviction, unsafe or unsanitary housing conditions;
- Homeowners in foreclosure proceedings;
- Veterans and military families who need to access benefits;
- Consumers experiencing credit problems, identity theft, or fraud;
- Workers paid less than minimum wage or denied overtime wages;
- Children in need of special education;
- Disabled people and their families seeking legal guardianship, access to health care programs, or a barrier-free apartment;
- Immigrants seeking to become citizens or renew a work authorization; and
- People affected by natural disasters such as Hurricane Sandy;

Other grantee organizations provide valuable information about the law in presentations and law-related conferences, school programs, teacher trainings, Law Day events, and publications.

The consequences of unmet legal needs can be serious and life changing: loss of home, job, or family – even incarceration. Uncertainty in immigration policy, changes in public benefit programs and increases in those seeking help with domestic violence and related matters have contributed to increased demand for legal services. Low and uncertain levels of funding have resulted in lower staffing levels, reduced office hours, and fewer programs available at legal service organizations.

Lawyers and law firms can make a difference by taking a case *pro bono* – legal service providers will even offer you guidance or training. Firms can also choose a higher paying financial institution to hold trust accounts or, where advisable, use an attorney trust account instead of a title company escrow account to maximize the principal balances earning interest for IOLTA.

The IOLTA Board joins me in thanking the 89 financial institutions that participated in this important public program in 2021, offering thousands of low-income individuals a place to turn to for help. We especially applaud those institutions enrolled in our

Leadership Bank program and other outstanding banks that paid 1% or more on high balance accounts.



We are now fairly confident that increases in IOLTA revenue can be expected, likely in the second half of 2022. We will continue to focus on strengthening IOLTA's operation as we contemplate how attorney and bank compliance and grant making might need to evolve in response to the realities of the world we live in today. It is important to keep in mind that the economy is extremely fragile and world conditions and events are ever changing. IOLTA will do our part in maintaining full bank and attorney compliance, whatever the circumstances, in order to maximize our part in funding the legal aid system in New Jersey.

On a personal note, I want to thank and commend the current and former members of the IOLTA Board for their commitment to the work and mission of the Fund. I also want to acknowledge and wholeheartedly thank the dedicated professionals who work day in and day out to ensure IOLTA is able to fund the grants that mean so much to so many. This past year was particularly challenging and IOLTA's professionals rose to the occasion. I wish them well in the coming year.

A handwritten signature in black ink, appearing to read 'E. Ostrove'.

Elliot D. Ostrove
Board Chair
2021-2022

For budgetary reasons, this report is available only online.

The purpose of New Jersey's IOLTA program is to make grants to qualifying organizations, which in turn provide law-related services. As directed in New Jersey Supreme Court Rule 1:28A grants are made only for the following purposes:

- Legal Aid to the Poor
- Improvement in the Administration of Justice
- Education of Lay Persons in Legal and Justice-related Areas

Court Rule 1:28A specifies that not less than 75% of net revenue is to be awarded to Legal Services of New Jersey, Inc. (“LSNJ”) and through sub-grants, to its local member Legal Services programs, for the provision of civil legal services to the poor throughout New Jersey. In addition, an award of not less than 12.5% of net revenue is made to the New Jersey State Bar Foundation to be used for the purposes stated in the Rule. Through the IOLTA Discretionary Grant Program, the IOLTA Board of Trustees allocates the remaining net revenue to other grants supporting the purposes of the Rule.

Over \$470 million has been awarded to non-profit organizations in every county of New Jersey since 1989, when the first IOLTA grants were made. The grants have provided free civil legal assistance for very low-income individuals, victim assistance and advocacy, alternative dispute resolution, legal help and advocacy for special populations including persons with disabilities and HIV/ AIDS, senior citizens, abused and neglected children, homeless youth, victims of domestic violence and immigrants, as well as law-related educational opportunities benefitting the public.

IOLTA Fund staff annually assists more than 40,000 attorneys in private practice with their responsibility to maintain and annually register an attorney trust account, and monitors compliance with other requirements of Court Rule 1:28A.

2021 GRANTS

Allocations to Legal Services and the Bar Foundation are paid four times each year from the revenue collected in the preceding months, while the discretionary grants are paid from funds accrued for the program in the prior fiscal year(s).

LEGAL SERVICES OF NEW JERSEY

In calendar 2021, Legal Services of New Jersey (“LSNJ”) received \$6,131,297, compared to \$10,062,020 in 2020, exclusive of two smaller discretionary grants awarded in both years.

Note: Special funding from a bank settlement with the US Department of Justice was received by IOLTA, mainly in 2016, and allocated according to the Rule formula. The funds were restricted for the purpose of providing foreclosure prevention legal

assistance. The remaining funds from this settlement continue to be awarded to eligible organizations.

The statewide Legal Services system consists of Legal Services of New Jersey and five regional Legal Services corporations, serving all 21 counties. IOLTA funds support centralized services for the provider network, such as training, technical assistance, telephone hotlines and shared technology. LSNJ also provides the public with access to information about the law and the NJ court system via publications, *pro se* manuals and legal booklets, and a comprehensive website, www.LSNJLAW.org, to assist the public with resources, legal information, forms, and publications.

LSNJ reported that 24% of the IOLTA-funded cases closed in 2021 by the regional legal services offices were housing matters, overwhelmingly tenant disputes with private landlords. Family law (divorce, separation, support and custody), consumer law (bankruptcy, collection, warranties, unfair sales practices, and disputes with public utilities) and income maintenance matters (Social Security, Work First New Jersey, SNAP) accounted for 16%, 22% and 22%, respectively, of the closed cases supported by IOLTA funding. More than 86% of cases were resolved without litigation following a brief service, counseling session or telephone call. LSNJ provides direct representation to clients in matters of broad or statewide significance and through special projects that respond to emergent legal needs of low-income people.

To augment the capacity of employed staff, LSNJ and the regional programs recruit and train hundreds of volunteer attorneys every year.

NEW JERSEY STATE BAR FOUNDATION

The New Jersey State Bar Foundation received \$1,021,883 in 2021. In 2020, the Foundation received \$1,677,022.

The New Jersey State Bar Foundation promotes public understanding of the law through free education programs, grants and publications. The Bar Foundation's educational publications and programs annually reach many thousands of children and adults through school-based programs and professional development opportunities. Training of advocates for the disabled, teachers, students and school personnel occur year round. Publications for consumers and classrooms, a videotape loan library,

volunteer speakers bureau, and mock trial competitions for all grade levels, are among the programs developed by the Foundation to meet its mission.

In all, 150,296 publications, brochures, posters and videos were shipped in 2020-2021, including *The Legal Eagle* and *Respect* newsletters for middle and high school students, and *Students Rights*, *Plagiarism Guide*, *Bill of Rights Bulletin*, *Beyond the Bill of Rights*, *Bullying Prevention Guide* and other guides pertaining to conflict resolution and peer mediation. This is in addition to all the publications that were posted online due to the Covid-19 Pandemic. The Foundation also provides valuable webinars and other educational and informational online recourses including the use of social media.

DISCRETIONARY GRANTS

The 2021 Discretionary Grant Program awarded thirty-nine grants totaling \$1,423,200 compared to \$1,468,526 in 2020. Three additional grants totaling \$259,740 were awarded from the foreclosure pool of funds received in 2016.

Discretionary Grant recipients reported a total of 7,309 closed cases in 2021. Of those, 58% were categorized in the area of family law, the majority of which related to domestic violence restraining orders and follow up cases for support, custody and separation. In the next highest service category, individual rights (20%), the cases closed mainly concerned immigration law matters serving diverse populations such as Central Americans in Newark’s North Ward, Africans in Camden, Burmese in Trenton and Eastern Europeans in Middlesex County. Education law matters, 6% of the case closed total, saw staff and volunteer attorneys represent and advocate for children and families with problems related to special education services and school discipline, access to testing to identify disabilities and relief from bullying in the classroom. Landlord-tenant disputes accounted for 5% of the closed cases.

Other cases handled by grantees were categorized as consumer, employment, juvenile, health, and income maintenance areas of law. Additionally, the Discretionary Grant Program allocated a portion of the remaining bank settlement funds from 2016 for foreclosure prevention legal assistance grants.

DISABILITIES

AIDS Law Project of Pennsylvania	\$38,000
Community Health Law Project	56,700

Hyacinth AIDS Foundation	39,800
SCARC Guardianship Services, Inc.	52,000

These agencies provided assistance to disabled persons and their families; volunteer and staff attorneys offer help resolving legal problems that result from living with a disability. Two of these organizations directed their services to individuals who have AIDS or are HIV-positive and face difficulties with access to housing or medical care, job discrimination, and end-of-life arrangements. At SCARC, a court-approved *pro se* (self-help) program guided families through guardianship proceedings with the support of volunteer attorneys. Community Health Law Project worked with disabled individuals and their families who encountered problems with Medicaid coverage of home health services.

DOMESTIC VIOLENCE

180, Turning Lives Around (Monmouth)	\$13,200
Alternatives to Domestic Violence (Bergen)	15,000
Camden Center for Law and Social Justice	22,500
Center for Family Services, Inc. - Cumberland	7,500
Center for Family Services, Inc. - Gloucester	18,300
Domestic Abuse and Sexual Assault Crisis Center (Warren)	15,800
Domestic Abuse and Sexual Assault Intervention Services (Sussex)	12,000
Jersey Battered Women’s Service (Morris)	13,200
Jewish Family Services of MetroWest- The Rachel Coalition	21,600
New Jersey Association on Correction (Camden)	10,500
New Jersey Association on Correction (Passaic)	13,200
Providence House- Burlington of Catholic Charities	18,000
Providence House- Ocean of Catholic Charities	17,500
Safe + Sound Somerset	18,300
Womanspace, Inc. (Mercer)	12,000
Women Aware (Middlesex)	11,500
YWCA of Union County	17,000

These grants supported a variety of legal advocacy and court liaison programs assisting victims of domestic violence throughout the state--women, men, senior citizens and teenagers--were all represented in their caseloads. IOLTA funds enabled legal advocates to assist victims of domestic violence during a time of crisis. Victims typically

arrive in court without any prior knowledge of domestic violence laws or the relief available to them under the law. Advocates offer information about the Prevention of Domestic Violence Act, assistance with restraining order paperwork, and court accompaniment. The safety of victims inside the courthouse, as well as when leaving it after court proceedings, is a priority. Advocates also work to educate court and law enforcement personnel to promote better handling of domestic violence cases.

EDUCATION LAW

Advocates for Children of New Jersey (ACNJ)	\$39,400
Disability Rights New Jersey	66,500
Education Law Center	106,000

Staff attorneys at Education Law Center and Disability Rights New Jersey represented families having a variety of problems with school districts, usually in the areas of special education services, appropriate school and classroom placements and discipline. ACNJ staff attorneys intervened, without litigating, in disputes resolving problems related to access to special education services and testing, Individual Education Plans and appropriate school placements.

FAMILIES AND CHILDREN

Covenant House	\$47,500
Partners for Women and Justice, Inc.	57,000
Project Self-Sufficiency of Sussex County	13,500

These organizations served displaced homemakers, single parent heads of households and women with family law and financial matters that arise as a result of domestic violence, divorce or death of a spouse. Through legal clinics, workshops, information and referrals, individuals without the means to how to make informed decisions about legal problems such as divorce, name change, employment discrimination, applying for public assistance and consumer credit. Volunteer lawyers offered individualized counseling to help resolve specific legal problems and assistance with paperwork for *pro se* filings. At Partners for Women and Justice, staff and volunteer attorneys provided representation in court as needed.

HOUSING

AIDS Law Project of Pennsylvania – Foreclosure Relief	\$ 5,000
---	----------

Community Health Law Project-Foreclosure Defense	157,110
Rutgers Law School Mortgage Foreclosure Project	94,960

Grants relating to foreclosure funds served elderly and disabled individuals in several counties who were on the verge of losing a home, reverse mortgages foreclosures and inability to respond to the many documents involved in foreclosures and sheriffs' sales due to their disabilities.

IMMIGRATION

American Friends Service Committee	\$66,500
Catholic Charities-Archdiocese of Newark- Dedicated Docket Program	19,500
Catholic Charities-Archdiocese of Newark- NJ Catholic Consortium	117,600
Jewish Family Services of Middlesex County	36,900
KIND, Inc.	23,800
La Casa de Don Pedro, Inc.	52,300
Lutheran Social Ministries of New Jersey	35,500
Servicios Latinos de Burlington County	31,500

The ever changing landscape in policy presents many challenges to our grantees providing legal assistance in the area of immigration. These agencies provided services to income eligible legal immigrants who sought assistance for family reunification, representation in Immigration Court, citizenship applications and work authorizations, as well as Temporary Protected Status renewals. Some also offered help for immigrant battered women. Clients included young people brought to this country as small children and who were later abused or abandoned. Other young people looked to these organizations for help with the Deferred Action for Childhood Arrivals (DACA) program which offers the immigration status needed to work or attend college. The dysfunction in the immigration system creates fear and worry creating urgent need for immigration legal services. One grantee also represents mentally challenged detainees in immigration court proceedings.

The Dedicated Docket Program is part of a collaboration of organizations and volunteers that assists families who are in removal proceedings. Newark is one of eleven destination cities for families crossing the US border offering the Dedicated Docket Program.

All of the immigration grant recipients work hard to offer immigrant communities authoritative and accurate information to counteract and thwart unqualified and unscrupulous practitioners known as “notarios” who can delay, disrupt or destroy a person’s chances to work and live in the US.

GENERAL LEGAL AID

Essex County Legal Aid Association	\$78,500
Legal Services of New Jersey- Health Care Access Project	66,500
Legal Services of New Jersey- Public Interest Summer Legal Intern Program	87,800
Volunteer Lawyers for Justice	33,300

These grantees provided a range of legal services, from advice and brief counseling to representation by an attorney. Income eligible individuals may discuss their legal problems with an experienced attorney, sometimes progressing to full or limited representation. After a client’s legal needs are assessed, services are provided by a staff or volunteer attorney.

The programs served a diverse set of clients: individuals with disabilities and the elderly facing foreclosure proceedings; young people seeking help with matters such as child support, parking tickets, expungement and employment; families having trouble accessing healthcare for children; and individuals filing for bankruptcy protection. IOLTA grants for LSNJ’s summer intern program provide opportunities for students to contribute to the community through *pro bono* service and exposure to public interest law.

BANKS

Only financial institutions that are Court-approved trust account depositories may offer IOLTA accounts.

In 2021, the IOLTA Fund earned trust account interest totaling \$7,199,496 from 89 banks compared to \$10,954,960 from 94 banks in 2020. The average rate on all IOLTA accounts, regardless of size, was 0.37%, compared to 0.48% in 2020 and 0.68% in 2019. Balances in all IOLTA accounts statewide averaged \$3.04 billion, compared to \$2.74 billion in 2020.

More than 20,000 attorney trust accounts are maintained in participating New Jersey financial institutions and on average, 9,462 of those were remitting IOLTA accounts in 2021. The remainder were too small to consistently earn interest but satisfied the responsibility of attorneys to maintain a pooled attorney trust account at an authorized financial institution in New Jersey.

The Supreme Court of New Jersey awards trust account business to all banks and credit unions in New Jersey that comply with applicable guidelines. There is no competitive bidding process. In exchange, a fair, comparable and reasonable return is expected. The Best Customer Standard provides a mechanism to establish and ensure such a return. Banks may choose to pay the Best Customer Standard “indexed option” as the rate they would pay on accounts with average balances of \$100,000 or more: the greater of 60% of the Federal Funds Target Rate or 1%. Banks may alternatively choose to pay the best rate they make available to other, similarly-situated, high balance, non-IOLTA customers on any one of five other account types.

LEADERSHIP BANKS AND BANKS WITH SPECIAL RECOGNITION

In determining how to meet the Best Customer Standard at their own financial institutions, banks may enroll in the **IOLTA Leadership Bank** Program, agreeing to pay the greater of 80% of the Federal Funds Target Rate or 1% on qualifying, high average balance accounts (\$100,000 or more). Banks may also opt to pay rates higher than the “Best Customer “rates. We especially recognize those choosing to pay 1.00% or more. Both the Leadership Banks and Recognized Banks appear on the following page with an asterisk (*).

All of these IOLTA-friendly **Leadership Banks** and specially **Recognized Banks** deserve acknowledgement for making a business choice that increases the capacity of New Jersey’s legal service providers to serve individuals and families with civil legal problems but have nowhere else to go for help. Often low-income and vulnerable people have legal problems affecting their most basic survival needs, such as food, shelter, jobs and access to health care. Civil legal aid provides our most economically fragile neighbors with equal access to justice through full and limited representation, even when they cannot afford a lawyer. The results are real: economic stability, peace at home, and the ability to move forward as productive members of society.

BANK PARTICIPATION

The following authorized trust account depositories remitted interest to IOLTA during 2021. Banks which paid 1% (or more) on balances exceeding \$100,000 on March 31, 2022 are marked with an asterisk. Banks acquired as of 12/31/2021 are marked with an (a).

1st Colonial Community Bank	First Hope Bank
1st Constitution Bank	First National Bank of Absecon
Abacus Bank	First National Bank of Elmer
Alma Bank	Firstrust Bank
Amboy Bank	Franklin Bank
Bank of America	Freedom Bank *
Bank of Delmarva	Freehold Bank *
Bank of Hope *	Fulton Bank of New Jersey
The Bank of Princeton *	Garden State Community Bank
BB & T Bank	Glen Rock Savings Bank
BCB Bank	Haven Savings Bank
Berkshire Bank (a)	HSBC Bank USA
Blue Foundry Bank *	Industrial Bank *
Bogota Savings Bank	Investors Bank
Brunswick Bank and Trust	Israel Discount Bank
Bryn Mawr Trust Company	J.P. Morgan Chase Bank *
Capital One Bank	Kearny Bank
Century Savings Bank	Lakeland Bank
Citibank	Lincoln 1st Bank (a)
Citizens Bank	M & T Bank
Columbia Bank	Magyar Bank
ConnectOne Bank	Malvern Bank
Cornerstone Bank	Manasquan Bank
Crest Savings Bank	Mariner's Bank
Crown Bank	Metro City Bank
CTBC Bank USA *	Millville Bank *

Customers Bank	Monroe Savings Bank
Esquire Bank *	NewBank
First Bank	New Millennium Bank
First Commerce Bank	Newfield National Bank *
Noah Bank	Santander Bank
Northfield Bank	Somerset Savings Bank *
NVE Bank	Spencer Savings Bank *
Oceanfirst Bank	Sterling National Bank
Pacific City Bank	Sturdy Savings Bank *
Parke Bank *	TD Bank
Peapack-Gladstone Bank	Union County Savings Bank
Pennsville National Bank	Unity Bank
PNC Bank	Univest Bank and Trust
Ponce Bank	Valley Bank
Popular Community Bank	Wells Fargo Bank
The Provident Bank	William Penn Bank
Regal Bank	Woori America Bank
Republic Bank	WSFS Bank
RSI Bank *	



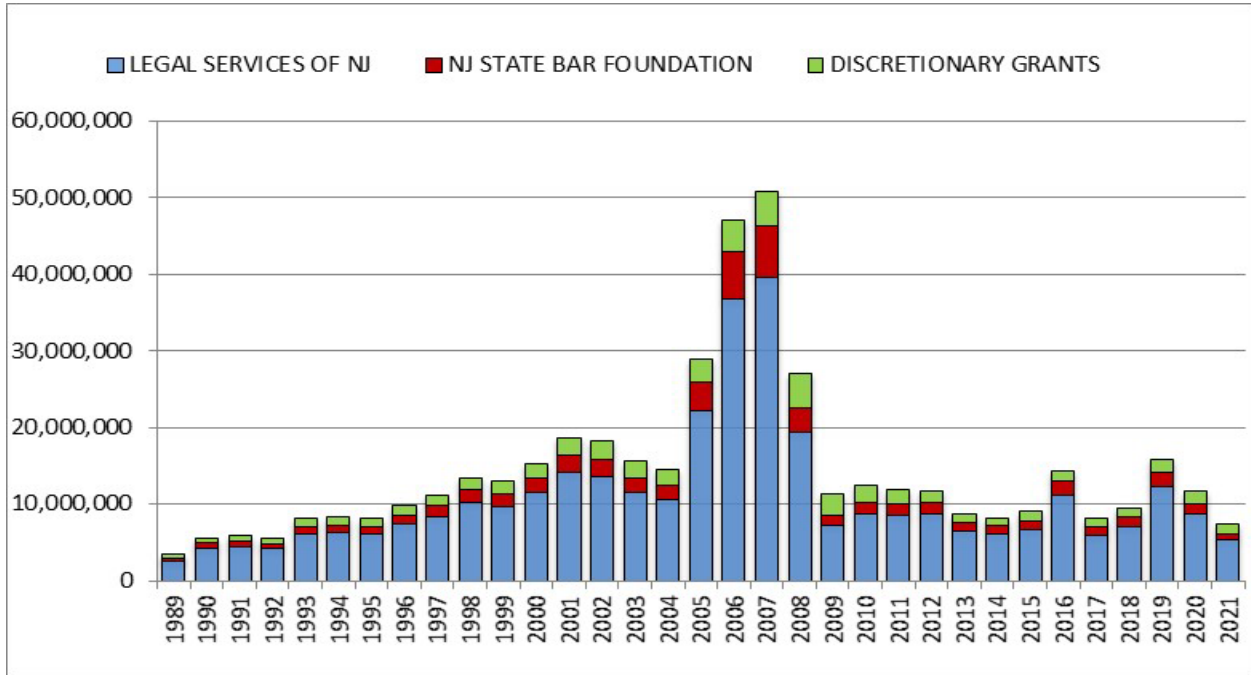
FINANCIAL INFORMATION

Revenue	2021	2020
Net IOLTA Interest Earned	\$ 7,199,496	\$ 10,954,960
Investment Interest Income	1,433	27,110
Nonrecurring Revenue	0	0
Discretionary Grant Returns	5,312	0
Total Revenue	\$ 7,361,026	\$ 10,982,070
 Expenses		
General and Administrative Expenses	\$ 490,030	\$ 495,642
 Authorized Grant Allocations	 \$ 7,815,056	 \$ 11,775,729
Total Expenses	\$ 7,851,056	\$ 12,271,371
Net Increase/ (Decrease) in Temporarily Restricted Net Assets for the Year	\$ (644,815)	\$ (1,289,301)

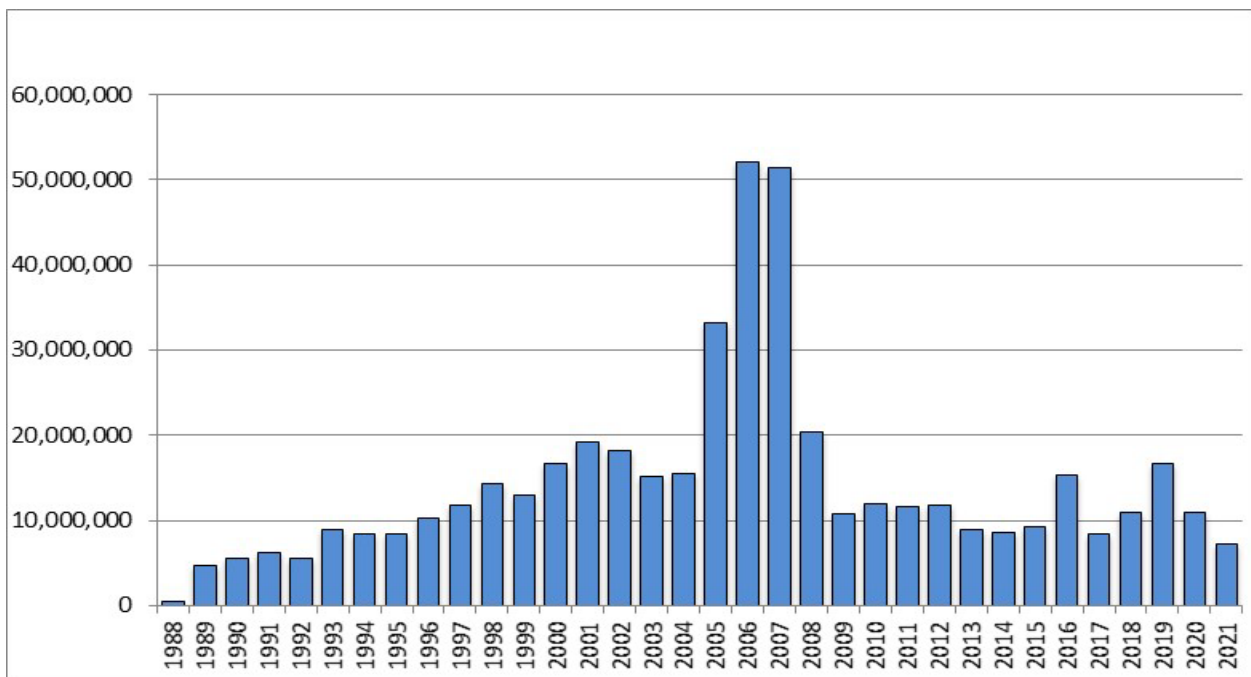
Figures are excerpted from the 2021 audited financial statement prepared by Savastano, Kaufman & Company LLC, Certified Public Accountants. The audit may be examined by appointment during business hours at the Fund's offices.



IOLTA GRANTS 1989 – 2021 (\$)



IOLTA REVENUES 1989 – 2021 (\$)



ADMINISTRATION

A nine member Board of Trustees governs the IOLTA Fund of the Bar of New Jersey. The Court appoints six members. Ex-officio members are: President, Legal Services of New Jersey, Inc.; First Vice President, New Jersey State Bar Association; and Vice President, New Jersey State Bar Foundation.

2021-2022 BOARD OF TRUSTEES

Elliot D. Ostove, Chair

Roosevelt J. Donat, Treasurer

Joseph Baldomero, Jr.

Janet R. Bosi

Edward P. Epstein

Brett R. Harris

Tim McGoughran***

Dawn K. Miller ***

Charles J. Stoia***

*** Ex-Officio members

STAFF

Mary E. Waldman, Executive Director

Robert A. Ackerman, Controller

JoAnn Telemdschinow, Information Specialist

Barbara O'Brien, Information Specialist