

**THE IOLTA FUND
OF THE BAR OF
NEW JERSEY**



2017 ANNUAL REPORT



MESSAGE FROM THE CHAIR

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 attorney's 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 Jerseyans 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 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 108 financial institutions that participated in this important public program in 2017, offering thousands of low-income individuals a place to turn for help. We especially applaud those institutions enrolled in our Leadership Bank program and other outstanding banks that paid 1% on high balance accounts.

Ellen Ferrise, who began her time as Executive Director in April 1998, retired in June 2017. A Search Committee was appointed and ultimately selected a new Executive Director. With the Court’s approval, Mary Waldman became the Executive Director of IOLTA on May 1, 2017. Mary comes to IOLTA from the Office of Attorney Ethics (OAE) where she was recently Assistant Chief of Investigations and formerly Assistant Chief of the Random Audit Program. Mary’s work brought her to the offices of thousands of New Jersey law firms of every size and description for audits and investigations of trust and business accounts, not only to assess compliance with recordkeeping requirements but to offer information to private practice law firms about Court Rules, IOLTA accounts and best recordkeeping practices for law offices.

On a personal note, I wholeheartedly thank and commend the current and former members of the IOLTA Board for their commitment to the work and mission of the Fund and wish them well in the coming year.

Christopher John Stracco
Board Chair
2017-2018



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 \$423 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.

2017 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 2017, Legal Services of New Jersey (“LSNJ”) received \$5,942,959 (\$5,937,129 IOLTA interest + \$5,830 Department of Justice bank settlement funds-see note), compared to \$11,198,992 (\$5,857,892 IOLTA interest + \$5,341,100 DOJ bank settlement funds) in 2016, 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 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 41% of the IOLTA-funded cases closed in 2017 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 10%, 15% and 28%, respectively, of the closed cases supported by IOLTA funding. More than 81% 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 \$990,492 (\$989,520 + \$972 DOJ bank settlement funds) in 2017, of which \$252,147 (\$251,175 + \$972 DOJ bank settlement) was from 2016 IOLTA revenue and \$738,345 from 2017. In 2016, the Foundation received \$1,866,499 (\$976,316 + \$890,183 DOJ bank settlement funds).

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. The Foundation also provided funding for Court Night programs, which are annual events opening courthouses throughout New Jersey so that the public can learn about the court system from judges, attorneys and administrators.

In all, 472,625 publications, brochures, posters and videos were shipped in 2016-2017, including *The Legal Eagle* and *Respect* newsletters for middle and high school students, and *Students Rights*, *Plagiarism Guide*, *Bill of Rights Bulletin*, *Constitutionally New Jersey* and *Historical Documents of NJ and the US* booklets. The Foundation also provides valuable online recourses.

DISCRETIONARY GRANTS

The 2017 Discretionary Grant Program awarded thirty-nine totaling \$992,180 compared to \$1,108,920 in 2016. Two additional grants totaling \$129,294 were awarded from the foreclosure pool of funds received in 2016.

Discretionary Grant recipients reported a total of 7,163 closed cases in 2017. Of those, 67% 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 4% 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	\$35,000
Community Health Law Project	50,700
Hyacinth AIDS Foundation	41,900
SCARC Guardianship Services, Inc.	40,300

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	20,400
Center for Family Services, Inc. (Cumberland)	6,840

Center for Family Services, Inc. (Gloucester)	16,800
Domestic Abuse and Sexual Assault Crisis Center (Warren)	15,800
Jersey Battered Women’s Service (Morris)	13,200
New Jersey Association on Correction (Camden)	9,540
New Jersey Association on Correction (Passaic)	12,000
Providence House- Burlington of Catholic Charities	17,000
Providence House- Ocean of Catholic Charities	16,500
The Rachel Coalition/JFS of MetroWest	19,600
Safe + Sound Somerset	16,600
Salem County Women’s Services	9,180
Womanspace, Inc. (Mercer)	11,070
Women Aware (Middlesex)	11,400
YWCA of Union County	17,600

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)	\$41,500
Disability Rights New Jersey	32,200
Education Law Center	50,700

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

Partners for Women and Justice, Inc.	\$31,300
Project Self-Sufficiency of Sussex County	13,100

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 Defense	5,000
Community Health Law Project-Foreclosure Defense	124,294

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	\$48,200
Catholic Charities-Archdiocese of Newark- Detention Representation Project	16,100
Catholic Charities-Archdiocese of Newark- NJ Catholic Consortium	56,300
La Casa de Don Pedro, Inc.	31,600
Lutheran Social Ministries of New Jersey	31,900
Servicios Latinos de Burlington County	15,100

Uncertainty in immigration reform policy presented many challenges in 2017. 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. Concerns about changes in the DACA program have created fear, anxiety and panic in the immigrant communities generating an even greater need for assistance.

The Detention Representation Project is part of a collaboration of organizations and volunteers that assists asylum seekers and other detainees who are eligible for relief from detention or deportation. Following an initial screening and consultation at the detention facility, meritorious cases are referred to *pro bono* attorneys and charities that provide immigration legal services. One grantee also represents mentally challenged detainees in immigration court proceedings.

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.

OTHER LEGAL AID

Asian American Legal Defense and Education Fund	\$28,000
Covenant House New Jersey	26,600
Essex County Legal Aid Association	37,500
Legal Services of New Jersey- Health Care Access Project	52,700
Legal Services of New Jersey- Public Interest Summer Legal Intern Program	44,000
Rutgers Law School-Camden <i>Pro Bono</i> Program	6,750
Volunteer Lawyers for Justice	19,000

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: low-wage Asian workers seeking citizenship or assistance with job discrimination or employment problems such as wage

and hour violations; 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 and Rutgers Law Schools 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 2017, the IOLTA Fund earned trust account interest totaling \$8,453,446 from 108 banks compared \$8,263,681 from 116 banks in 2016. The average rate on all IOLTA accounts, regardless of size was 0.48%, the same as in 2016. Balances in all IOLTA accounts statewide averaged \$2.66 billion, a slight increase over \$2.64 billion in 2016.

More than 17,500 attorney trust accounts are maintained in participating New Jersey financial institutions and about 9,400 of those were IOLTA accounts in 2017. 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

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).

All of these IOLTA-friendly **Leadership Banks** deserve special recognition 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.

2017 Leadership Banks

City National Bank of New Jersey

Community Bank of Bergen County

Freedom Bank

Freehold Savings and Loan Association

Kearny Bank

KEB Hana Bank

Newfield National Bank

Parke Bank

RSI Bank

Sturdy Savings Bank

Woori America Bank



THANK YOU
FOR YOUR
PARTICIPATION

For quick access to any of the Leadership Banks, visit us online at www.ioltanj.org and click on "Leadership Financial Institutions"

OTHER BANK PARTICIPATION

The following authorized trust account depositories also remitted interest to IOLTA during 2017. Banks which paid 1% (or more) are marked with an asterisk.

1st Colonial Community Bank	Connect One Bank
1st Constitution Bank	Cornerstone Bank
Abacus Federal Savings Bank	Crest Savings Bank
Alma Bank	Crown Bank
Amboy Bank	Customers Bank
Atlantic Stewardship Bank	Community Bank of Bergen Cty
Audubon Savings Bank	Delanco Federal Savings Bank *
Bank of America	Enterprise National Bank *
Bank of Hope	First Bank
Bank of New Jersey	First Commerce Bank
The Bank of Princeton	First Hope Bank
BB & T Bank	First National Bank of Absecon
BCB Community Bank	First National Bank of Elmer
Beneficial Bank	Firstrust Bank
Berkshire Bank *	Franklin Bank
Bogota Savings Bank	Freedom Bank *
Boiling Springs Savings Bank	Freehold Savings & Loan *
Brunswick Bank & Trust	Garden State Community Bank
Capital Bank of New Jersey	Fulton Bank of New Jersey
Capital One Bank	Garden State Community Bank
Century Savings Bank	Grand Bank
China Trust Bank	GSL Savings Bank *
Citibank	Gibraltar Bank

Citizens Bank	Glen Rock Savings Bank
City National Bank of New Jersey	Haven Savings Bank
Clifton Savings Bank	Kearney Bank *
Columbia Bank	KEB Hana Bank
Highlands State Bank *	PNC Bank
HSBC Bank USA	Ponce De Leon Federal Bank *
Investors Bank	Popular Community Bank
Israel Discount Bank	The Provident Bank
Lakeland Bank	Regal Bank *
Pennsville National Bank	Republic Bank
Liberty Bell Bank	Parke Bank *
Malvern Federal	Royal Bank of America
M & T Bank	RSI Bank
Magyar Bank	Santander Bank
Manasquan Savings Bank	Shore Community Bank
Mariner's Bank	Somerset Savings Bank
Metro City Bank	Spencer Savings Bank *
Metuchen Savings Bank *	Sterling National Bank
Millington Savings Bank *	Sturdy Savings Bank
Millville Savings & Loan Association *	Sun National Bank
Monroe Savings Bank	Sussex Bank
Newfield National Bank *	TD Bank
New Millennium Bank	Two River Community Bank
NewBank	Union County Savings Bank *
Northfield Bank	Unity Bank
NVE Bank	Univest Bank & Trust
Ocean City Home Bank	Valley National Bank
OceanFirst Bank	Wawel Savings Bank
Oritani Bank	Wells Fargo

Pacific City Bank
Peapack-Gladstone Bank

Woori America Bank *

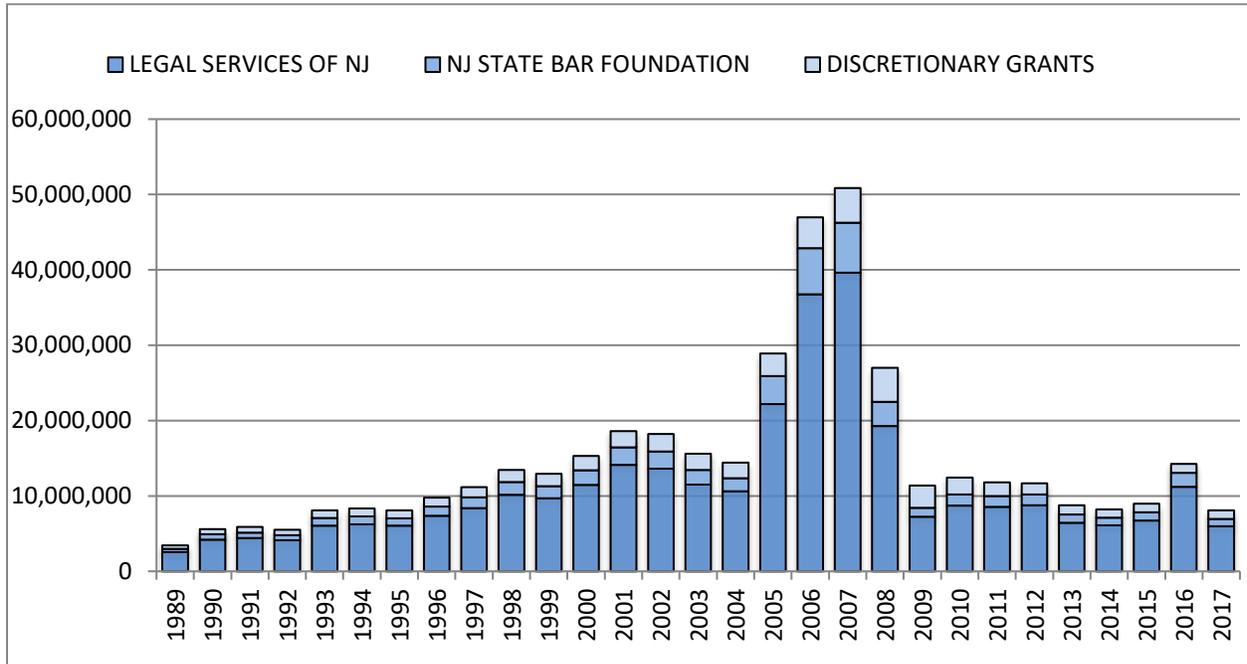


FINANCIAL INFORMATION

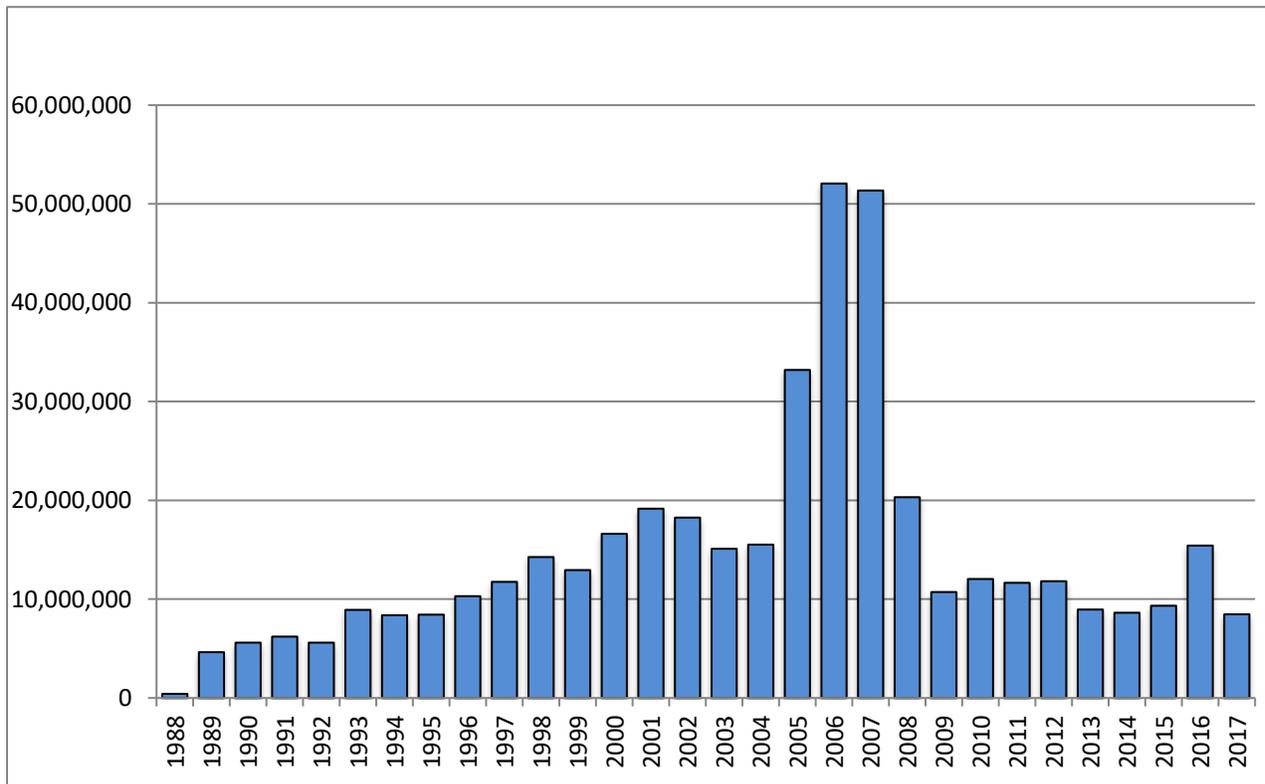
	2017	2016
Revenue		
Net IOLTA Interest Earned	\$ 8,453,446	\$ 8,263,681
Investment Interest Income	26,732	13,804
Non-recurring Revenue	0	7,129,241
Discretionary Grant Returns	1,051	0
Total Revenue	\$ 8,481,229	\$15,406,726
Expenses		
General and Administrative Expenses	\$ 490,249	\$ 478,506
Authorized Grant Allocations	\$ 8,100,184	\$14,263,390
Total Expenses	\$ 8,590,433	\$14,741,896
Net Increase/ (Decrease) in Temporarily Restricted Net Assets for the Year	\$ (109,204)	\$ 664,830

Figures are excerpted from the 2017 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 - 2017 (\$)



IOLTA REVENUES 1989 - 2017 (\$)





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.; President, New Jersey State Bar Association; and First Vice President, New Jersey State Bar Foundation.

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