



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



2019 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 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 106 financial institutions that participated in this important public program in 2019, 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.

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.

Janice L. Richter
Janice L. Richter
Board Chair
2019-2020

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 \$434 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.

2019 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 2019, Legal Services of New Jersey (“LSNJ”) received \$11,412,951, compared to \$6,343,239 in 2018, 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 44% of the IOLTA-funded cases closed in 2019 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 12%, 20% and 16%, respectively, of the closed cases supported by IOLTA funding. More than 87% 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 \$1,902,160 in 2019, In 2018, the Foundation received \$1,057,207.

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, 273,531 publications, brochures, posters and videos were shipped in 2018-2019, including *The Legal Eagle* and *Respect* newsletters for middle and high school students, and *Students Rights*, *Plagiarism Guide*, *Bill of Rights Bulletin*, and a *Special Anti-Bullying*

Issue of the Legal Eagle. The Foundation also provides valuable webinars and online recourses.

DISCRETIONARY GRANTS

The 2019 Discretionary Grant Program awarded forty grants totaling \$1,045,500 compared to \$994,780 in 2018. Two additional grants totaling \$141,264 were awarded from the foreclosure pool of funds received in 2016.

Discretionary Grant recipients reported a total of 7,383 closed cases in 2019. Of those, 57% 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 (16%), 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, 7% 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 8% 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	\$38,500
Community Health Law Project	55,800
Hyacinth AIDS Foundation	41,900
SCARC Guardianship Services, Inc.	44,400

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)	18,500
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
Salem County Women’s Services	9,500
Womanspace, Inc. (Mercer)	12,000
Women Aware (Middlesex)	12,500
YWCA of Union County	19,400

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	35,000
Education Law Center	55,800

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	\$29,300
Partners for Women and Justice, Inc.	34,400
Project Self-Sufficiency of Sussex County	14,200

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	136,264

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	\$53,000
Catholic Charities-Archdiocese of Newark- Detention Representation Project	17,700

Catholic Charities-Archdiocese of Newark- NJ Catholic Consortium	61,900
Jewish Family Services of Middlesex County	20,500
La Casa de Don Pedro, Inc.	34,800
Lutheran Social Ministries of New Jersey	34,000
Servicios Latinos de Burlington County	16,600

Uncertainty in immigration reform policy presented many challenges in 2019. 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.

GENERAL LEGAL AID

Essex County Legal Aid Association	\$41,300
Legal Services of New Jersey- Health Care Access Project	55,300
Legal Services of New Jersey- Public Interest Summer Legal Intern Program	46,200
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: 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 2019, the IOLTA Fund earned trust account interest totaling \$16,556,528 from 106 banks compared to \$10,883,142 from 110 banks in 2018. The average rate on all IOLTA accounts, regardless of size, was 0.68%, compared to 0.53% in 2018 and 0.48% in 2017. Balances in all IOLTA accounts statewide averaged \$2.80 billion, compared to \$2.68 billion in 2018.

More than 17,000 attorney trust accounts are maintained in participating New Jersey financial institutions and on average, 9,250 of those were remitting IOLTA accounts in 2019. 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.

2019 Leadership Banks

Freedom Bank

Freehold Savings and Loan Association

Kearny Bank

Parke Bank

Sturdy Savings Bank



THANK
YOU FOR
YOUR
PARTICIPATION

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

BANK PARTICIPATION

The following authorized trust account depositories remitted interest to IOLTA during 2019. Banks which paid 1% (or more) on balances exceeding \$100,000 by 03/31/2020 are marked with an asterisk. Banks acquired as of 12/31/2019 are marked with an **(a)**.

1st Colonial Community Bank	Columbia Bank
1st Constitution Bank	Connect One Bank
Abacus Federal Savings Bank	Cornerstone Bank
Alma Bank	Crest Savings Bank *
Amboy Bank	Cross River Bank *
Atlantic Stewardship Bank	Crown Bank
Bank of America *	Customers Bank
Bank of Delmarva *	Cornerstone Bank
Bank of Hope *	CTBC Bank *
Bank of New Jersey	Customers Bank
The Bank of Princeton *	Enterprise National Bank NJ (a)
BB & T Bank *	Esquire Bank *
BCB Bank	First Bank
Beneficial Bank (a)	First Commerce Bank
Berkshire Bank *	First Hope Bank *
Blue Foundry Bank *	First National Bank of Absecon
Bogota Savings Bank	First National Bank of Elmer
Brunswick Bank & Trust	Firstrust Bank
Bryn Mawr Trust Company	Franklin Bank
Capital Bank of New Jersey (a)	Freedom Bank *
Capital One Bank	Freehold Savings & Loan *
Century Savings Bank	Fulton Bank *
Citibank	Garden State Community Bank
Citizens Bank	Grand Bank
City National Bank of New Jersey *	GSL Savings Bank
Gibraltar Bank	OceanFirst Bank

Glen Rock Savings Bank	Oritani Bank
Grand Bank (a)	Pacific City Bank
GSL Savings Bank	Parke Bank *
Haven Savings Bank	Peapack-Gladstone Bank
Highlands State Bank (a)	Pennsville National Bank
HSBC Bank USA *	PNC Bank *
Investors Bank	Ponce Bank *
Israel Discount Bank	Popular Community Bank
J.P. Morgan Chase Bank *	The Provident Bank
Kearny Bank *	Regal Bank *
KEB Hana Bank	Republic Bank
Lakeland Bank	RSI Bank *
Lincoln 1st Bank	Santander Bank
M & T Bank	SB One Bank *
Magyar Bank	Shore Community Bank (a)
Malvern Bank	Somerset Savings Bank *
Manasquan Savings Bank	Spencer Savings Bank *
Mariner's Bank	Sterling National Bank
Metro City Bank	Sturdy Savings Bank *
Metuchen Savings Bank (a)	TD Bank
Millington Savings Bank *	Two River Community Bank *
Millville Savings Bank *	Union County Savings Bank
Monroe Savings Bank	Unity Bank
New Millennium Bank	Univest Bank & Trust
NewBank	Valley National Bank
Newfield National Bank *	Wells Fargo *
Noah Bank	William Penn Bank *
Northfield Bank	Woori America Bank
NVE Bank *	WSFS Bank



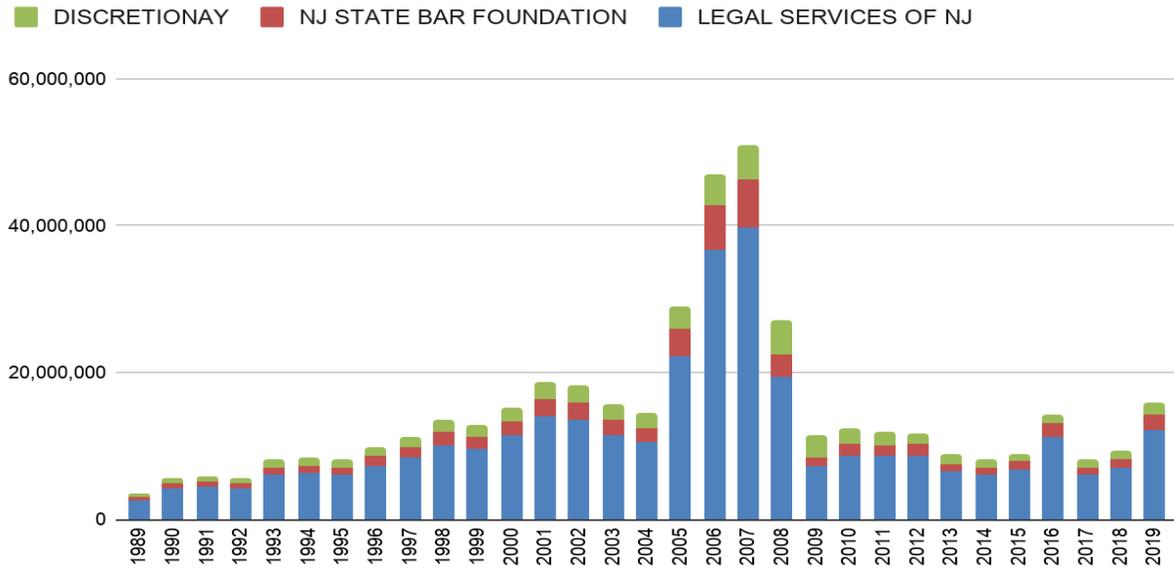
FINANCIAL INFORMATION

	2019	2018
Revenue		
Net IOLTA Interest Earned	\$ 16,556,528	\$ 10,883,142
Investment Interest Income	117,429	64,460
Nonrecurring Revenue	91,494	0
Discretionary Grant Returns	0	0
Total Revenue	\$ 16,765,451	\$ 10,947,602
Expenses		
General and Administrative Expenses	\$ 507,450	\$ 457,811
Authorized Grant Allocations	\$ 15,834,524	\$ 9,453,114
Total Expenses	\$ 16,341,974	\$ 9,910,995
Net Increase/ (Decrease) in Temporarily Restricted Net Assets for the Year	\$ 423,477	\$ 1,036,677

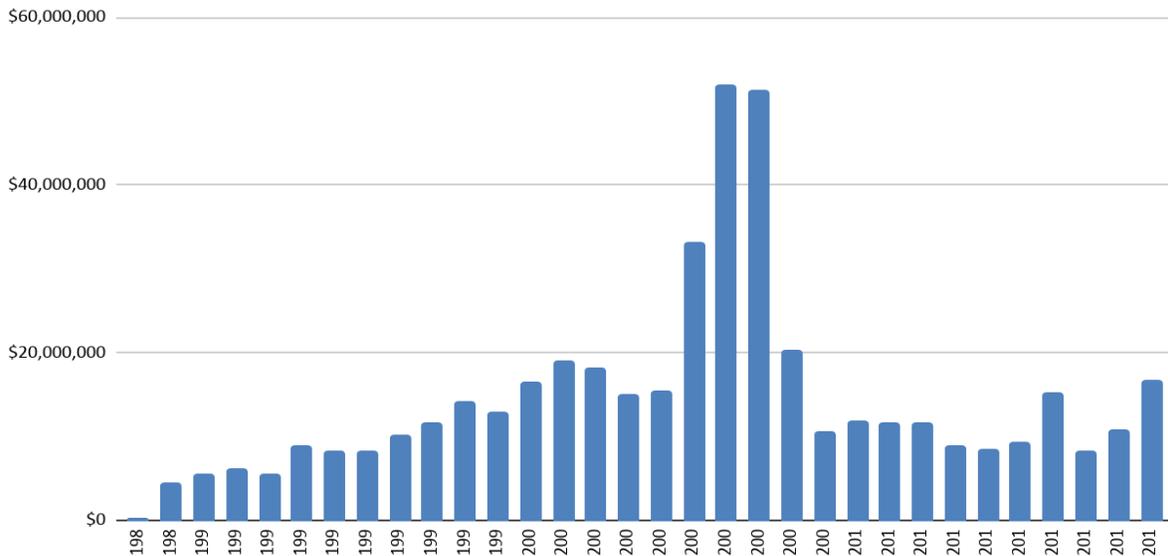
Figures are excerpted from the 2019 audited financial statement prepared by Savastano, Kaufman & Company LLC, Certified Public Accountants. The audit may be examined by appointment during business hours at the Fund's offices.



IOLTA GRANTS 1989 – 2019 (\$)



IOLTA REVENUES 1989 – 2019 (\$)



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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