

Wisconsin IOLTA Program Changes – Information for Attorneys

The Wisconsin Supreme Court has issued an order amending the trust account rule pertaining to IOLTA accounts (SCR 20:1.15) effective January 1, 2010. IOLTA accounts will now earn the same interest or dividend rates generally available to similarly-situated non-IOLTA customers at the same financial institution.

Note: Only a limited number of higher balance IOLTA accounts will be affected. Most IOLTA accounts will remain unchanged. In the coming months, the Wisconsin Trust Account Foundation, Inc. (WisTAF) will contact those attorneys who may be affected after working with banks on implementation.

What should attorneys do?

At this point, you do not need to do anything as a result of the rule changes.

How will my IOLTA account be affected by the rule changes?

Most likely, it won't. Over the next several months, WisTAF will work with your financial institution to determine the simplest, most efficient way for it to ensure that your trust account is in compliance with the updated rule. The rule specifies that all IOLTA accounts must be held at "IOLTA participating institutions." WisTAF will annually confirm and publish a list of IOLTA participating institutions. You will not need to make changes to your trust account/s unless notified that your financial institution is no longer an IOLTA participating institution.

The updated rule allows for increased trust account product options, allowing you the satisfaction of knowing your trust account is working at its maximum to help fund much needed civil legal services for the poor in your community. While your bank has the option, at your direction, of converting your trust account to a different product, most banks will choose to simply emulate the rates paid on similarly-situated non-IOLTA accounts. This is an attractive option for attorneys and banks, alike who wish to minimize administrative burdens.

The rule also specifies the types of fees that financial institutions are allowed to charge on IOLTA accounts. These include: per check charges; per deposit charges; fees in lieu of minimum balance; sweep fees; an IOLTA administrative fee approved by WisTAF; and federal deposit insurance fees. Your bank may choose to charge additional fees directly to you, however, many IOLTA participating institutions waive a portion of or all fees on IOLTA accounts.

What do IOLTA funds support?

Over the last 23 years, WisTAF has granted more than \$33 million to agencies that provide civil legal services to Wisconsin's low income population. From Superior to Milwaukee, funds generated via the Interest on Lawyers' Trust Accounts (IOLTA) program have enabled legal service providers to help meet the increasing needs of low income families in the areas of housing, medical care, employment, and domestic abuse, among others. This feat was made possible through the dedicated partnership between Wisconsin's bankers and lawyers.

Who should I contact with additional questions?

Contact the WisTAF office at (877) 749-5045 or send email to service@wistaf.org with additional questions.