

DC IOLTA PROGRAM

BANK FREQUENTLY ASKED QUESTIONS

Questions from Non-Participating Banks

Q. What is IOLTA?

IOLTA stands for Interest on Lawyers Trust Accounts. IOLTA programs operate in every state, DC, and the Virgin Islands. Established by courts or legislatures, the programs allow lawyers to place nominal or short-term client funds in a single interest-bearing account. Interest is remitted to a designated program – here the DC Bar Foundation.

Q. Should our bank offer DC IOLTA accounts?

While you are not required to offer IOLTA accounts, or to participate in an IOLTA Program, many financial institutions offer such accounts as a convenience to their lawyer or law firm customers.

Q. We would like to offer IOLTA accounts to DC lawyers. Can we just start offering it?

No! DC lawyers can only hold trust accounts, including DC IOLTA accounts, at financial institutions that have been approved by the DC Board on Professional Responsibility.

Q. How do we become a DC-approved depository?

The DC Board on Professional Responsibility handles the approval process. As part of that process, the DC Bar Foundation will need to review and approve the rate(s) your bank proposed to offer for DC IOLTA accounts. Your institution will also need to complete an undertaking (agreement) with the DC Board on Professional Responsibility. A copy of all the forms you need is available [here](#).

Questions from Participating Banks

Q. We have been approved. What's next?

Download the DC Bar Foundation's [Guidelines for Financial Institutions](#). That will contain all the information you need to get started and to submit reports and remittances to the DC Bar Foundation. If you have any questions, contact: iolta@dcbfoundation.org or call 202-467-3750. If you haven't already signed up as a [DC Prime Partner](#) this is the right time to do so.

Q. What do we need to know about account titles?

All DC IOLTA Accounts must include both the name of the lawyer/law firm **and** the phrase "IOLTA" or "Trust Account."

Q. What Tax ID Number should be on the accounts?

Every DC IOLTA account uses the DC Bar Foundation Tax ID Number: 52-1109547. That is because the DC Bar Foundation is the owner of the interest earned on every DC IOLTA account. The DC Bar Foundation does not own the IOLTA accounts; it only owns the interest.

Questions about the IOLTA Rules

Q. Do the IOLTA Rules set interest rates for DC IOLTA accounts?

No. The rules require that rates be “comparable.” Your bank has three choices in proposing an interest rate under the DC IOLTA Program. Your bank can provide the documentation outlined in the comparability toolkit, demonstrating that your proposed IOLTA rate is comparable with similar products AT YOUR INSTITUTION. Your bank can also elect the DC IOLTA benchmark rate. The third option is to join us at the Prime Partner rate. More information is in the [Prime Partner Package](#).

Q. What is the Benchmark rate?

The benchmark rate is one of the options available in determining how your bank will meet the requirements for becoming an approved institution in the DC IOLTA program. The Benchmark rate is established periodically to allow institutions a simple way to comply with the rate requirements of the DC IOLTA Rules. Banks electing the Benchmark option are automatically approved for participation in the program without further review of their non-IOLTA products and rates. The Benchmark rate is 65% of the Federal Funds Target Rate as of the first business day of the month or IOLTA remitting period, or 0.65%, whichever is higher, net of allowable reasonable fees as described in DC Bar Rule XI, §20(f).

Q. What does it mean to be a Prime Partner?

Prime Partner banks have increased the value of their partnership with the DC IOLTA program by paying higher yields on IOLTA accounts to support the legal services safety net in the District of Columbia. The Prime Partner rate is 75% of the Federal Funds Target Rate, or a rate of 1.00%, whichever is higher, net of allowable reasonable fees as described in DC Bar Rule XI, §20(f).

The Prime Partner Program will recognize those banks that choose to go above and beyond the eligibility requirements of the revised Rule to support the DC IOLTA Program in its mission to ensure that low-income persons in the District of Columbia have access to critically needed legal aid. Download the [Prime Partner Package](#) for information about the requirements and benefits of becoming a Prime Partner.