



INVESTING IN JUSTICE FOR ALL NORTH CAROLINIANS

Chairman Johnson, Chairman Jones, Chairman Warren, and members of the Oversight Committee, thank you for inviting me to appear today, on behalf of the North Carolina State Bar Plan for Interest on Lawyers' Trust Accounts, commonly referred to as NC IOLTA, to discuss the work of the program.

NC IOLTA is a more than 40-year-old program of the North Carolina State Bar that funds civil legal services for low-income North Carolinians. These funds come from interest earned on lawyers' general trust accounts – not taxpayer dollars – and reach all 100 counties, from the mountains to the Piedmont to the Coastal Plain and everything in between. This means we ensure individuals and families in your community can access vital legal support when they need it most.

The North Carolina State Bar Plan for Interest on Lawyers' Trust Accounts (NC IOLTA) was created in 1983 by order of the Supreme Court. The program is one way that all lawyers fulfill their professional responsibility, as stated in the Preamble to the Rules of Professional Conduct, to provide legal services for those who are unable to pay. Upon creation, NC IOLTA was the 15th IOLTA program in the United States. Today, programs exist in every jurisdiction across the country, all developed to provide a source of funding for civil legal services.

The purpose of the NC IOLTA program is laid out in the rules governing the administration of the North Carolina State Bar, Section .1300. Since the program's inception, the governing board has awarded more than \$135 million in grants to programs providing civil legal services for indigents and programs designed to improve the administration of justice.

Legal aid provides critical services for your constituents: veterans, seniors, people with disabilities, survivors of domestic abuse, families facing economic hardship, and residents in areas recovering from natural disasters — including in rural areas where there is a shortage of private lawyers. These funds help individuals navigate the justice system and resolve critical legal problems so they can thrive. Recently, NC IOLTA has targeted resources to the areas of deepest need including legal assistance in foreclosure prevention and domestic violence response, responding to legal needs created by natural disaster, and supporting new programs to improve access to legal services in rural communities.

Last year, nearly 100,000 household members benefited from the legal support provided by NC IOLTA grantees. Legal nonprofits funded by NC IOLTA helped hardworking families stay in their homes, farmers keep their land, and senior citizens fight back against elder abuse. Providers handled more than 40,000 cases. This includes representing more than 10,000 domestic violence victims, protecting families and their children; assisting 5,893 seniors with wills and powers of attorney and protecting them from scams; and supporting 1,429 low-income veterans to access their benefits and secure employment and housing.

These civil legal services provide a lifeline to North Carolinians facing civil legal issues. Civil legal aid also supports the efficient operation of the court system, reducing the number of self-represented litigants and easing the burden on judges and clerks. Finally, the provision of civil legal services boosts the economy and saves the state money. Last year, NC IOLTA's largest grantee, Legal Aid of North Carolina, helped secure more than \$36 million in preserved home value and money saved for clients.

NC IOLTA remains ready to work with legislators to address opportunities to most effectively utilize resources to support civil legal services for those in need.

Thank you, chairmen and members of this committee, for your time and attention. I hope this information is helpful in demonstrating the value of civil legal aid to the state of North Carolina.