

Supreme Court hears IOLTA Arguments

The Supreme Court is in the process of reconsidering the constitutionality of the states' IOLTA programs. The court has before it two conflicting decisions in the Courts of Appeals. The Washington Legal Foundation, one of the parties, has argued that, however small the amounts they take in, the programs result in the taking of interest from clients without just compensation. The ABA has submitted an amicus brief arguing that IOLTAs create a valid means of regulating lawyers in their handling of client funds which are not likely to earn enough interest to cover the expense of administration.

The ABA brief points out that the income resulting from the IOLTA accounts is used for the public purpose of financing state programs that provide funds to maintain legal aid.