



A Program of the Center for Civic Values

IOLTA News

An Update from the New Mexico Interest on Lawyer Trust Accounts Program

Important Notice Regarding Section 10 of the 2010 State Bar Dues Form

Section 10 of the State Bar of New Mexico's dues form is your *Trust Account Certification/IOLTA Compliance*. Section 10 **MUST BE COMPLETED** by all attorneys licensed to practice in the state.

IF YOU ARE EXEMPT (that is):

- you are a judge, an employee of a local, state, federal or tribal government, corporate counsel or a teacher of law or are otherwise not engaged in the private practice of law; **OR**,
- the nature of your practice is such that you/your firm do/does not hold IOLTA-eligible funds of any client or third person; **OR**,
- you/your firm do/does not have an office within the State of New Mexico, and you/your firm have/has the client's or third person's permission to hold the funds out of state; **OR**
- you/your firm have/has applied for and obtained an exemption from the Center for Civic Values pursuant to Rule 24-109(B)(8)(d)

you are required to complete Section 10 in its entirety.

IF YOU ARE IN PRIVATE PRACTICE:

and you/your firm have/has a pooled client trust account, it must be enrolled in IOLTA *and* you are required to complete Section 10 in its entirety.

A copy of Section 10 appears on page 2; if you have questions or need assistance completing the form, contact IOLTA at 505.764.9417 or 800.451.1941 (outside Albuquerque), ext. 14, or by e-mail at iolta@civicvalues.org.

IOLTA Program Directors Project Drastic Revenue Reductions

In 2007, nationwide IOLTA revenue was \$371,241,560; in 2008, it was \$283,952,266. A recent survey of IOLTA programs showed that in 2009, IOLTA directors projected that revenues would be in the \$92-93 million range, about a 75% projected reduction. Fortunately for New Mexico IOLTA grantees, the State Supreme Court approved mandatory IOLTA with a comparability requirement. The mandatory program went into effect January 1, 2009; as a result, the grant budget for 2010, will remain at current levels.

Fed Will Keep Key Rate Near Zero for 'Extended Period'

The Federal Reserve has acknowledged that an economic recovery is under way, but signaled that it was still much too early to start raising interest rates. In a statement following a two-day meeting by the Fed's policy makers, the central bank stated that it would keep its benchmark overnight interest rate at virtually zero for "an extended period." That almost certainly means until at least some time in 2010. Policy makers also announced that they would extend the Fed's program to buy up almost \$1.5 trillion worth of mortgage-related securities through the end of March.

Section 10: Trust Account Certification/IOLTA Compliance

I. ATTORNEY INFORMATION-all attorneys licensed in New Mexico are required to complete in full sections I, II and III. Non-compliance will be reported to the State Supreme Court and may subject the attorney to suspension..

Attorney Name: _____ NM Bar Card # _____

Firm Name: _____

Firm Contact: _____ Phone/E-Mail: _____ / _____

Firm administrators may report for the entire firm by completing the information below and enclosing it with a list of the firm's attorneys and their bar card numbers.

II. ATTORNEY TRUST ACCOUNT INFORMATION-if your trust account is NOT in NM, DO NOT provide financial institution information. Instead, select the appropriate exemption below.

I/My firm maintain/maintains the client trust accounts below (please attach a separate page for additional accounts).

Financial Institution Name	Account Name (For TRUST Accounts only)	Account Number	IOLTA (circle one)	
1.			Yes	**No
2.			Yes	**No
3.			Yes	**No
4.			Yes	**No

****If this account contains IOLTA-eligible funds, it MUST be enrolled, in the New Mexico IOLTA program at an eligible financial institution (please refer to Rule 24-109). If you circled "no" above, please explain: _____**

OR

- I am exempt because I am a judge, an employee of a local, state, federal or tribal government, corporate counsel or a teacher of law or am otherwise not engaged in the private practice of law; **OR**,
- I am exempt because the nature of my practice is such that I/my firm do/does not hold IOLTA-eligible funds of any client or third person; **OR**,
- I am exempt because I/my firm do/does not have an office within the State of New Mexico, and I/my firm have/has the client's or third person's permission to hold the funds out of state; **OR**
- I am exempt because I/my firm have/has applied for and obtained an exemption from the Center for Civic Values pursuant to Rule 24-109(B)(8)(d).

III. ATTORNEY CERTIFICATION OF TRUST ACCOUNT INFORMATION AND IOLTA COMPLIANCE

By providing the information above, I certify that I am in compliance with Rule 16-115 of the Rules of Professional Conduct, Rule 17-204 of the Rules Governing Discipline and Rule 24-109 of the Rules Governing the New Mexico Bar.

With this signature I certify under penalty of perjury that the above and foregoing information is true and correct.

Signature _____ Date _____

If you have questions about completing this form, contact IOLTA at 505.764.9417 or 800.451.1941, ext. 14, or iolta@civicvalues.org. For general information about the New Mexico IOLTA program please visit civicvalues.org. If you have questions about other sections of the Dues Form, please contact the State Bar at 505.797.6000 or 800.876.6227.

IOLTA-Eligible and Honor Roll Financial Institutions

The financial institutions below are all eligible to hold IOLTA accounts. They have achieved certification from CCV because they voluntarily offer IOLTA accounts and pay the highest rate of interest or dividends generally available to their non-IOLTA customers, when the IOLTA accounts meet or exceed the same minimum balance or other eligibility qualifications. The “Eligible and Honor Roll” institutions are those that *waive minimum balance* requirements, *waive processing charges* to CCV or *offer competitive interest rates*. Thanks to them, several thousand additional dollars are available annually to help the nearly 400,000 New Mexicans who benefit from services provided by IOLTA-funded organizations.

HONOR ROLL

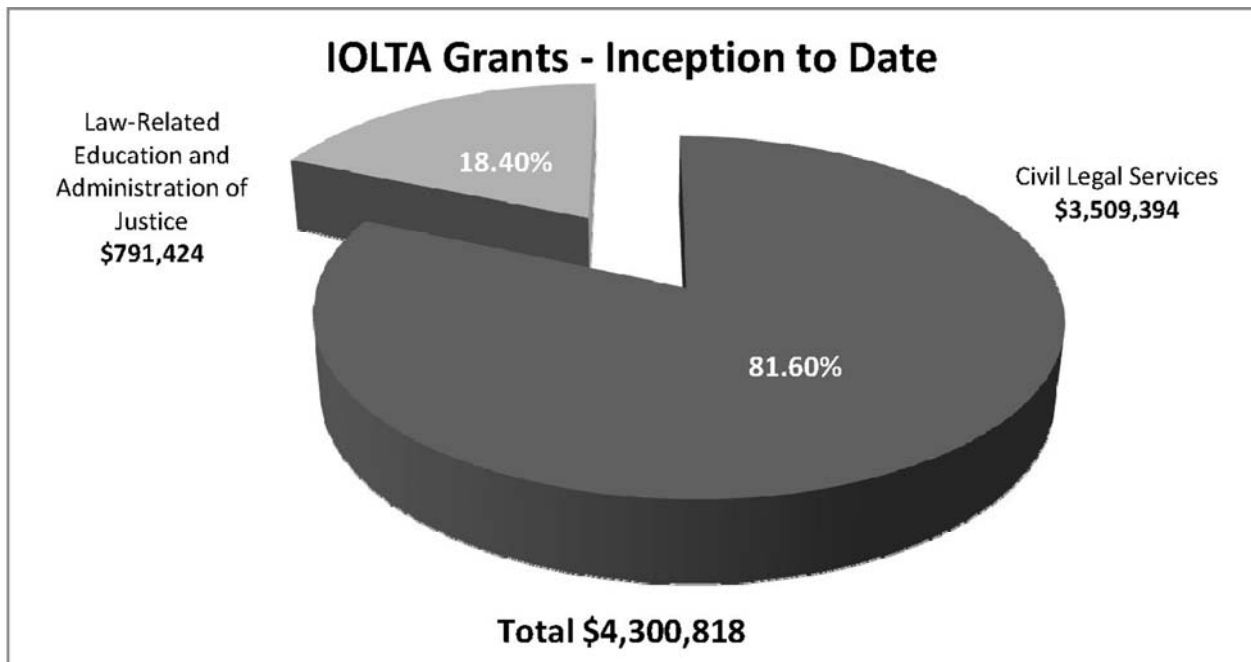
AmBank
 American Heritage Bank
 Bank 1st
 Bank of Albuquerque
 Bank of Las Vegas
 Bank of the Rio Grande
 Bank of the Southwest at Roswell
 Century Bank of Santa Fe
 Charter Bank
 City Bank NM
 Clovis National Bank
 Community 1st Bank Las Vegas
 Community Bank
 Compass Bank
 First Community Bank
 First Financial Credit Union
 First National Bank in Alamogordo
 First National Bank of Ruidoso
 First National Bank of Santa Fe
 Four Corners Community Bank
 Gallup First Federal Bank

Grants State Bank
 High Desert State Bank
 Irwin Union FSB
 Lea County State Bank
 Los Alamos National Bank
 Main Bank
 My Bank
 Peoples Bank
 Pinnacle Bank of Gallup
 Pioneer Bank
 Portales National Bank
 Roswell National Bank
 Sunrise Bank of Albuquerque
 The Bank of Clovis
 The Carlsbad National Bank
 The First National Bank of New Mexico
 Union Savings Bank
 Valley Bank of Commerce
 Valley National Bank
 VectraBank
 Wells Fargo Bank New Mexico
 Western Bank of Alamogordo

Western Bank of Clovis
 Western Bank of Lordsburg
 Western Commerce Bank
 Western Heritage Bank

OTHER

Bank of America
 Bank of the West
 Centinel Bank of Taos
 Citizens Bank of Farmington
 Citizens Bank of Las Cruces
 Farmers & Stockmens Bank
 First Federal Bank
 First New Mexico Bank
 First Savings Bank
 First State Bank of Socorro
 International State Bank
 Ironstone Bank
 New Mexico Bank & Trust
 The Citizens Bank of Clovis



National News & Notes

(from the ABA Commission on IOLTA)

FDIC Extends Unlimited Insurance on IOLTA Accounts for Six More Months

On November 21, 2008, the FDIC adopted a final rule creating the Temporary Liquidity Guarantee Program (TLGP), including the Transaction Account guarantee Program (TAG), in order to “strengthen confidence and encourage liquidity in the banking system by guaranteeing newly issued senior unsecured debt of banks, thrifts, and certain holding companies, and by providing full coverage of non-interest bearing deposit transaction accounts, regardless of dollar amount.” In response to advocacy by the American Bar Association, the National Association of IOLTA Programs and many other organizations and individuals, the category of non-interest bearing transaction accounts included IOLTA and functionally equivalent accounts, and provided for unlimited insurance for such accounts held in participating financial institutions through December 31, 2009.

On September 1, 2009, the FDIC amended the Temporary Liquidity Guarantee Program (TLGP), extending the Transaction Account Guarantee Program (TAG) for six months, until June 30, 2010. Under the final Rule, funds in IOLTA accounts will continue to be fully guaranteed by the FDIC, without limit, for participating financial institutions. Additionally, the FDIC has increased the assessment for participating institutions. Institutions have until November 2 to opt out of the extended TAG program, which would begin on January 1, 2010. IOLTA funds held in institutions that opt out of the extended TAG program (or that opted out of the initial TAG program) will be insured up to \$250,000 per owner (i.e. client) until December 31, 2013. Institutions are required to prominently display their status as either participating or not participating.

The FDIC maintains a list of institutions that opted out of the current TAG coverage at:

<http://www.fdic.gov/regulations/resources/TLGP/optout.html>. The FDIC will also publish on its website a list of eligible entities that have opted out of extended unlimited insurance coverage under the amended rule. For more information regarding the TAG program, go to www.fdic.gov.

Recent IOLTA Rule Changes

The **Kentucky** Supreme Court has recently approved amendments to the state’s IOLTA rule which include mandatory IOLTA and interest rate comparability provisions. The amendments will become effective on January 1, 2010. With this change, Kentucky will become the 41st state to adopt mandatory IOLTA and the 28th state to adopt comparability.

West Virginia and **Wisconsin** have adopted IOLTA interest rate comparability. The West Virginia Supreme Court issued an order approving the rule change on March 17th, and the new rule went into effect on April 15, 2009. The Wisconsin Supreme Court issued its order approving a rule change on July 1, 2009, and the new rule will go into effect on January 1, 2010. Interest rate comparability is a revenue enhancement strategy that requires that lawyers place their IOLTA accounts only in a financial institution that pays those accounts the highest interest rate or dividend generally available at the institution to other customers when IOLTA accounts meet the same minimum balance or other qualifications.

The **Rhode Island** Supreme Court and the **Tennessee** Supreme Court have each issued orders adopting both mandatory IOLTA and interest rate comparability. The Rhode Island rule change was adopted on December 11, 2008 and the order required compliance with the rule change on or before March 11, 2009. The Tennessee rule change was adopted on July 8, 2009, and Tennessee lawyers will have until January 1, 2010 to comply with the order. At that time, there will be a total of 40 states with mandatory IOLTA, and a total of 27 states with interest rate comparability.

NOTE: New Mexico’s mandatory IOLTA with comparability rule was effective on January 1, 2009.