

Testimony in Support of HB 2608
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Member of the Board of Directors, Oregon Law Foundation
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My name is Elise Bouneff. I am the Senior Vice President and Professional Banking Manager for the Bank of Cascades. I have been on the Oregon Law Foundation Board since 2004 and currently serve as the Chair of the OLF's Revenue Enhancement Committee.

IOLTA exists because banks, attorneys, legislators and judges created a collaborative process, where an important need is addressed; that is to help fund access to civil legal services for the underprivileged.

What we created is a system whereby lawyers work with banks to keep client trust funds safe and separate from the lawyers own accounts, and where the banks generate interest to provide a reliable revenue stream for legal aid.

IOTLA is a cooperative effort. Oregon banks, Oregon lawyers, and the Oregon Law Foundation work together to fulfill a large community need. Many banks in Oregon voluntarily extend higher interest rates to IOLTA accounts than are available to other customers. Banks do this because they understand that having well funded legal aid programs in Oregon strengthens all communities in our great state.

The trust accounts held by escrow agents are not so very different from lawyer trust accounts. In both cases, you have an agent acting on behalf of a client to hold the client's money until some future event occurs. In both cases the agent is responsible for the safe keeping of the funds, and the proper distribution of those funds. And in both cases the client funds must be kept separate and distinct from the agent's own monies. This is why we use trust accounts.

As Norman has stated, interest rates in the United States continue to be at extremely low levels, which has devastated legal aid funding. Most people in the banking industry believe rates will remain low for several years. Expanding the IOLTA program to include interest generated from escrow agent trust accounts will help alleviate this crippling reduction in funding that seems unlikely to be made up from other sources.