

Hawaii Supreme Court Increases Funding for

In late June, 2008, the Hawaii Supreme Court adopted the Rule 11 "rate comparability" amendment to its Rules that had been requested by the Hawaii Justice Foundation (HJF) and endorsed unanimously by the HSBA Board of Directors. This action by the Court will significantly increase funding for legal service providers and other access to justice initiatives. Hawaii becomes the twentieth state to adopt a rate comparability requirement.

Rate comparability requires banks that participate in the Interest on Lawyer Trust Accounts (IOLTA) program to pay IOLTA accounts the highest interest rate generally available at that institution to its non-IOLTA customers when IOLTA accounts meet the same minimum bal-

Access to Justice Through Bank "Rate Comparability" in IOLTA Accounts

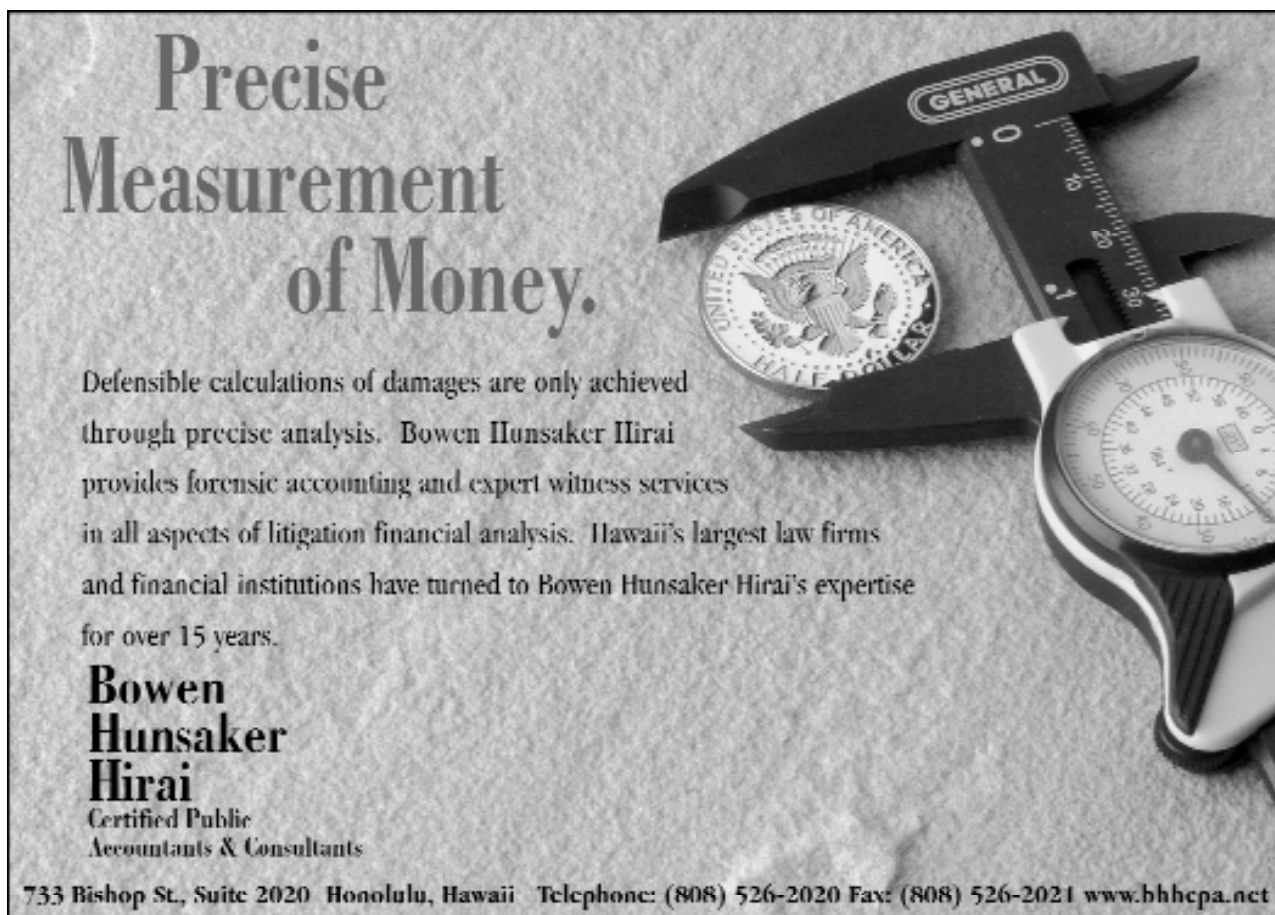
by James A. Kawachika, President, Hawaii Justice Foundation

any. Rate comparability does not place any additional requirements on attorneys or create any additional costs to attorneys. It is the role of HJF to work directly with the participating banks to implement rate comparability. Rule 11 has always required attorneys (unless exempted) to create a pooled trust account for unearned fees and costs. HJF receives the net monthly interest from these accounts and distributes these funds to Hawaii's low-income legal service providers

Hawaii currently has nine banks that participate in IOLTA, and all nine banks have indicated in writing that they will continue participating in IOLTA under the new amendment. HJF has worked closely with all of these banks during the last several months, and final details are now being

resolved with each bank regarding implementation of rate comparability. Hawaii's banks have been extremely cooperative. Some of the banks have indicated their willingness to become "Prime Partners" in IOLTA, which involves paying rates that are more than the minimum required under Rule 11.

In a subsequent issue of the *Hawaii Bar Journal*, there will be an article highlighting those banks that have become Prime Partners with HJF.



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