NORTH CAROLINA IOLTA | INVESTING IN JUSTICE FOR ALL NORTH CAROLINIANS

NORTH CAROLINA STATE BAR

Protecting Access to Civil Legal Aid in North Carolina: Why NC IOLTA Funding Matters

What Is NC IOLTA?

The North Carolina State Bar's Interest on Lawyers' Trust Accounts (NC IOLTA) program is a vital funding source that supports civil legal services for low-income North Carolinians. It is not taxpayer-funded—it comes from interest earned on pooled trust accounts held by attorneys. These funds are used to increase access to justice across the state, including helping veterans, seniors, survivors of domestic violence, and families in crisis fairly navigate the justice system and resolve critical civil legal problems so they can thrive.

Why Legislators Should Care

The proposed redirection of NC IOLTA funds in the House budget (SB257, p. 347) would undermine a decades-old, non-taxpayer-based system that supports civil legal aid, and would have devastating, statewide consequences:

- **More than 9,000 individuals would lose access to free legal help each year—and likely up to 15,000, with proposed federal cuts.**
- **Court efficiency would suffer**, as thousands more North Carolinians attempt to navigate the legal system without representation, leading to delays, backlogs, and strain on judicial resources.
- **Rural communities would be disproportionately harmed**, as legal aid organizations are often the only free legal resource available in these areas.

Who Is Served by NC IOLTA-Funded Legal Aid?

Due to limited resources, just a fraction of North Carolinians can access the critical legal services they need. Studies show that having even a small amount of legal assistance can dramatically improve outcomes. Each year, **NC IOLTA funding supports legal aid in important civil matters for more than 40,000 individuals, families and children** residing in all 100 counties.

Veterans

- **1,429 low-income veterans** received legal assistance from NC IOLTA grantees last year.
- **Charlotte Center for Legal Advocacy, Legal Aid of North Carolina, and Pisgah Legal Services** all operate dedicated projects that provide legal help to veterans.

- Legal aid programs help veterans with housing, benefits appeals, discharge upgrades, and other civil legal matters with the goal of assisting veterans to overcome challenges, including those related to their military service, and improving their overall well-being and self-sufficiency.

Elderly North Carolinians

- **5,893 low-income seniors** received legal assistance from NC IOLTA grantees last year.
- Legal Aid of North Carolina operates the Senior Law Project, including a statewide Senior Legal Helpline, available to seniors anywhere in North Carolina.
- Pisgah Legal Services offers an Elder Law program serving 18 western counties, protecting seniors from elder abuse and scams and helping with wills and other end of life plans.
- Charlotte Center for Legal Advocacy also runs a Legal Services for the Elderly Project, focused on preventing and protecting seniors from financial exploitation and abuse and improving their quality of life.

Survivors of Domestic Violence

- In response to significant cuts in federal funding for domestic violence services, NC IOLTA targeted new grant funding to several organizations in recent years to support legal services that provide safety to children and families experiencing domestic violence.
- **Legal Aid of North Carolina** received **$900,000 in 2025** from IOLTA to fund its Domestic Violence and Sexual Assault Project and **Pisgah Legal Services** received **$300,000 in 2025** for legal aid for domestic violence victims. Annually, the two organizations serve more than 10,000 low-income domestic violence victims.
- **Safe Alliance** provides Domestic Violence Protective Order representation in Mecklenburg County with backing from NC IOLTA.

Disaster Relief Response

- In response to **Hurricane Helene**, IOLTA awarded nearly **$1 million** in emergency grants.
- Legal assistance provided by legal aid organizations enables survivors to rebuild their lives, homes and businesses.
- **NC IOLTA grants helped increase the staff and volunteer capacity of Pisgah Legal Services and Legal Aid of North Carolina** to respond to the legal needs of survivors immediately following the hurricane, hosting legal clinics to help people file FEMA claims and appeals. Legal services continue to protect survivors from contractor fraud and scams, replace important documents, and assist with other needs in the rebuilding process.
- NC Bar Foundation and Disability Rights NC also received funds for outreach and assistance.

The Rural Justice Gap

- **Legal aid is often the only option** in rural counties, where no private attorneys provide free civil legal services.

- **Eliminating NC IOLTA funding would cripple outreach to legal deserts**—areas with little or no access to legal representation.
- NC IOLTA funds a **Public Interest Internship Program** that placed law students in 22 rural counties in 2024. Over **35 students** are expected to participate in 2025.
- In 2025, NC IOLTA also supported Legal Aid of North Carolina's LANCMobile, a mobile intake unit designed to bring civil legal services directly to people who need them most in rural communities.

Civil Legal Aid Supports Efficient Courts

- Legal aid attorneys reduce the number of self-represented litigants (also called pro se) in the court system, easing the burden on judges and clerks.
- Judges across the state report that legal aid:
    - Increases the efficiency of proceedings.
    - Reduces delays and continuances.
    - Helps litigants understand and resolve their cases more effectively.

The Bottom Line

- Right to counsel in criminal cases is mandated by the Sixth Amendment. No such right exists in civil cases, even those impacting the most basic needs of individuals including safety, food, and shelter. **Legal aid levels the playing field and provides a lifeline for low-income North Carolinians.**
- **NC IOLTA funds were never meant to fund indigent defense**, and doing so threatens the entire civil legal aid infrastructure.
- Redirecting these funds **won't fully solve the public defense funding problem**—but it **will devastate civil legal aid** and leave North Carolinians without help when it matters most.

We Urge You To:

✅ Reject the redirection of NC IOLTA funds.

✅ Preserve civil legal aid for veterans, seniors, domestic violence survivors, and rural families.

✅ Maintain court efficiency and fairness for all.

For more information or data specific to your district, please contact:

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