

HelpYourself #8

8. What is an IOLTA?

When you decide to hire a family lawyer to help you divorce, one of the first things you'll coordinate with the law office is how to pay. At the Law Office of Lisa A. Vance — as is the practice with many law firms — you'll set up what's called an IOLTA, and the payments will come from there.

IOLTA stands for Interest on Lawyer Trust Account — and it holds the money that will be used to pay for your divorce. How much you pay into it initially will depend on what kind of divorce you're seeking, how simple or complicated your case is, as how long your lawyer thinks it will take to settle your case, based on the information you provide.

If you're seeking to litigate your divorce, for instance, and you believe that it will need to be settled in court, you'll need to deposit more money than if you are looking toward an alternative dispute resolution. If you and your soon-to-be-ex-spouse are a high-conflict couple, that will likely require more money to go into the IOLTA initially.

Keep in mind, though, that the IOLTA isn't an invoice for a fixed amount. Rather, it's a deposit based on what your lawyer believes the divorce will cost. If there's a complicating factor that emerges during the case, it could potentially make your divorce more expensive, and it will likely necessitate that you pay more into your IOLTA.

Typically, once an IOLTA dips below 50 percent of what was initially paid into it, the law office will ask the client to make an additional deposit. That request will typically be accompanied by documentation showing how the money has been spent to date. For clients who aren't cost-conscious at the outset, that documentation can be very eye-opening as to how expensive divorce can be!

If there's money left over in your account when the divorce is settled, it will be returned to you, of course. But in a number of cases, the money in the IOLTA will be fully used by the time the case settles.

It's important to note that a lawyer's time is the most expensive part of a divorce, and the courtroom is the number one place in which those costs can mount. If you want to keep the costs of a divorce down, there are a few steps you can take.

First, don't call your lawyer unless absolutely necessary. In many cases, the paralegal on your team can handle a question just as well as a lawyer. Also, if your lawyer has told you it's less costly and more efficient to handle an inquiry via email, believe that! And, of course, if you find yourself calling a lawyer to vent about something emotional rather than to answer something legal, call a therapist or a friend instead. Regardless of whether a call to a lawyer is about a heady legal matter or something just requiring a sympathetic listen, it's billed at the same hourly rate.