

Bar Compliant Legal Fee & Retainer Client Financing

Legal services is not deemed a "preferred" vertical market by traditional lenders which leaves law firms seeking alternative lending options for their clients. Unfortunately, most alternative options offer predatory interest rates, fluctuating discount costs to the firm and do not adhere to bar rules governing client finance.

To make matters more difficult, attorneys must also adhere to the rules governing client financing by the bar association.



1. No compulsion to perform – The lender must have no oversight role over an attorney's representation of a client; There can be No Recourse to the attorney of any funds received.
2. No Limitation of Choice of Attorney - The attorney cannot be funded in a manner that compels a client to work only with that attorney & so limits choice.
3. No Compensation Other Than Collection of Legal Fees - Attorney may not receive compensation in any form beyond receipt of their legal fees and recovery of actual costs (such as credit card fees) as a result of the transaction.
4. Arms Length Transaction - Attorney may have no formal or informal relationship with the lender.
5. Fair Market Pricing - Attorney must assure the reasonable expectation a potential client will receive treatment consistent with Fair Market pricing from any referred source.

The good news is that financing platforms developed specifically for the legal community; taking great care to consider not only bar regulations but also, trust accounts, usury laws, affordability for both the firm and the client as well as fee structures and support do exist.



- Loan offers for prime, near prime and sub-prime borrowers down to the low 500 FICO scores.
- No recourse to the attorney. The client is funded directly so there are no concerns with bar rules that govern client financing.
- No lengthy contract terms and often free trials and the ability to cancel at any time.
- No "Ink-to-Paper". The application process is often all electronic and funding typically occurs within 2 business days of completed loan applications.
- Interest rates as low as 3.99% with terms up to 60 months and loan amounts up to \$100,000.
- Application follow up and support is provided leaving your staff to do what they do best.



Additionally, many solutions have no restrictions on firm practice areas or case restrictions. Traditional lending programs like to work with specific "preferred" vertical markets. Unfortunately, Law Firms are not one of them. They typically also have minimum "time in business" and "annual revenue" requirements to participate in their programs and individual cases must be approved, often times leading to uncovered representation and partial funding.

Most lenders typically only fund once services have been completed. With direct-to-borrower lending programs, you are able to collect your fees upfront regardless of the case. Criminal Defense, Divorce, Family, Adoption, Immigration, Estate, Bankruptcy, Tax, Business, Labor and More can all be billed to and collected from your client upfront.

In November of 2018 the American Bar Association's Standing Committee On Ethics and Professional Responsibility published Formal Opinion 484 regarding "A Lawyers Obligations When Clients Use Companies or Brokers to Finance the Lawyer's Fee".

You can download the opinion here: [Formal Opinion 484](#)