

WARNING:

TAX REFUND LOANS ARE HAZARDOUS TO YOUR \$ HEALTH



Tip

Predatory RAL lenders target people who receive Earned Income Tax Credits



File Your Taxes Today & Get a Refund Anticipation Loan Immediately at just 700% interest plus *hidden fees!*

Don't Pay 700% Interest on Your Own Tax Refund

Beware of tax preparers who offer "instant cash" when they file your income tax returns. This "cash" is really a high-interest loan, called a Refund Anticipation Loan (RAL) or a rapid tax refund loan.

RALS:

- Are high-cost bank loans that must be repaid—not free advances on your return;
- Have deceptive interest rates of 67% to 774% annually;
- Often charge for unnecessary "services," such as loan, application and check-cashing fees (on top of the tax preparation fee). These can add up to hundreds of dollars.

Deceptive Tax Refund Loans Can Drive You Into Debt

Tax preparers cannot guarantee that you will get a refund. If your refund is denied, smaller than expected or paid to other creditors (such as the IRS for back taxes or child support):

- You still have to repay the loan;
- You may be hounded by debt collectors;
- Unpaid loans can ruin your credit rating.

You Can Get Better Services—For Free

Keep your hard-earned money for yourself:

- Use a free community tax assistance program (see list on back);
- File electronically to receive your refund quickly. Many free services can help you;
- Open a checking account at a bank or credit union to have your return deposited directly—it's faster and cheaper.
- If you receive a federal benefit, such as Social Security or SSI, you may be able to open a low-cost ETA (electronic transfer account). Go to www.eta-find.gov to find a bank that offers ETAs.



Tip

Ask for extensions on urgent bills, so you can wait to receive your tax return



Tip

Avoid check-cashing stores. Shop for lower-cost services at banks and non-profit credit unions.

To learn more about Refund Anticipation Loans and other predatory practices and tips on better alternatives, go to our website: www.habitatnyc.org



Habitat for Humanity - New York City
111 John Stret, 23rd Floor
New York, NY 10038
212.991.4000

WHERE TO FIND FREE TAX ASSISTANCE SERVICES

AARP

1-888-227-7669

Various locations in all five boroughs

February 1 – April 15

Income Qualifications: up to \$20,000/single, up to \$40,000/family

Community Tax Aid, Inc.

212-613-3101

<http://communities.msn.com/ctanyc>

Various locations in all five boroughs

February 1 – April 15

Income Qualifications: up to \$25,000/single, up to \$40,000/family

Food Change

212-894-8094, then press 5

www.foodchange.org/financial/assistance.html

Various locations in all five boroughs

January 1 – April 15

Income Qualifications: up to \$20,000/single, up to \$40,000/family

IRS

1-800-829-1040

Various location in all five boroughs

January 1 – April 15

Income Qualifications: up to \$20,000/single, up to \$40,000/family

New York City Helpline

311

Find More Free Tax Assistance Programs in New York City

Neighborhood Economic Development

Advocacy Project

212.680-5100

www.nedap.org

This message is brought to you by Habitat for Humanity – New York City, working to empower Habitat homeowners and all low-income New Yorkers.



Tip

Be sure to bring these documents with you:

- **Picture ID**
- **Social Security Card** or verification letter (for yourself and those you claim)
- Date of Birth (Birth Certificate)
- **W-2 forms**
- If you receive unemployment, **1099 G** form
- If you receive interest on a bank account, **1099 INT** form
- If you are claiming **child care expenses** bring receipts and the employer ID number. If it's through a private provider then bring their social security number.
- If you want your refund to be **directly deposited** in the bank, bring a voided check or a deposit slip.



Tip

Sites may have different requirements, so call to check what your site requires.



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