

STATE OF NEW YORK
DIVISION OF HUMAN RIGHTS
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FOR IMMEDIATE RELEASE

MARCH 15, 2007
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***New York State Division of Human Rights Announces
Investigation into Potential Discriminatory
Practices of H & R Block, Jackson Hewitt, and
Liberty Tax Service Through the Targeting of
Communities of Color and Military Families for
High-Interest Tax Refund Loans***

Commissioner Kumiki Gibson today announced that the New York State Division of Human Rights -- the State agency charged with enforcing the State's anti-discrimination law -- will investigate potentially discriminatory practices by tax preparation companies through what are known as tax refund anticipation loans, or "RALs." The Division has reason to believe that major companies, such as H&R Block, Jackson Hewitt, and Liberty Tax Service, target low-income individuals, primarily in communities of color, and military families for these loans, at interest rates up to 70% or more. Commissioner Gibson stated: "Times are difficult enough for our working and poor families. To target low-income communities of color and those serving our country with these high interest loans is not only outrageous, but we have reason to believe discriminatory and illegal. We are committed to investigating these activities and to putting an end to them if they are found to be unlawful."

The Division based its decision to commence the investigation on, among other factors, recent reports prepared by the United States Department of Defense ("DoD"), the Neighborhood Economic Development Advocacy Project ("NEDAP"), and the National Consumer Law Center ("NCLC"). These organizations and agencies have concluded that certain communities, particularly communities of color and military families, are targeted for high interest RALs. In New York City alone, RALs cost these communities \$324 million.

Commissioner Gibson closed by stating: "Discrimination will not be tolerated by the Division. We will fully investigate these RALs to ensure the rights of all New Yorkers and to eradicate discriminatory lending practices. In the meantime, New Yorkers should be aware that numerous community groups exist to assist with tax preparation and obtaining quick refunds from the IRS at little or no cost."

The Division has posted links to reports and other resources on its website at www.dhr.state.ny.us.

The Division of Human Rights has the authority under the New York Human Rights Law to initiate its own investigations and to file complaints based on these investigations. This is the Commissioner's second Division-initiated investigation since January 2007.

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New York has the proud distinction of being the first state in the nation to enact a Human Rights Law, which affords every citizen "an equal opportunity to enjoy a full and productive life." The New York State Division of Human Rights was created to enforce this important law and does so through, among other things, the vigorous prosecution of unlawful discriminatory practices and the receipt, investigation, and resolution of complaints of discrimination. Please visit the Division's website at www.dhr.state.ny.us for additional information about the agency and its work.