

# **Instructions to New York City EROs Providing Refund Advance Loans**

(for 2019 filing season)

New York City requires certain disclosures for our taxpayer Refund Advance Loans before an application is submitted. These are in addition to the regular disclosure forms outlined in the user materials. New York City may impose financial penalties if you do not follow applicable laws by providing the appropriate forms and obtaining the required signature and dates. Additionally, we are required to suspend your account with us if you do not comply with the New York laws by providing the appropriate disclosure forms.

Please note that these laws contain various other requirements, and we highly recommend that you consult your own legal resources to ensure your compliance with all requirements.

If you are in New York City, you are not required to provide the New York State disclosure form. You must provide all taxpayers (even those who do not apply for tax refund products) with a copy of the “Consumer’s Bill of Rights” published by New York City **PRIOR TO THE TAXPAYER BECOMING OBLIGATED TO PAY YOU.** (Please note that the city version of this document is different than that published by the state, although both documents carry the same name.)

You are required to provide a separate disclosure to all applicant(s) for a taxpayer Refund Advance Loan (attached). **This form is required to be in English and in Spanish.**

- You must complete the blanks on the form before you provide the form to the applicant(s). This includes: estimated tax return without a loan; amount of loan they have applied or qualified for; and estimated dates. The first date is when the IRS acknowledges acceptance of the return, the second date will be 28 days after the e-file date, and the third date will be 21 days after the e-file date.
- BEFORE you have the applicant(s) apply for the loan, you must also have the applicant(s) sign and date this form. You must give the applicant a signed copy, as well as retain a signed copy for your files.
- In the event that a taxpayer does not understand English or Spanish, New York City requires that you **orally** inform applicants, in a language that each applicant will understand, of the information included on the taxpayer Refund Advance Loan disclosure.

Tax preparers must also:

- sign every tax return prepared;
- give a copy of every tax return prepared to the taxpayer, at the time the original tax return is given to the taxpayer for filing;
- provide the taxpayer with a statement of the charges for each tax return or schedule prepared; and
- return any of the taxpayer's personal papers upon request, when the original tax return is given to the taxpayer for filing, unless specifically permitted to retain such papers under State law.

**Legal Notice: These forms are provided as a courtesy. No representations or warranties are made that these forms fully comply with all disclosure requirements for tax refund products under applicable state, city, or local law. Please seek the opinion of your own attorney regarding pertinent laws governing your offering of tax refund products to ensure your compliance with all applicable laws.**

## New York City Disclosure for Refund Advance Loan Applicants – English

- YOU ARE NOT REQUIRED TO ENTER INTO THIS REFUND ANTICIPATION LOAN AGREEMENT MERELY BECAUSE YOU HAVE RECEIVED THIS INFORMATION.
- IF YOU **DO** SIGN A CONTRACT FOR A REFUND ANTICIPATION LOAN, YOU WILL BE TAKING OUT A LOAN.
- IF YOU **DO NOT** TAKE OUT THIS REFUND ANTICIPATION LOAN, YOU ARE ELIGIBLE TO RECEIVE A GROSS TAX REFUND OF APPROXIMATELY \$ \_\_\_\_\_.
- IF YOU **DO** TAKE OUT THIS REFUND ANTICIPATION LOAN, YOU WILL BE RESPONSIBLE TO PAY BETWEEN **\$0 AND \$142.03** IN FEES AND CHARGES FOR THE LOAN. AFTER THESE FEES ARE PAID, YOU WILL RECEIVE BETWEEN **\$500 AND \$6,000** AS YOUR LOAN.
- THE ESTIMATED ANNUAL PERCENTAGE RATE OF YOUR REFUND ANTICIPATION LOAN IS **0% OR 36%**. THIS IS BASED ON THE ACTUAL AMOUNT OF TIME YOU WILL BE LENT MONEY THROUGH THIS REFUND ANTICIPATION LOAN.
- IF YOU **DO** TAKE OUT THIS REFUND ANTICIPATION LOAN, YOU CAN EXPECT TO RECEIVE YOUR LOAN WITHIN APPROXIMATELY TWO BUSINESS DAYS OF THE DATE THE IRS ACKNOWLEDGES ACCEPTANCE OF YOUR TAX RETURN.
- IF YOU **DO NOT** TAKE OUT THIS REFUND ANTICIPATION LOAN, YOU CAN STILL RECEIVE YOUR TAX REFUND QUICKLY. IF YOU FILE YOUR TAX RETURN ELECTRONICALLY AND RECEIVE YOUR TAX REFUND THROUGH THE MAIL, YOU CAN EXPECT TO RECEIVE YOUR REFUND WITHIN APPROXIMATELY TWO BUSINESS DAYS OF \_\_\_\_\_ IF YOU FILE  
(28 days after e-file date)  
YOUR TAX RETURN ELECTRONICALLY AND HAVE YOUR TAX REFUND DIRECTLY DEPOSITED INTO A BANK ACCOUNT, YOU CAN EXPECT TO RECEIVE YOUR REFUND WITHIN APPROXIMATELY TWO BUSINESS DAYS OF \_\_\_\_\_  
(21 days after e-file date)
- PLEASE SEE BELOW FOR EXAMPLES OF POSSIBLE LOAN CHARGES ON VARIOUS LOAN AMOUNTS.

Loans are available in four possible increments: (1) \$500, (2) 25% of expected tax refund at no fee or interest, (3) 50% of expected tax refund at 36% APR, or (4) 75% of expected tax refund at 36% APR. **Examples below are based on an expected tax refund amount of \$5,200.**

<b>AMOUNT FINANCED</b> The amount of credit provided to you or on your behalf.	<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you.	<b>TOTAL OF PAYMENTS</b> The amount you will have paid after you have made all payments as scheduled.
<b>\$500</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>\$500.00</b>
<b>\$1,300 (25% of expected refund)</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>\$1,300.00</b>
<b>\$2,600 (50% of expected refund)</b>	<b>36%*</b>	<b>\$61.55*</b>	<b>\$2,661.55*</b>
<b>\$3,900 (75% of expected refund)</b>	<b>36%*</b>	<b>\$92.32*</b>	<b>\$3,992.32*</b>

*\* Estimated amount assuming loan repaid in full within 24 days of electronically filing. Early payments and partial payments may decrease the amount of interest owed. Late Payments may increase the amount of interest owed; however, the interest will cease to accrue after 45 days.*

Primary Taxpayer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Joint Taxpayer Signature (if filing jointly): \_\_\_\_\_

Date: \_\_\_\_\_