

# **Instructions to Illinois EROs Providing Taxpayer Refund Advance Loans**

(for 2019 filing season)

Illinois state law requires you to provide certain specified information to all applicants for our Refund Advance Loan.

We are providing you with a disclosure to aid your compliance with applicable law. For this disclosure:

- In the first bullet, *you must fill out the amount for preparing and electronically filing a tax return.*
- In the fourth bullet, you must include the amount *for preparing and electronically filing a tax return + the finance charges provided in the third bullet.*
- In the fifth bullet, the first table must show the APR as calculated according to Illinois law:  
*“Refund anticipation loan interest rate” means the interest rate for a refund anticipation loan calculated as follows: the total amount of refund anticipation loan fees divided by the loan amount (minus any loan fees), then divided by the number of days in the loan term, then multiplied by 365 and expressed as a percentage. The total amount of the refund anticipation loan fee used in this calculation shall include all refund anticipation loan fees as defined in this Section. If a deposit account is established or maintained in whole or in part for the purpose of receiving the consumer's tax refund to repay the amount owed on a refund anticipation loan: (i) the maturity of the loan for the purpose of determining the refund anticipation loan interest rate shall be assumed to be the estimated date when the tax refund will be deposited in the deposit account; and (ii) any fee charged to the consumer for such deposit account shall be considered a loan fee and shall be included in the calculation of the refund anticipation loan interest rate. If no deposit account is established or maintained for the repayment of the loan, the maturity of the loan shall be assumed to be the estimated date when the tax refund is received by the creditor.”*
- In the fifth bullet, the second table must show total costs by adding together the costs *for preparing and electronically filing a tax return + the cost for a refund transfer + the finance charges provided in the third bullet.*

Lastly, you must have the taxpayer and joint taxpayer, if applicable, sign and date the disclosure.

**Please Note:** There may be additional state, city, or local provisions on additional disclosures, oral disclosures, or translations of the disclosures. **Illinois has strict requirements regarding fees and calculation of APR.** Noncompliance could result in financial or criminal penalties. Additionally, we are required to suspend your account with us if you do not comply with applicable state law.

**NOTE: These forms are provided by us as a courtesy. We do not make any representations or warranties that these forms comply with the disclosure requirements for tax refund products or taxpayer advances that may meet the definition of refund anticipation loans under state law. Please seek the opinion of your own attorney regarding pertinent state laws governing your offering of tax refund products or taxpayer advances in your state to ensure your compliance with all applicable state laws.**

## NOTICE

- Your fees for preparing and electronically filing your tax return are \$\_\_\_\_\_.
- Examples of interest charged for Refund Advance Loans are set forth below.
- 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.
\$500	0.00%	\$0.00	\$500.00
\$1,300 (25% of expected refund)	0.00%	\$0.00	\$1,300.00
\$2,600 (50% of expected refund)	36%*	\$61.55*	\$2,661.55*
\$3,900 (75% of expected refund)	36%*	\$92.32*	\$3,992.32*

- If you do not purchase a Refund Transfer, the "refund anticipation loan interest rate," calculated as set forth in the Illinois statute § 815 ILCS 177/5 for the examples above, is:

<b>Amount of Approved Refund Advance Loan</b>	<b>Interest Rate</b>
\$500.00	0%
\$1,300.00	0%
\$2,600.00*	36%*
\$3,900.00*	36%*

If you do not purchase a Refund Transfer, your total cost for utilizing the Refund Advance Loan, in the examples above, *including the fee for preparing and electronically filing your tax return*, is:

\$\_\_\_\_\_ for a \$500 loan  
 \$\_\_\_\_\_ for a \$1,300 loan  
 \$\_\_\_\_\_ for a \$2,600 loan  
 \$\_\_\_\_\_ for a \$3,900 loan

- If you purchase a Refund Transfer (which is optional and not required to obtain the Refund Advance Loan), your fee for the first tax refund received is \$39.95. If you receive more than one tax refund through the Refund Transfer, there is an additional fee of \$12.00. If you are approved for a Refund Advance Loan, the "refund anticipation loan interest rate," calculated as set forth in § 815 ILCS 177/5\* (which requires inclusion of the \$39.95 or \$51.95 Refund Transfer fee in the calculation), for the examples above, is:

<b>Amount of Approved Refund Advance Loan</b>	<b>One Tax Refund Only (\$39.95)</b>	<b>Two or More Tax Refunds (\$51.95)</b>
\$500.00	121.5%	158.0%
\$1,300.00	46.7%	60.8%
\$2,600.00*	59.4%*	66.4%*
\$3,900.00*	51.6%*	56.3%*

If you purchase a Refund Transfer, your total cost for utilizing the Refund Advance Loan, in the examples above, which includes the fee for preparing and electronically filing your tax return is:

Amount of Approved Refund Advance Loan	One Tax Refund Only (\$39.95 + tax preparation and e-file fees + loan charges)	Two or More Tax Refunds (\$51.95 + tax preparation and e-file fees + loan charges)
\$500.00		
\$1,300.00		
\$2,600.00*		
\$3,900.00*		

- If the loan is approved, the estimated date that the loan proceeds will be paid to you is the date your loan is approved.
- Under the terms of your Refund Advance Loan agreement, your loan will be repaid solely from your federal tax refund, and you are not personally responsible to repay the loan and related fees if the tax refund is not paid or not paid in full.
- Electronic filing is available for your income tax return. The average time announced by the federal Internal Revenue Service within which you can expect to receive a refund if your return is filed electronically and you do not obtain the Refund Advance Loan is 8-21 days.

*\* 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.*

Taxpayer: \_\_\_\_\_

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

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

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