



Don't Pay to Borrow Your Own Money!

You may be tempted by tax-time advertisements for "Fast Cash Refund," "Express Money," or "Instant Refunds". These ads will offer to get you your refund in just a day or two, or even on the spot. Beware! Many of these "fast refunds" are really LOANS—Refund Anticipation Loans (RALs).

When you do this you're borrowing against your own tax refund money. And the Annual Percentage Rate (APR) is very high.

Example:

For a tax refund of \$2000 you might pay:

\$75 for a RAL fee

\$40 for electronic filing

\$100 for tax preparation

\$215 TOTAL

This is over 10% of your refund and computes to an interest rate of 142%!
And just think what you could have used that \$215 for!

To keep all the money you have coming to you at tax time...

- Take advantage of free taxes services offered at IRS Volunteer Income Tax Assistance (VITA) sites.
- Have your return e-filed.
- Get a bank account so your return can be direct deposited.
- Avoid check cashers who often charge an extra fee to cash tax refund checks.

By e-filing and using direct deposit your money will get to you in 10 days or less. If it comes through the US mail it can take several weeks.

Source: This information is from the National Consumer Law Center and provided by the Southwest Iowa Making Connections Program, 1-877-256-0801.