

STATE OF NEW YORK
DIVISION OF HUMAN RIGHTS
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FOR IMMEDIATE RELEASE

January 17, 2008
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***New York State Division of Human Rights
Files Nation's First Civil Rights Actions
Against
Tax Preparation Companies
For Predatory Lending Practices Targeted to
Communities of Color and Military Families***

The New York State Division of Human Rights today filed civil rights actions against Jackson Hewitt and Liberty Tax Service for these companies' predatory lending practices in connection with tax refund loans. These actions are the first in the nation to be based on civil rights laws.

The loans at issue are short-term loans based upon an individual's anticipated paycheck or income tax refund. They usually charge exorbitant fees and interest rates, and borrowers can end up with very little or nothing after the fees and interest are paid. The Division became interested in these loans after learning that tax preparation companies were located in and marketing to communities of color and military families - both of which are protected by the State's civil rights laws.

As the Division's Commissioner, Kumiki Gibson, stated upon filing the complaints: "The American Dream is premised on the notion of equal access to opportunity and fair play. Our complaints seek to ensure just that -- equal access and opportunity to financial security and fair play in lending. These actions are especially appropriate as we honor Dr. Martin Luther King, Jr., who gave his life trying to secure economic justice for people of color, and as we greet returning service men and women from Afghanistan and Iraq, who should be honored for their patriotism and service -- not targeted and victimized."

These practices are particularly egregious in light of the fact that tax refunds are available directly from the IRS at no cost, usually within two weeks of filing, and many organizations will assist taxpayers with the process free of charge.

The complaints - which will now progress through a formal investigative and perhaps adjudicative stage -- seek to compel Jackson Hewitt and Liberty Tax Service to immediately cease and desist in the unlawful conduct and comply fully with the Human Rights Law.

Commissioner Gibson will be the Keynote Speaker at the official New York State Dr. Martin Luther King Day Observance at the Empire State Plaza in Albany on January 21, 2008.

The complaints are available on the Division of Human Rights' website at www.dhr.state.ny.us.

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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.