

# Refund Anticipation Loans and Checks

Used mostly by low and moderate income consumers, tax refund anticipation loans are extremely high-cost bank loans secured by the taxpayer's expected refund — loans that last 7-14 days until the actual IRS refund repays the loan. Even without the costly loan, most taxpayers could have their refund in two weeks or less. RALs are aggressively marketed by income-tax preparation companies. They advertise "Instant Refunds" or "Quick Cash" for their cash-strapped customers who need money in a hurry, and disguise the fact that they are selling advance loans on anticipated tax refunds.

## Annual Refund Anticipation Loans Reports

The National Consumer Law Center, issues annual reports about the RAL industry:

- 2021 Tax Season: Higher Costs for Vulnerable Taxpayers During the Covid Economic Crisis, Feb. 2021; Press Release
- Report: 2020 Tax Season: More Delays and Higher Costs for Struggling Taxpayers, Jan. 2020; Press Release
- Report: 2019 Tax Season: The Return of the Interest-Bearing Refund Anticipation Loan and other Perils Faced by Consumers, April 2019. Press Release
- 2018 Press Release and Report: Tax-Time Products 2018: A New Generation of Tax-Time Loans Surges in Popularity, March 2018
- Archived Reports >>>

## Model Law

- Revised Model Refund Anticipation Loan Act with Commentary

## Litigation

- Objection of Consumer Groups to RAL-Lending Bank Republic Bancorp's Application to Switch Charter from FDIC to Office of Thrift Supervision

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