



Consumer Federation of America

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Contact:

Jean Ann Fox, CFA, 928-772-0674

Lauren Saunders, NCLC, 202-452-6252

Chi Chi Wu, NCLC 617-542-8010

Advocates Applaud Treasury Pilot Program to Speed Tax Refunds to Consumers with No Bank Account

Today the U. S. Department of Treasury [announced](#) a pilot project to offer 600,000 low-cost, prepaid debit cards to families who may not have a bank account. Consumers who receive the Treasury letter can quickly and easily obtain the card to use for receiving refunds at tax filing time this year.

“Taxpayers who already have a bank account can get speedy direct deposit of their tax refund from the IRS,” Jean Ann Fox, Consumer Federation of America (CFA) noted. “Treasury’s MyAccountNow card extends that speed to families without a bank account. It enables taxpayers to get their tax refunds fast without paying steep fees for refund anticipation loans or refund anticipation checks.”

“Treasury has made a good deal for consumers eligible for the pilot project,” noted Lauren Saunders, NCLC. “The MyAccountNow card is a well-designed prepaid card that can be a good alternative to bank accounts. It has low fees, free access to customer service, and can be used year round for routine financial transactions.”

Taxpayers can get their tax refunds in two weeks or less directly from the IRS if they file electronically and have their refunds direct deposited to an account in the name of the taxpayer. In past years, many working poor families paid extra for refund anticipation loans (RALs) and refund anticipation checks (RACs) to speed access to cash at tax time. As NCLC and CFA announced last week, the availability of RALs is much lower this tax season. (Press release available [here](#)). Since taxpayers can receive a refund just as fast with e-file and direct deposit, RACs are an unnecessary expense.

“We recommend that consumers who receive the Treasury mailer should choose the low-cost MyAccountCard instead of paying steep fees for a RAL or a RAC,” advised Chi Chi Wu, National Consumer Law Center.

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National Consumer Law Center® is a non-profit organization specializing in consumer issues on behalf of low-income people. NCLC works with thousands of legal services, government and private attorneys, as well as organizations, who represent low-income and elderly individuals on consumer issues.

The Consumer Federation of America is an association of nearly 300 nonprofit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy and education.