

XI. APPENDICES

GLOSSARY

Credit Score – a number typically between 300 and 850 that is based upon a statistical analysis of person's credit files (typically from the three major credit bureaus), to represent the creditworthiness of an individual (http://www.en.wikipedia.org/wiki/Credit_score, 2007)

Fringe Economy – Refers to a range of businesses that engage in financially predatory relationships with low income or heavily indebted consumers by charging excessive interest rates, super high fees, or exorbitant prices for goods or services (Karger, 2006)

- **Auto Title Loans** – a short – term cash loan usually no longer than 30 days with high interest rate. The loan is secured by a free and clear title.
- **Buy Here – Pay Here Car Lots - Used** car lots that offer loans with high interest rates.
- **Check Cashing Stores** – Stores\ businesses that cash checks for a fee.
- **Payday Loans** - Small short-term loans, usually no more than \$1,500 to cover expenses until the borrowers' next payday
- **Money Transfer Company** – Allows people to make direct bill payments and ether send money either to a person or bank account for a fee
- **Pawnshops** – Gives loans while holding objects of value. The pawnbroker returns the object when the loan is repaid, usually at a high interest rate. The collateral is sold if the borrower does not repay the loan in a specified time.
- **Refund Anticipation Loans** – Short –term loans, often with high interest rates or fees, secured by an expected tax refund
- **Rent to Own Stores** – Rents short or long-term consumer goods. The consumer pays more than the item is worth in addition to high interest rates.

FICO – a method developed by Fair Isaac & Co. to determine the likelihood that the credit users will pay their bills (<http://www.mtg-net.com/sfaq/faq/fico.htm>, 2007)

IDA – Individual Development Account – a special matched savings account designed to help those of modest means establish a pattern of regular savings and, ultimately purchase a productive assess (<http://www.workworld.org>, 2007)

Loan Flipping – the practice of a borrower being encouraged to get a new loan or by refinancing “rolling over” an existing loan. Usually results in additional fees and higher interest rates (http://www.pliwatch.org/tips_fliploan.html)

Mainstream Financial Institutions – banks, savings and loans, and credit unions that act as intermediaries between the capital and debt markets, facilitating the flow of money through the economy and lend money to qualifying borrowers (Morisseau-Kuni, 2007)

Predatory Lending - the practice of intentionally placing consumers in loan products with significantly worse terms and or higher costs than loans offered to similarly qualified consumers in the region for the primary purpose of enriching the originator and with little or no regard for the costs to the consumer (<http://www.dollarsandsense.org> , 2007)

Secured Credit Card – credit cards that are secured with cash collateral for persons who more than likely would not qualify for a conventional rate bank issued card (<http://www.finweb.com> , 2007)

Unbanked – refers to those individuals who have no relationship with a bank or other mainstream financial institutions (Friedman, 2005).

MONITORING REPORTS

KEEP THE MONEY FOR YOURSELF MONITORING REPORT**MAY 2007 –SEPTEMBER 2007**

PERSON RESPONSIBLE FOR MONITORING: Ester L. Ainsworth

FREQUENCY OF MONITORING: Monthly

ACTIVITIES	DATES	STATUS	TIMELINESS	EXPLANATION FOR DELAY	ALTERNATIVE ACTION	ATTAINMENT OF OUTPUTS
Identification of Funding Sources (staff & programmatic costs)	Start: 5/15/07 End: 8/31/07	Partially Completed	Postponed	Coalition deemed it best to focus on campaign for 2006 tax filing season.	Solicit City of Jackson to use existing funding from the Housing and Community Development Office	Target : 6 funding sources To Date: 1
Identification of potential sites to house Financial Literacy Program	Start: 5/15/07 End: 8/31/07	Partially Completed	Postponed	Coalition deemed it best to focus on campaign for 2006 tax filing season.	Solicit City of Jackson to absorb Program	Target: 4 sites To Date: 1
Identification of potential members for Board of Directors	Start: 5/15/07 End: 9/30/07	Partially Completed	On Schedule			Target: 30 persons To Date: 10
Hire Project Staff	Start: 5/15/07 End: 7/31/07	Partially Completed	Postponed	Coalition deemed it best to focus on campaign for 2006 tax filing season.	Solicit City of Jackson to use personnel from existing staff in Housing and Community Development Office with technical skills to implement Program	Target: 4 persons To Date: 0
Initiate Project (Outreach Campaign for *VITA Program)	Start: 5/15/07 End: 9/30/07	Started	On Schedule			Target – 3 Community Wide Meetings 1
* Volunteer Income Tax Assistance Program						

KEEP THE MONEY FOR YOURSELF MONITORING REPORT

NOVEMBER 2007

PERSON RESPONSIBLE FOR MONITORING: Ester L. Ainsworth

FREQUENCY OF MONITORING: Monthly

ACTIVITIES	DATES	STATUS	TIMELINE SS	EXPLANATION FOR DELAY	ALTERNATIVE ACTION	ATTAINMENT OF OUTPUTS
(Outreach Campaign for VITA Program)	Start: 9/1/07 End: 11/30/07	Started	On Schedule			Target 500 – EITC Brochures to Public To Date – 1,000
Provide Training for VITA Program Site Coordinators	Start 11/12/07 End – 11/16/07	Complete d	On Schedule	This will be an ongoing process for the Coalition		Target 2 - Site Coordinators To Date – 2
Program Monitoring & Evaluation	Start: 5/15/07 End: 10/31/07	Partially Complete d	On Schedule	This will be an ongoing process for the Project	Continue to review and assess project activities	Target – Conduct 2 program activities for review and evaluation To Date - 4

KEEP THE MONEY FOR YOURSELF MONITORING REPORT

DECEMBER 2007 - JANUARY 2008

PERSON RESPONSIBLE FOR MONITORING: Ester L. Ainsworth

FREQUENCY OF MONITORING: Monthly

ACTIVITIES	DATES	STATUS	TIMELINE SS	EXPLANATION FOR DELAY	ALTERNATIVE ACTION	ATTAINMENT OF OUTPUTS
Outreach Campaign for VITA Program	Start: 9/1/07 End: 04/30/08	Started	On Schedule			Target 3 Mass Media Campaigns for VITA Program To Date: 2
Soliciting and surveying of Program Participants	Start: 9/1/07 End: 04/30/08	Started	On Schedule			Target 50 Participants To Date: 25
Opening of VITA Centers	Start 01/11/08 End – 04/16/08	Comple ted	On Schedule			Target 9 Sites To Date – 9
Program Monitoring & Evaluation	Start: 5/15/07 End: 05/15/08	Partially Comple ted	On Schedule	This will be an ongoing process for the Project	Continue to review and assess project activities	Current Target – Prepare 200 Free Tax Returns To Date – 150 accepted

COMMUNITY SURVEY

Helping Our Community to *"Bring the Wealth Home"*

Dear Community Participant,

I am inviting you to participate in this research project to help us find out how people in our community get their taxes prepared. We want to use this information to help us improve the service we offer at our VITA centers. **VITA is a Volunteer Income Tax Assistance program that is FREE to the public.** I have attached a short survey about rapid anticipation loans, check cashing companies, and federal income tax refunds. The survey should take you about twenty minutes to complete. The West Jackson Weed and Seed Program will use the information to help provide better financial assistance to the residents of our community and the City of Jackson.

This survey is a voluntary survey. If you choose to participate in this survey please fill in your answers and **give the survey back to me, fax it to 601-960-2192 or return it as instructed.** Please do not put your name on the survey. I promise to respect your privacy. No one will know that you completed the survey or how you completed the survey when we review the information.

Please know that there are no risks to you for filling out this survey. If you are interested in the results of the survey I will be happy to share the results with you. Please call me at 601-960-2001 and I will send you a copy of the information or if you have any questions about being a part of this study.

Thank You.

Ester L. Ainsworth
Neighborhoods Division Manager, City of Jackson
Weed and Seed Coordinator
Jackson Asset Building Coalition

"Bringing the Wealth Home" Survey

Date: _____

Gender ☐ Female ☐ Male

Age Group ☐ 18 – 24 ☐ 25- 29 ☐ 30-34
☐ 35 – 39 ☐ 40- 44 ☐ 45-49
☐ 50– 54 ☐ 55- 59 ☐ 60+

Marital Status ☐ Single ☐ Married ☐ Other

Race ☐ White ☐ Black or African American
☐ American Indian ☐ Asian ☐ Other

What is your income level?

☐ \$ 0 – \$4,999 ☐ \$5,000 - \$9,999
☐ \$10,000 – \$14,999 ☐ \$15,000 - \$19,999
☐ \$20,000 – \$24,999 ☐ \$25,000 - \$29,999
☐ \$30,000 – \$34,999 ☐ \$35,000 - \$39,999
☐ \$40,000 – \$44,999 ☐ \$45,000 or more

What is your educational level?

☐ less than high school ☐ Some High School ☐ GED
☐ High School Degree ☐ Some College ☐ College Degree
☐ College Degree or Higher

DO YOU GET ALL THE BENEFITS YOU ARE ELIGIBLE FOR?

1. Do you have any children? ☐ Yes ☐ No
2. Do you have any children under the age of 18? ☐ Yes ☐ No
3. How many of them live in your household? _____
4. Do you claim them on your taxes? ☐ Yes ☐ No
5. Did you receive the Earned Income Tax Credit benefit for your children? ☐ Yes ☐ No
6. Do you know if you qualify for an Earned Income Tax benefit or other tax benefits? ☐ Yes ☐ No
7. Would you like to know more about the Earned Income Tax and other Tax Credit Programs? ☐ Yes ☐ No

YOU AND YOUR TAXES

8. My taxes are prepared by:
 - ☐ Tax Preparation Service (i.e., Econotax, H& R Block, etc...)
 - ☐ the IRS Office on Farish Street
 - ☐ Local VITA Center (Free income tax preparation)
 - ☐ Other (Specify) _____
9. How many tax preparation services are in your community?
 - ☐ 0 - 4 ☐ 5 - 9 ☐ 10 - 14 ☐ 15 - 19 ☐ 20 or more

10. Do you have access to a VITA Center (Free Tax Service)? ☐ Yes ☐ No
11. Do you get your taxes prepared by:
- ☐ the same service every year ☐ a different service every year
12. When you file your taxes do you use:
- ☐ your W-2 Tax Statement
- ☐ your last check stub
- ☐ other (Specify) _____
13. When you filed your taxes last year did you get a/an
- ☐ a refund
- ☐ refund anticipation loan
- ☐ neither -- I owed
- ☐ extension
14. Did you know that you got a refund anticipation loan? ☐ Yes ☐ No
15. Approximately how much were you charged for the refund anticipation loan?
- | | |
|--|--|
| <input type="checkbox"/> \$50 - \$99 | <input type="checkbox"/> \$100 - \$149 |
| <input type="checkbox"/> \$150 - \$299 | <input type="checkbox"/> \$300 - \$349 |
| <input type="checkbox"/> \$350 - \$399 | <input type="checkbox"/> \$400 - \$449 |
| <input type="checkbox"/> \$450 - \$499 | <input type="checkbox"/> \$500 or more |
16. How many times have you received a refund anticipation loan?
- ☐ 0- 4 tax years ☐ 5 or more tax years

17. Were you aware of other ways to get your refund other than getting a refund anticipation loan? ☐ Yes ☐ No
18. After you got your taxes prepared, did the person or the company you used offer to help you if there was a problem with your taxes? ☐ Yes ☐ No
19. I used:
- ☐ direct deposit for my refund
- ☐ direct deposit for my refund anticipation loan
- ☐ a check cashing service to get my money because I don't use banks
20. If you used a check cashing service to get your check cashed, how much did you pay for the service?
- ☐ 0% - 4% ☐ 5% - 9% ☐ 10% - 14% ☐ 15% - 19% ☐ 20% or more
21. How many check cashing services are in your community?
- ☐ 0 - 4 ☐ 5 - 9 ☐ 10 - 14 ☐ 15 - 19 ☐ 20 or more

Thank you for completing this survey.



to make sure that you have answered all of the questions.

NEWS REPORT ON RAPID ANTICIPATION LOANS

WLBT 3 - Jackson, MS: Three On Your Side Investigates: Tax Refund Loans

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Jackson, MS 02/01/2007

Three On Your Side Investigates: Tax Refund Loans

By: Marsha Thompson
marsha@wlbt.net

An untold number of tax service businesses are cropping up in Mississippi. They offer promises of quick cash. An offer called "refund anticipation loans." Experts say it's a costly loan. A West Jackson tax service business offering "RAL'S" was raided by U.S. Secret Service agents Wednesday.

Experts say tax refund loans that may cost you a lot more than you know. In North Jackson, Lady Liberty halls taxpayers in with a huge American flag. Street front tax loan businesses are popping up everywhere. Even on a side street in West Jackson. The owner refused to go on camera. We asked if he was a Certified Public Accountant. His response, "NO." When asked about his tax refund loan business he said it was off from last year.

The lure of these loans; promises of fast cash. No-W2's no problem. We found this tax loan service doing business in a residential neighborhood. U.S. Secret Service agents armed with a search warrant seized records from Singleton Tax service Wednesday. When we tried to get more information from women hiding inside but they told us to get away from their gate and slammed the door.

The Fed's tell us the investigation surrounds several cases of identity theft. No one at the home would comment. Oddly enough, people from all parts of Mississippi flocked there for tax preparation. One truck that drove up had a Pike County tag. Another from Lincoln County. A passenger who refused to identify herself told us "A friend said this was a good place to get taxes done. She said she was great at itemizing, putting down things to get more money back." "So you can get more money back?" Yes, "the woman replied. Signs on the gate offer refund anticipation loans, a quick way to get your tax refund. The problem; it's actually an expensive short term loan. In this case from HSBC bank.

Bill Moak, President of the Better Business Bureau of Mississippi the problem is that the lender fees associated with RAL'S can translate into annual percentage rates of about 60% to 650%, far greater than the cost of other kinds of loans. RAL's also are more likely to negatively affect the working poor, hitting them at a time when holiday purchases made on credit are about to hit their wallets.

But do taxpayers understand the bottom line of borrowing refunds and the interest rates that are added on? According to Liddell Tax Service yes. The man who came to the door refused to go on camera but said, "I tell them it's a loan and that it's expensive."

Jeralisa Champion said Singleton Tax charged her \$404.00 dollars to do her taxes. Some of that was interest that would go to the bank for her loan.

Connie Dinkins told us, "We know we brought out W-2's in and we just want our money. I have waited over a month for mine."

Dinkins claims the IRS said her tax refund money was clear. Champion told us she has used Singleton Tax Service repeatedly and was also promised her check in two weeks. "No money came back, according to the single mother. She was due over \$5,000.00.

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WLBT 3 - Jackson, MS: Three On Your Side Investigates: Tax Refund Loans

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To make it even worse, the IRS told Ms. Champion Thursday she owes over 2-thousand dollars in back taxes from 2004. She says Singleton Tax prepared the documents. Authorities say refund anticipation loans are annual interest rates can be up to 650%...some even say the tax services are rip-off's preying on those who least afford it...the working poor.

Assistant Attorney General, Grant Hedgepeth said, "Consumers need know who they are doing business with." There are no laws banning risky refund anticipation loans. Tax experts warn instant gratification can turn into an instant deduction from your pocketbook.


The Better Business Bureau says it's better if taxpayers are patient. You can get refunds back in two weeks if filed electronically. The IRS also offers free tax assistance. The IRS Income Tax Assistance (VITA) program, which operates with IRS-trained volunteers, can be found in libraries, community centers, and other locations during tax time. For the nearest VITA site, call 1-800-TAX-1040.



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COMMUNITY OUTREACH SAMPLES




SAVE THE DATE


January 11, 2008

so you can

Bring the Wealth Home



Please call 211 or 601-360-0450 for more information.



WEST JACKSON WEED & SEED, INC.
HELPING YOU TO

“KEEP THE MONEY FOR YOURSELF”

West Jackson Weed & Seed Inc., in conjunction with the Jackson Asset Building Coalition and the IRS is providing **FREE** income tax preparation and assistance for low to moderate income individuals and families. Services will be provided at the **Olin Park Family Life Center** located at **628 Poindexter Street**.

For More Information, Please Contact
Ester L. Ainsworth @ 601-968-2001 or Theresa King @ 601-353-0371 or 601-212-1262

BRING THESE ITEMS WITH YOU!

- Valid Picture ID
- Copies of ALL W2, 1098, 1099 forms
- Social Security Number (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Tax identification number & Address for child/Dependent Day Care
- Account & routing transit number for direct deposit/debit
- Copy of 2006 return (if you have it)
- Amounts of Other Income

VITA CENTER HOURS
JANUARY 11, 2008 – APRIL 15, 2008
MONDAY - 9:00 A.M. – 12:00 P.M.
TUESDAY – 10:00 A.M. – 12:00 P.M.
WEDNESDAY – 9:00 A.M. – 12:00 P.M.
THURSDAY – 9:00 A.M. – 12:00 P.M.
FRIDAY – 10:00 A.M. – 12:00 P.M. & 4:00 P.M. – 6:00 P.M.
SATURDAY – 1:00 P.M. – 5:00 P.M.

SAVINGS FOR THE COMMUNITY THROUGH THE VITA PROGRAM

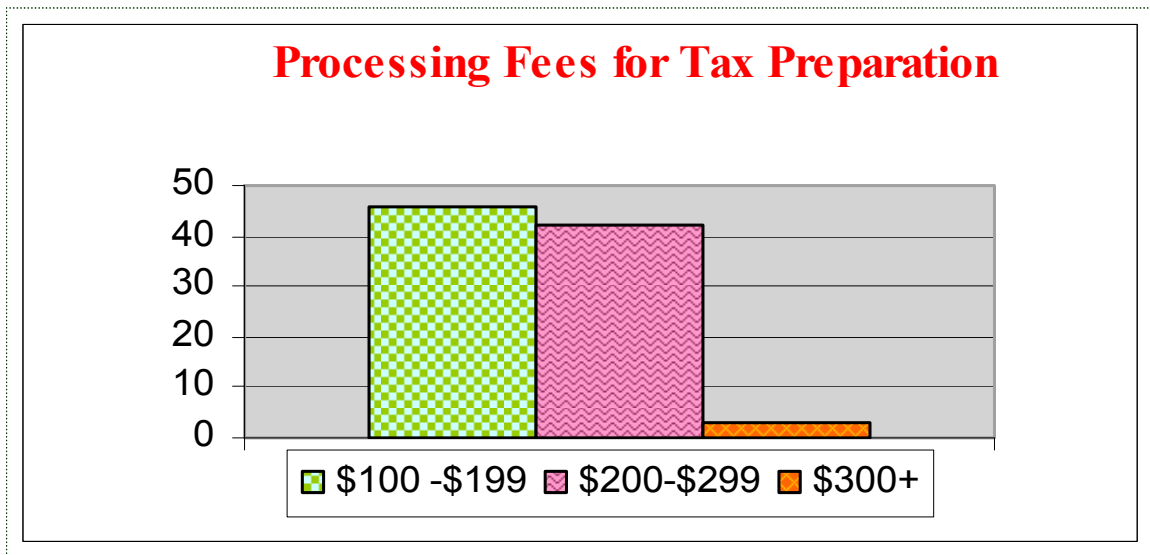
JACKSON HINDS ASSEST BUILDING COALITION

EARNED INCOME TAX CREDIT		TOTAL REFUND AMOUNT	
2006	2007	2006	2007
\$797,066.00	\$1,180,937.00	\$1,564,319.00	\$2,073,265.00

2006 – AS OF APRIL 16, 2007

2007 -AS OF MARCH 16, 2008

NOTE – TAXES WERE PREPARED FREE!



COMMUNITY TESTIMONIAL

PROGRAM PARTICIPANT TESTIMONIAL**DeAndra Taylor**

This Program was very beneficial to me and my finances, of course, because Ms. Ainsworth didn't charge me anything. I was overjoyed because last year I paid out half of what my refund was. At the time the opportunity came to the AmeriCorps group. I was looking for the cheaper, but knowledgeable place to have my taxes prepared. Ms. Ainsworth was there and it seems that she answered my prayers. Although it was better because she was preparing my taxes for **FREE** and that's a word we all love! **I paid \$100 and my refund was \$200. This year I got all of my tax refund back!**

Thank you Ms. Ainsworth
&
The Weed and Seed Program



