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## ASSET BUILDING POLICY PROJECT

March 11, 2009

The Honorable Andy Coulouris  
State Representative  
Chair of House Committee on Banking and Finance  
State Capitol  
P.O. Box 30014  
Lansing, MI 48909-7514

CC: Members of House Committee on Banking and Finance

Dear Representative Coulouris:

The Michigan Asset Building Policy Project (ABPP) at the Community Economic Development Association of Michigan (CEDAM) is the coordinating entity of the Michigan Asset Building Coalition (ABC), a diverse, bipartisan alliance of nonprofit, for-profit, governmental organizations, institutions and individuals actively engaged in supporting effective strategies to reduce asset poverty and help working families achieve lasting and sustainable financial security.

ABC members believe that understanding financial products and services is critical to helping Michigan families build wealth and savings in difficult economic times. This understanding, or improved financial literacy, is an integral part of Michigan's solution to meet the challenges brought on by rising unemployment, the foreclosure crisis and uncertainty in the financial marketplace. This is why ABC members have come to Lansing today - to ask you to support House Bill 4166 which would provide disclosure for refund anticipation loans (RALs).

The ABC members who have signed this letter firmly believe that House Bill 4166 will protect and empower Michigan families by ensuring that they know the true costs of RALs so that they can make an informed choice regarding their personal finances.

Please accept this letter as testimony of our support for House Bill 4166 before the House Committee on Banking and Finance on Thursday, March 12, 2009.

The following signatures represent members of the Michigan Asset Building Coalition who came to Lansing, Michigan on Wednesday, March 11, 2009 to advocate for advancing public asset building policy in Michigan, including refund anticipation loan disclosure in the form of House Bill 4166.

Name	Organization	Signature
1. Ross H. YEDOUZ	CEDAM East Lansing Public Schools	Ross Yedouz
2. JILL GREEN	Housing & Community Development	Jill Green
3. Kathleen Arc	Accounting, Public Health	Kathleen Arc
4. Andre McIlwain	Quality Solutions-CDC	Andre McIlwain
5. Essex Jerome	Quality Solutions-CDC	Essex Jerome
6. Peggy Vanquyen-Thuong	Northwest Initiative	Peggy Vanquyen-Thuong
7. LINDSEY	GREATER LANSING -COMMUNITY DEVELOPMENT	Lindsay
8. ...	...	...
9. Rowland Watkins	Young Debut Builders	Rowland Watkins
10. Sally A. LePore	Housing & Community Development	Sally A. LePore
11. John Zeller	LIGHTHOUSE of OAKLAND CAREY	John Zeller
12. Tiffany Linnick McKissic	CEDAM	Tiffany Linnick McKissic
13. DAVID T. LAW	Joy Southfield CDC Detroit	David T. Law
14. Alicia Miller	WAPSI Training Center Non-Profit Management	Alicia Miller
15. Monica Libero	SEMI-PROFIT ORGANIZATION	Monica Libero

The following signatures represent members of the Michigan Asset Building Coalition who came to Lansing, Michigan on Wednesday, March 11, 2009 to advocate for advancing public asset building policy in Michigan, including refund anticipation loan disclosure in the form of House Bill 4166.

	Name	Organization	Signature
1.	Amy Smith	Michigan Asset Building Coalition	<i>[Signature]</i>
2.	John Williams	Inner City Christian Federation	<i>[Signature]</i>
3.	Kerene Coates	Michigan Asset Building Coalition	<i>[Signature]</i>
4.	Tom Caldwell	Great Lakes Capital Fund	<i>[Signature]</i>
5.	Tom Caldwell	Great Lakes Capital Fund	<i>[Signature]</i>
6.	Michelle	Michigan Asset Building Coalition	<i>[Signature]</i>
7.	Kamela D. Brown	Director of Homeless Sheltering	<i>[Signature]</i>
8.	Lisa Naszkowski	Kant Capital	<i>[Signature]</i>
9.			
10.			
11.			
12.			
13.			
14.			
15.			

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### REFUND ANTICIPATION LOAN (RAL) DISCLOSURE PROTECTS MICHIGAN TAX PAYERS

Every year during tax season, thousands of Michigan taxpayers pay millions of dollars in fees to receive a high-interest, short-term loan for the anticipated amount of their income tax refund. Called Refund Anticipation Loans (RALs), these loans are offered by professional tax preparers who often deceptively market them as a "rapid refunds" and not loans. As a result, consumers are often unaware that the money they receive is a loan and not their actual refund, and that there are high costs and fees associated with the loan.

To better inform consumers, the ABPP supports House Bill 4166 and Senate Bill 189 which would require the disclosure of certain information by those issuing RALs. Specifically, this legislation would require disclosure of the following:

- All interest, fees and hidden costs associated with RALs
- That an RAL is a loan and not a refund
- That the taxpayer could file electronically without applying for the RAL to expedite processing time
- The estimated time a refund would take to be issued by the government (usually 8-12 days)
- That there is no guarantee that the refund will equal what is on the tax form
- That the taxpayer is responsible for the difference if the tax form is not correct

This legislation does not ban RALs. Rather, House Bill 4166 and Senate Bill 189 seek to inform consumers so that they can make educated decisions regarding their personal finances and protect themselves from the predatory practices of some less-than-scrupulous individuals in the financial service industry.

**The Michigan Asset Building Coalition (ABC)** is a diverse, bipartisan alliance of nonprofit, for-profit and governmental organizations, institutions and individuals actively engaged in supporting effective strategies to reduce asset poverty and help working families achieve lasting and sustainable financial security. Working collaboratively in Action Committees, ABC members utilize their experience and expertise as asset building practitioners to recommend specific changes in state and federal policy that improves the quality of life for Michigan families and the communities they call home.

**The Michigan Asset Building Policy Project (ABPP)** at the Community Economic Development Association of Michigan (CEDAM) strategically coordinates all policy, communication and advocacy efforts of the ABC. Working to advance the ABC Policy Agenda, the ABPP actively engages policymakers and stakeholders to support public policy that increases access to higher education, career-advancement and job-training opportunities, improves personal economic and finance skills, and empowers low-wage workers and families to escape poverty through the building and development of personal assets.



FOR MORE INFORMATION CONTACT:  
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