



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC Encourages Taxpayers to Take Advantage of IRS Programs and Save More of Their Refunds

With the start of the tax season, the Federal Deposit Insurance Corporation (FDIC) is encouraging low- and moderate-income taxpayers to take advantage of IRS programs and bank services that can help them save more money for future goals, including buying a home or funding a child's education. One example is the IRS-coordinated Volunteer Income Tax Assistance (VITA) program that provides free tax-preparation services for qualifying individuals. Another example is the new IRS flexibility for people who receive tax refunds via direct deposit to split the money into as many as three different bank accounts instead of just one.

"Low- and moderate-income consumers should take advantage of every opportunity to save money on their tax preparation, qualify for tax credits, and use direct deposit to put a part of their refunds into a savings account where it can grow," said FDIC Chairman Sheila C. Bair.

The IRS has said that the ability to direct deposit tax refunds in up to three different checking and savings accounts at up to three different U.S. financial institutions encourages more taxpayers to put part of their refunds into both savings and checking accounts, and to increase their use of mainstream financial services.

VITA sites, which are staffed by volunteers who receive certification through the IRS, provide a valuable service to individuals who cannot afford the services of a private tax-preparer. VITA sites also help consumers determine if they are eligible for tax credits and deductions that can result in hundreds or thousands of dollars in savings.

[The FDIC today sent a letter to the more than 5,200 banks it supervises encouraging them to consider ways to get involved with the VITA program.](#) Examples cited by the FDIC include facilitating the delivery of financial education, opening new accounts for people who visit VITA sites, and making bank staff aware of volunteer opportunities at



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-6-2007

VITA sites. The FDIC reminded banks that their participation can result in favorable consideration under Community Reinvestment Act (CRA) rules.

"The FDIC encourages the banks we supervise to be responsive to the lending and deposit needs of low- and moderate-income individuals and to offer appropriate products and services," Chairman Bair said. "Participation in the VITA program can be a win-win situation for individual consumers, financial institutions and the communities they serve."

Low- and moderate-income individuals interested in obtaining free tax return preparation should call the IRS at 1-800-829-1040 or go to www.irs.gov/individuals to locate a VITA site. Financial institutions interested in exploring opportunities to be involved with the VITA program should contact their regional FDIC Community Affairs Officer.

The FDIC partners with the IRS through a formal memorandum of understanding that is intended, in part, to help form a strong coalition of FDIC-supervised institutions and community groups in support of the VITA program. In addition, the FDIC-IRS partnership is designed to enhance financial management skills and create positive banking relationships for underserved individuals.

Additional information about FDIC programs to help the unbanked enter the financial mainstream is available at www.fdic.gov/consumers/community.