

H&R Block Joins Major Banks to Accelerate Refund Lending Reform

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Leading refund lending banks will work with tax preparation company to offer new, lower-priced products

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LAS VEGAS – H&R Block today announced it has joined with leading refund lenders to dramatically lower the cost of refund anticipation loans (RALs) nationwide to 36 percent APR both through H&R Block offices and other professional tax preparers.

Last year, H&R Block introduced the industry's first 36 percent APR RAL disbursed through H&R Block Bank's Emerald Prepaid MasterCard™. This year, at its 12,800 offices, H&R Block will broaden access to that type of RAL, making a 36 percent APR RAL available to all clients.

In addition, H&R Block will introduce access to low-cost RALs through independent tax preparers who use TaxWorks and 1040Works software from RedGear Technologies, a recent H&R Block acquisition. These loans will feature a 36 percent APR, available through this channel. H&R Block is working with leading refund lending banks as providers of the products.

“Over the past several years we've taken important steps to drive change in refund lending by lowering fees and improving and simplifying consumer information,” said Mark Ernst, chairman and CEO of H&R Block. “We believe further reform is necessary to ensure that consumers have more choices to get a loan when they need it and at more affordable prices.

“These steps demonstrate the commitment industry leaders have to responsible lending and promoting responsible practices within the industry,” Ernst added. “That's what the true professionals in our business want.”

This approach to refund lending is designed to pass economic benefits directly to consumers, improve disclosures and provide even greater transparency for refund lending products. The new RAL pricing can save millions of Americans money by reducing RAL fees and eliminating electronic filing fees at independent tax firms. The new RAL pricing means clients of independent tax preparers will pay \$60 for a refund anticipation loan that last year cost \$127 (based on costs for an average refund loan of \$2,700 through professional tax preparation software).

The loan products made available to professional tax preparers through TaxWorks and 1040Works will be branded ANEW™. The ANEW product line will be offered to professional tax preparers who support the pricing and disclosure standards.

“Millions of Americans use professional tax preparers every year,” Ernst said. “By joining with leading refund lending banks, we can make this product available to any preparer who supports the disclosure requirements and pricing that will deliver savings and transparency to their clients.”

H&R Block's recent purchase of TaxWorks has enabled Block to provide software solutions that include refund lending to the commercial tax preparation market for the first time. Block also recently acquired ExpressTax, a 300-location tax

preparation franchise business. TaxWorks and ANEW products will be available to all new Express Tax franchisees in the 2008 tax filing season.

For more information about the ANEW product line, please visit www.theanewcard.com. For more information about the tax preparation software used to offer ANEW products, visit www.taxworks.com and www.1040works.com.

About H&R Block

H&R Block Inc. (NYSE: HRB) is a leading provider of tax, accounting, and related financial products and services. H&R Block is the world's largest tax services provider, having prepared more than 400 million tax returns since 1955. The company and its subsidiaries reported revenues of \$4.0 billion and net income from continuing operations of \$374.3 million in fiscal year 2007. The company has continuing operations in three principal business segments: Tax Services (income tax return preparation and related services and products via in-office, online and software solutions); Business Services (accounting, tax and business consulting services primarily for midsized companies); and Consumer Financial Services (tax-related banking services along with brokerage services, investment planning and related financial advice). Headquartered in Kansas City, Mo., H&R Block markets its continuing services and products under two leading brands – H&R Block and RSM McGladrey. For more information visit our Online Press Center at www.hrblock.com.

Forward Looking Statements This release may contain forward-looking statements, which are any statements that are not historical facts. These forward-looking statements are based upon the current expectations of the company and there can be no assurance that such expectations will prove to be correct. Because forward-looking statements involve risks and uncertainties and speak only as of the date on which they are made, the company's actual results could differ materially from these statements. These risks and uncertainties relate to, among other things,