

H&R Block Responds to IRS Elimination of the Debt Indicator

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Alan Bennett, H&R Block (NYSE: HRB) president and CEO, offered a response to Thursday's IRS announcement that the government agency will eliminate the debt indicator for 2011.

"Today, the IRS took action that will likely increase the cost of refund anticipation loans for millions of low- to moderate-income taxpayers. We were disappointed by its decision to eliminate the debt indicator -- an essential underwriting tool banks use when considering whether to loan money to clients.

"While we expect this decision will only reduce our earnings per share by about \$.05 in 2011, our real concern is how the increased lending risk will potentially hurt consumers with significantly lower loan approval rates and higher costs for the most vulnerable taxpayers.

"It is unfortunate that those impacted by this decision are often unbanked or under-banked and have no unified voice or trade organization to represent them. They will visit our offices during tax season seeking tax refund-related products and learn their choices are now more limited and potentially more expensive than in years past.

"Restricting the debt indicator does not eliminate the need for refund anticipation loans. As a result of the IRS's decision, the nearly 8 million low- to moderate-income consumers who select this product each year will likely be forced to seek higher-cost -- and often unregulated -- credit."

Forward-Looking Statements This announcement may contain forward-looking statements, which are any statements that are not historical facts. These forward-looking statements are based upon the Company's current expectations 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, uncertainties regarding the Company's ability to attract and retain clients; meet its prepared returns targets; uncertainties and potential contingent liabilities arising from our former mortgage loan origination and servicing business; uncertainties in the residential mortgage market and its impact on loan loss provisions; uncertainties pertaining to the commercial debt market; competitive factors; the Company's effective income tax rate; litigation defense expenses and costs of judgments or settlements; uncertainties regarding the level of share repurchases; and changes in market, economic, political or regulatory conditions. Information concerning these risks and uncertainties is contained in Item 1A of the Company's 2010 annual report on Form 10-K and in other filings by the Company with the Securities and Exchange Commission. The Company does not undertake any duty to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

About H&R Block H&R Block Inc. (NYSE: HRB) is one of the world's largest tax services providers, having prepared more than 550 million tax returns since 1955. In fiscal 2010, H&R Block had annual revenues of \$3.9 billion and prepared more than 23 million tax returns worldwide, utilizing more than 100,000 highly trained tax professionals. The Company provides tax return preparation services in person, through H&R Block At Home(TM) online and desktop software products, and through other channels. The Company is also one of the leading providers of business services through McGladrey. For more information visit our Online Press Center at www.hrblock.com.

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