

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): August 5, 2005

H&R BLOCK, INC.

(Exact name of registrant as specified in charter)

Missouri
(State of Incorporation)

1-6089
(Commission File Number)

44-0607856
(I.R.S. Employer
Identification Number)

4400 Main Street, Kansas City, MO **64111**
(Address of Principal Executive Offices) (Zip Code)

(816) 753-6900
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Item 1.01. Entry into a Material Definitive Agreement

On August 5, 2005, Option One Mortgage Corporation (“OOMC”) and Option One Loan Warehouse Corporation (“OOLWC”), wholly owned subsidiaries of H&R Block, Inc. (the “Company”), entered into (i) the Amended and Restated Sale and Servicing Agreement dated August 5, 2005 among OOMC, OOLWC, Option One Owner Trust 2003-4 (the “Trust”), and Wells Fargo Bank, National Association (“Wells Fargo”) (the “Amended and Restated SSA”), and (ii) the Amended and Restated Note Purchase Agreement dated August 5, 2005 among OOMC, OOLWC, the Trust, Falcon Asset Securitization Corporation, Jupiter Securitization Corporation, Preferred Receivables Funding Corporation, financial institutions party thereto and JPMorgan Chase Bank, N.A. (“JPMorgan”) (the “Amended and Restated NPA”) (the Amended and Restated SSA and the Amended and Restated NPA are hereinafter referred to collectively as the “Amended SSA and NPA”).

The primary purpose of the Amended SSA and NPA was to extend the term of OOMC’s off-balance sheet financing arrangement with JPMorgan to fund daily non-prime originations through October 4, 2005, subject to various triggers, events or occurrences that could result in earlier termination (the “JPM Warehouse Facility”).

The JPM Warehouse Facility provides funding totaling \$1,500,000,000 from August 5, 2005 through October 4, 2005. The JPM Warehouse Facility bears interest at one-month LIBOR plus additional margin rates and is subject to various OOMC performance triggers, limits and financial covenants, including a tangible net worth ratio, capital adequacy test, non-warehouse leverage ratios, net income test and cross-default features in which a default under other arrangements to fund daily non-prime originations would trigger a default under the JPM Warehouse Facility. In addition, the JPM Warehouse Facility permits JPMorgan at any time to require the Trust to redeem specified borrowed amounts outstanding under the JPM Warehouse Facility.

Under the JPM Warehouse Facility, non-prime loans originated by OOMC are sold daily to the Trust, which utilizes the JPM Warehouse Facility to purchase the loans. The Trust subsequently sells the loans directly to third-party investors or back to OOMC to pool the loans for securitization, as directed by its third-party beneficial interest holders. The decision to complete a whole loan sale or a securitization is dependent on market conditions. See “Off-Balance Sheet Financing Arrangements” in Item 7 of the Company’s Form 10-K/A for the fiscal year ended April 30, 2005.

Certain parties to the JPM Warehouse Facility have other relationships with the Company or its affiliates. JPMorgan and an affiliate of Wells Fargo are lending parties pursuant to (i) a \$1,000,000,000 364-day revolving credit facility maintained by Block Financial Corporation (“BFC”), as borrower, and the Company, as guarantor, with various lenders and (ii) a \$1,000,000,000 five-year revolving credit facility maintained by BFC, as borrower, and the Company, as guarantor, with various lenders.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information set forth under Item 1.01 of this report on Form 8-K is hereby incorporated in this Item 2.03 by reference.

Under the terms of the JPM Warehouse Facility, OOMC provides a guarantee up to a maximum amount equal to approximately 10% of the aggregate principal balance of mortgage loans held by the Trusts before ultimate disposition of the loans by the Trust. This guarantee would be called upon in the event adequate proceeds were not available from the sale of the mortgage loans to satisfy the current or ultimate payment obligations of the Trust. The maximum potential undiscounted amount of future payments that OOMC may be required to make pursuant to this guarantee would be approximately \$150,000,000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

H&R BLOCK, INC.

Date: August 9, 2005

By: /s/ Bret G. Wilson
Bret G. Wilson
Vice President and Secretary