

Public-Private Partnership Pays off with \$6.5 Million in Earned Income Tax Credits Claimed for Hurricane Victims

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KANSAS CITY, Mo., Aug 28, 2006 (BUSINESS WIRE) -- As the one-year anniversary of Hurricane Katrina approaches amid an ongoing struggle for recovery along the Gulf Coast, one groundbreaking public-private partnership has emerged as a success story in helping thousands of Americans claim millions of dollars in much-needed, hard-earned income tax refunds.

In just under six months, the Earned Income Tax Credit (EITC) Awareness Program, launched by the William J. Clinton Foundation in collaboration with Operation HOPE and H&R Block (NYSE:HRB), has delivered much-needed economic help and financial resources to Hurricane Katrina, Wilma and Rita victims in the aftermath of the disastrous 2005 hurricane season. The result of this innovative collaboration included over \$11 million in federal tax refunds, including \$6.5 million in EITC payments and, when requested, free financial counseling and guidance to the survivors of hurricanes Katrina, Wilma and Rita.

As part of "Project Restore HOPE," the EITC Awareness Program launched on Feb. 3, 2006, with a firm community-driven, financially strong commitment from the Clinton Foundation, Operation HOPE and H&R Block.

Milestones announced today include:

- Assisted 4,324 families in receiving over \$6.5 million in EITC refunds -- an average of more than \$1,500 per family -- by ensuring that eligible taxpayers from all of the Katrina-impacted states understood and claimed the EITC
- Provided free tax preparation for 5,000 taxpayers at H&R Block offices across the Gulf Coast
- Delivered free tax advice, access to prior-year returns and other essential financial counseling and support for impacted individuals and families who continue to work through the lengthy recovery process
- Distributed over 8,000 Emergency Financial First Aid Kits from Operation HOPE available for download at www.operationhope.org
- Implemented a PSA campaign with the support of former President Clinton and Premier Radio Networks to bring much-needed attention to the EITC outreach program nationally
- Established ongoing emergency and financial literacy guidance for individuals in Alabama, Louisiana and Mississippi with the help of funding from the Bush-Clinton Katrina Fund and the Mississippi Development Authority
- Opened HOPE offices in Louisiana and Mississippi to provide direct financial recovery services

Since February, the EITC Awareness program has helped real people get money they had already earned at a time when they desperately needed it -- people who might not have had the knowledge or resources to claim these crucial funds without the efforts of this unique partnership. The partnership came together with a common goal to focus attention on helping hard-working people regain some optimism, improve their economic condition and rebuild their lives.

The EITC is a key federal tax credit of up to \$4,500 available to millions of low- to middle-income taxpayers. It was established in 1975 to help offset the impact of payroll and income taxes on the working poor.

For tax year 2005, the federal government projected 22 million working families nationwide would receive about \$40 billion through the EITC, with each family receiving an average of about \$1,800. However, the Governmental Accountability Office has estimated that up to 25 percent of those eligible for the credit fail to claim it. Many of those up to 7 million families do not claim the EITC due to a lack of awareness or the complexity of eligibility requirements and tax forms. H&R Block has a proven track record when it comes to the EITC. One-third of all EITC claims are filed by H&R Block for its clients and the company also offers all EITC-eligible taxpayers free online self-preparation of their tax returns as a member of the Free Filing Alliance (available at www.irs.gov).

"The partnership illustrates what can be achieved when the participants are passionate, dedicated and focused on serving

those in need," said Mark A. Ernst, chairman and chief executive officer of H&R Block. "When people are faced with the daunting challenge of rebuilding their lives, it is imperative that we all work together.

"For over 50 years H&R Block has demonstrated its commitment to helping low- and moderate-income families access the tax expertise, counseling, education and financial support they need to improve their lives. We are proud of this partnership and its direct impact on the lives of people so deeply in need of support."

Added John Hope Bryant, founder, chairman and chief executive officer of Operation HOPE: "People are still struggling to recover, and the process of healing and reclaiming a firm financial footing is only just beginning for tens of thousands of families. We must celebrate these results while reminding ourselves and every other public and private organization that there is much more work to be done in order to help Americans rebuild their lives and once again look ahead with confidence, optimism and hope."

The joint effort went beyond providing tax and financial services. Together with other partners, Project Restore HOPE also recruited 2,000 HOPE Corps volunteers; established a Call Center Network designed to provide basic guidance and assistance services to hurricane victims; provided guidance to over 8,000 Hurricane Katrina and Wilma victims; created a secure online case management program that enables volunteers to assist victims from their offices nationwide; and created partnerships with numerous other companies and government agencies to combine resources and help hurricane survivors in unique and innovative ways.

H&R Block and Operation HOPE have partnered to provide a wide array of financial literacy programs and services to low-income individuals nationwide at select H&R Block offices and at www.hrblock.com. The programs are also available through the HOPE Center in Los Angeles and at www.operationhope.org.

To receive free financial counseling, hurricane victims are encouraged to call Operation HOPE at 1-888-388-HOPE (4673) Monday through Friday, 6:00 a.m. to 7:00 p.m. PST, and Saturday, 6:00 a.m. to 2:00 p.m. They also may contact H&R Block at 1-800-HRBLOCK or at www.hrblock.com.

About Operation HOPE

Operation HOPE Inc. (www.operationhope.org) is a national non-profit self-help organization working to bring economic self-sufficiency to inner-city residents and low-wealth communities. With more than \$185 million in commitments from its 150 bank and corporate partners for homeownership and small business loans, \$117 million in funded loans, and over 500,000 customers served in economic education and services, Operation HOPE is a national leader in providing economic empowerment tools and services. Operation HOPE's Banking on Our Future is the only year-round urban delivery platform for financial literacy education in the nation today, operating in eight states and the District of Columbia. Utilizing more than 1,500 banker-teacher volunteers who serve as HOPE Corps Members, Banking on Our Future has taught over 130,000 students about the basics of banking; how to open and maintain a checking and savings account; the power of credit; and basic investments.

About H&R Block

H&R Block Inc. (NYSE:HRB) is a leading provider of tax, financial, mortgage, accounting and business consulting services and products. 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 generated revenues of \$4.9 billion and net income of \$490 million in fiscal year 2006. In fiscal year 2007, it is operating in four principal business segments: Tax Services (income tax preparation and advice via in-office, online and software solutions); Mortgage Services (wholesale mortgage originations and loan servicing); Consumer Financial Services (investment and financial advisory services, retail mortgage loans, and banking products and services); and Business Services (tax, accounting and consulting services for midsized businesses). Headquartered in Kansas City, Mo., H&R Block markets its services and products under three leading brands -- H&R Block, Option One and RSM McGladrey. For more information, visit our Online Press Center at www.hrblock.com.

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