

# Creating Partnerships Between Financial Institutions and Organizations Providing Free Tax Assistance to Consumers

The Federal Deposit Insurance Corporation (FDIC) continues to partner with the Internal Revenue Service (IRS) and wants banks and other financial institutions to know about the benefit of free IRS-certified tax assistance. IRS Volunteer Income Tax Assistance (VITA) sites, as well as Tax Counseling for the Elderly (TCE), through AARP® Foundation Tax-Aide sites, offer an opportunity for financial institutions to provide financial services to underserved low- and moderate-income consumers.<sup>1</sup> Financial institutions involved with VITA and TCE programs may be eligible for favorable consideration under Community Reinvestment Act (CRA) regulations. The programs also provide financial institutions with opportunities to facilitate financial education, open bank accounts, and provide other financial-related services to underserved individuals.

## OPPORTUNITIES AND BENEFITS OF PARTNERING WITH VITA AND TCE SITES

The FDIC encourages financial institutions to develop relationships with local IRS VITA and TCE sites. Tax-filing season presents a great opportunity for unbanked households to open a bank account to receive their tax refunds. For many households, including those receiving the Earned Income Tax Credit (EITC), and other tax credits, the tax refund may represent the largest payment they receive in a given year.

- Direct deposit and e-file through VITA and TCE help taxpayers get their refunds quickly and at no cost, which may mean more money in their bank accounts.
- Promoting volunteer opportunities at VITA and TCE can provide a fulfilling and unique community service experience that benefits people in their communities. Staff members can sign up to volunteer by contacting VITA/TCE sites in their local communities, or using the IRS volunteer page <https://www.irs.gov/individuals/irs-tax-volunteers>
- Financial institutions partnering with the VITA program may be eligible for favorable consideration under the CRA regulations for qualifying VITA-related activities and may develop new business by promoting financial education, banking products, and other financial services to underserved low- and moderate-income taxpayers.
- Many low-income filers may receive significant tax credits and refunds worth thousands of dollars with the assistance of VITA and TCE.

A financial institution may maximize its opportunities to be involved in the VITA program by contacting the IRS or VITA program coordinators or emailing [partner@irs.gov](mailto:partner@irs.gov) before the start of the tax preparation season.

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<sup>1</sup>The FDIC does not endorse any particular tax preparation service.

## VITA-RELATED ACTIVITIES AND FAVORABLE CONSIDERATION UNDER CRA REGULATIONS<sup>2</sup>

Financial institutions that partner with VITA sites may be eligible for favorable consideration for VITA-related activities under the CRA regulations.

**Financial institutions can participate in the IRS VITA program in various ways, including by:**

- Notifying staff of opportunities to be VITA volunteers.
- Co-sponsoring a VITA program.
- Donating old computer equipment for use in preparing returns.
- Hosting a VITA site at a bank branch.
- Promoting the EITC and VITA program to bank customers, such as by displaying a poster in the lobby or adding a message to bank statements.
- Offering taxpayers the opportunity to begin the process of opening a bank account at a VITA site, whether online or with staff on-site.
- Offering banking products responsive to the needs of VITA clients, whether online or with staff on-site.
- Partnering with the local VITA program to make financial education available to consumers at VITA sites.

Generally, under the CRA regulations, financial institutions can receive favorable consideration for qualifying VITA-related activities.<sup>3</sup> See the FDIC's Banker Resource Center on CRA at <https://www.fdic.gov/resources/bankers/community-reinvestment-act/>

## EASY WAYS TO SUPPORT FREE TAX ASSISTANCE TO HELP YOUR CUSTOMERS

- Promote VITA volunteer opportunities with your staff by sharing information about the IRS Volunteer Page — IRS-certified Volunteers help millions of hard-working taxpayers get their refunds quickly at no cost. Learn about volunteer opportunities at <https://www.irs.gov/individuals/irs-tax-volunteers>
- Share these links with your customers so qualifying taxpayers can access free tax assistance
  - » Find free IRS-certified tax preparers in your community: <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers>
  - » Obtain free tax assistance from a nearby AARP® Foundation Tax-Aide location: [https://www.aarp.org/money/taxes/aarp\\_taxaide/locations.html](https://www.aarp.org/money/taxes/aarp_taxaide/locations.html)
  - » Use GetYourRefund to get your tax return prepared for free online by IRS-certified preparers from the VITA program: <https://www.getyourrefund.org/en>
  - » Prepare your tax return for free using the United Way's myfreetaxes.com with free assistance from IRS-certified tax preparers: <https://myfreetaxes.com/>
  - » Direct deposit is a safe, fast, and convenient way to keep more of your refund. Contact us at (your company and contact information) or find an account right for you at FDIC #GetBanked: <https://www.fdic.gov/getbanked/index.html> (English), or <http://www.fdic.gov/AbreUnaCuenta> (Spanish)
  - » See the Consumer Financial Protection Bureau (CFPB) outreach flyer at <https://consumerfinance.gov/free-filing>

<sup>2</sup>Similar information in this section previously appeared in FDIC Financial Institution Letters (FIL-97-2007), available at <https://www.fdic.gov/news/financial-institution-letters/2007/fil07097.html#body> (Nov. 6, 2007).

<sup>3</sup>The FDIC, along with the Office of the Comptroller of the Currency and the Federal Reserve Board of Governors, adopted amendments to the CRA regulations in October 2023, <https://www.fdic.gov/news/press-releases/2023/pr23086.html>