

H&R BLOCK INC
Form NT 10-Q
March 13, 2007

SEC 1344
(05-06)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 12b-25

NOTIFICATION OF LATE FILING

(Check One): Form 10-K Form 20-F Form 11-K Form 10-Q
 Form 10-D Form N-SAR Form N-CSR

For Period Ended: January 31, 2007

Transition Report on Form 10-K
 Transition Report on Form 20-Fo Transition Report on Form 11-Ko Transition Report on Form 10-Qo
Transition Report on Form N-SARFor the Transition Period Ended:

Read Instruction (on back page) Before Preparing Form. Please Print or Type.

Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

PART I REGISTRANT INFORMATION

H & R Block, Inc.

Full Name of Registrant
N/A

Former Name if Applicable
One H & R Block Way

Address of Principal Executive Office (*Street and Number*)
Kansas City, Missouri 64105

City, State and Zip Code

PART II RULES 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

- (a) The reason described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense
- (b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q, or subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and
- (c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III NARRATIVE

State below in reasonable detail why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.

Registrant's subsidiary, Option One Mortgage Corporation (OOMC), is engaged in the sub-prime mortgage business. In light of recent developments in the sub-prime mortgage market, Registrant has undertaken a rigorous review process this period to address the potential ramifications of those developments for the Registrant. In connection with this process, Registrant has been undertaking a specific review of the fair value as of January 31, 2007 of OOMC's obligations under its warehouse facilities. Due to the amount of time and complexity involved in this review, the Registrant has not completed this analysis. Accordingly, Registrant was unable to timely file its current report on Form 10-Q for the quarter ended January 31, 2007. The Registrant expects to be able to complete this analysis, and file its Form 10-Q, no later than March 19, 2007.

(Attach extra Sheets if Needed)

PART IV OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification

William L. Trubeck	816	854-3212
_____ (Name)	_____ (Area Code)	_____ (Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s).

No Yes

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

As reported in the preliminary release of Registrant's earnings on February 22, 2007, Registrant reported a net loss for the third quarter of fiscal year 2007 of \$44.7 million or 14 cents per share, compared with net earnings of \$12.1 million, or 4 cents per share, for the third quarter of fiscal year 2006. Due to recent market conditions resulting in significant declines in the value of mortgage loans, including the value of non-performing loans, Registrant modified its cash flow models during the quarter ended January 31, 2007, to include a detailed evaluation of the underlying collateral as of the call date. Due to rapidly declining loan values in the current environment, that evaluation resulted in significantly lower modeled cash flows, and a corresponding increase to impairment of residual interests for the quarter ending January 31, 2007 equal to approximately \$29 million pretax, which was recorded after the preliminary release of Registrant's earnings on February 22, 2007.

No Yes

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

H & R Block, Inc.

(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date March 13, 2007

By /s/ Jeffrey E. Nachbor

Jeffrey E. Nachbor
Senior Vice President and
Corporate Controller

INSTRUCTION: The form may be signed by an executive officer of the registrant or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the registrant by an authorized representative (other than an executive officer), evidence of the representative's authority to sign on behalf of the registrant shall be filed with the form.

ATTENTION

Intentional misstatements or omissions of fact constitute Federal Criminal Violations (See 18 U.S.C. 1001).

General Instructions

1. This form is required by Rule 12b-25 (17 CFR 240.12b-25) of the General Rules and Regulations under the Securities Exchange Act of 1934.
2. One signed original and four conformed copies of this form and amendments thereto must be completed and filed with the Securities and Exchange Commission, Washington, D.C. 20549, in accordance with Rule 0-3 of the General Rules and Regulations under the Act. The information contained in or filed with the form will be made a matter of public record in the Commission files.
3. A manually signed copy of the form and amendments thereto shall be filed with each national securities exchange on which any class of securities of the registrant is registered.
4. Amendments to the notifications must also be filed on Form 12b-25 but need not restate information that has been correctly furnished. The form shall be clearly identified as an amended notification.
5. *Electronic Filers.* This form shall not be used by electronic filers unable to timely file a report solely due to electronic difficulties. Filers unable to submit reports within the time period prescribed due to difficulties in electronic filing should comply with either Rule 201 or Rule 202 of Regulation S-T (§ 232.201 or § 232.202 of this chapter) or apply for an adjustment in filing date pursuant to Rule 13(b) of Regulation S-T (§ 232.13(b) of this chapter).

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