**EXHIBITS FOR CLIENT AGREEMENT**

**EXHIBIT A – Additional Terms and Conditions For Those Ordering Employment Verification Information From “The Work Number”**

**EXHIBIT B – A Federal Governmental Notice Entitled “A Summary of Your Rights Under the Fair Credit Reporting Act”**

**EXHIBIT C – A Federal Governmental Notice Entitled “Notice to Users of Consumer Reports: Obligations Of Users Under The FCRA”**

**EXHIBIT A**

**Additional Terms And Conditions For Those Ordering Employment Verification Information  
 From “The Work Number.”**

Equifax Verification Solutions (EVS) Employment Information (as defined below) will be received by Subscriber through CRA subject to the following conditions (the “Terms and Conditions”):

1. Any information services and data originating from EVS (the “EVS Employment Information”) will be requested only for Subscriber's exclusive use and held in strict confidence except to the extent that disclosure to others is required or permitted by law. Only designated representatives of Subscriber will request EVS Employment Information on Subscriber’s employees, and employees will be forbidden to obtain EVS Employment Information on themselves, associates or any other persons except in the exercise of their official duties. Subscriber will not disclose EVS Employment Information to the subject of the EVS Employment Information except as permitted or required by law, but will refer the subject to EVS.

2. Subscriber will hold EVS and all its agents harmless on account of any expense or damage arising or resulting from the publishing or other disclosure of EVS Employment Information by Subscriber, its employees or agents contrary to the conditions of Section 1 above or applicable law.

3. Subscriber recognizes that EVS does not guarantee the accuracy or completeness of EVS Employment Information and Subscriber releases EVS and EVS’s agents, employees, affiliated credit reporting agencies and independent contractors from any liability, including negligence, in connection with the provision of EVS Employment Information and from any loss or expense suffered by Subscriber resulting directly or indirectly from EVS Employment Information. Subscriber covenants not to sue or maintain any claim, cause of action, demand, cross-action, counterclaim, third-party action or other form of pleading against EVS, EVS's agents, employees, affiliated credit reporting agencies, or independent contractors arising out of or relating in any way to the accuracy, validity, or completeness of any EVS Employment Information.

4. Subscriber will be charged for the EVS Employment Information by CRA, which is responsible for paying EVS for the EVS Employment Information; provided, however, should the underlying relationship between Subscriber and CRA terminate at any time during the term of this Agreement, charges for the EVS Employment Information will be invoiced to Subscriber, and Subscriber will be solely responsible to pay EVS directly.

5. Fair Credit Reporting Act Certification. Subscriber certifies that it will order EVS Employment Information, which is a consumer report as defined by the federal Fair Credit Reporting Act, 15 U.S.C. 1681 et seq. (“FCRA”), only when Subscriber intends to use the EVS Employment Information: (a) in accordance with the FCRA and all state law counterparts; and for the following permissible purpose: for employment purposes; provided, however, that Subscriber certifies that, before ordering EVS Employment Information to be used in connection with employment purposes, it will clearly and conspicuously disclose to the Consumer, in a written document consisting solely of the disclosure, that Subscriber may obtain EVS Employment Information for employment purposes, and will also obtain the Consumer’s written authorization to obtain or procure EVS Employment Information relating to that Consumer. Subscriber further certifies that it will not take adverse action against the Consumer based in whole or in part upon the EVS Employment Information without first providing to the Consumer to whom the EVS Employment Information relates a copy of the EVS Employment Information and a written description of the Consumer’s rights as prescribed by the Consumer Financial Protection Bureau (“CFPB”) under Section 609(c)(3) of the FCRA as referenced on Exhibit C attached hereto, and also will not use any EVS Employment Information in violation of any applicable federal or state equal employment opportunity law or regulation. Subscriber will use EVS Employment Information ordered under this Agreement for the foregoing purpose and for no other purpose. Subscriber acknowledges that it has received from CRA a copy of the consumer rights summary as prescribed by the CFPB as referenced on Exhibit C.

It is recognized and understood that the FCRA provides that anyone “who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18, United States Code, imprisoned for not more than two (2) years, or both.” EVS may periodically conduct audits of Subscriber regarding its compliance with the FCRA and other certifications in this Agreement. Audits will be conducted by email whenever possible and will require Subscribers to provide documentation as to permissible use of particular EVS Employment Information. In addition, CRA will be required to provide documentation indicating CRA validated the legitimacy of subscriber prior to contract execution and will also provide a copy of agreement between CRA and Subscriber. Subscriber gives its consent to EVS to conduct such audits and agrees that any failure to cooperate fully and promptly in the conduct of any audit, or Subscriber’s material breach of this Agreement, constitute grounds for immediate suspension of the Service or termination of this Agreement. If EVS terminates this Agreement due to the conditions in the preceding sentence, Subscriber (i) unconditionally releases and agrees to hold EVS harmless and indemnify it from and against any and all liabilities of whatever kind or nature that may arise from or relate to such termination, and (ii) covenants it will not assert any claim or cause of action of any kind or nature against EVS in connection with such termination.

Vermont Certification. Subscriber certifies that it will comply with applicable provisions under Vermont law. In particular, Subscriber certifies that it will order EVS Employment Information relating to Vermont residents that are consumer reports as defined by the Vermont Fair Credit Reporting Act (“VFCRA”), only after Subscriber has received prior Consumer consent in accordance with VFCRA Section 2480e and applicable Vermont Rules. Subscriber further certifies that a copy of Section 2480e of the Vermont Fair Credit Reporting Statute, attached hereto, was received from CRA.

Subscriber will comply with the applicable provisions of the FCRA, Federal Equal Credit Opportunity Act and any amendments to it, all state law counterparts of them, and all applicable regulations promulgated under any of them including, without limitation, any provisions requiring adverse action notification to the Consumer.

6. Data Security. This Section 6 applies to any means through which Subscriber orders or accesses EVS Employment Information including, without limitation, system-to-system, personal computer or the Internet. The term “Authorized User” means a Subscriber employee that Subscriber has authorized to order the EVS Employment Information and who is trained on Subscriber’s obligations under this Agreement with respect to the ordering and use of the EVS Employment Information, including Subscriber’s FCRA and other obligations with respect to the access and use of consumer reports.

1. With respect to handling the EVS Employment Information, Subscriber agrees to:
   * + 1. ensure that only Authorized Users can order or have access to EVS Employment Information,
       2. ensure that Authorized Users do not order EVS Employment Information for personal reasons or provide them to any third party except as permitted by this Agreement,
       3. inform Authorized Users that unauthorized access to consumer reports may subject them to civil and criminal liability under the FCRA punishable by fines and imprisonment,
       4. ensure that all devices used by Subscriber to order or access the EVS Employment Information are placed in a secure location and accessible only by Authorized Users and that such devices are secured when not in use through such means as screen locks, shutting power controls off, or other commercially reasonable security procedures,
       5. take all necessary measures to prevent unauthorized ordering of EVS Employment Information by any persons other than Authorized Users for permissible purposes, including, without limitation, (a) limiting the knowledge of the Subscriber security codes, member numbers, User IDs, and any passwords Subscriber may use (collectively, “Security Information”), to those individuals with a need to know, (b) changing Subscriber’s user passwords at least every ninety (90) days, or sooner if an Authorized User is no longer responsible for accessing the EVS Employment Information, or if Subscriber suspects an unauthorized person has learned the password, and (c) using all security features in the software and hardware Subscriber uses to order EVS Employment Information,
       6. in no event access the EVS Employment Information via any hand-held wireless communication device, including but not limited to, web enabled cell phones, interactive wireless pagers, personal digital assistants (PDAs), mobile data terminals, and portable data terminals,
       7. not use non-company owned assets such as personal computer hard drives or portable and/or removable data storage equipment or media (including but not limited to laptops, zip drives, tapes, disks, CDs, and DVDs) to store EVS Employment Information.
       8. encrypt EVS Employment Information when it is not in use and with respect to all printed EVS Employment Information store in a secure, locked container when not in use and completely destroyed when no longer needed by cross-cut shredding machines (or other equally effective destruction method) such that the results are not readable or useable for any purpose,
       9. if Subscriber sends, transfers or ships any EVS Employment Information, encrypt the EVS Employment Information using the following minimum standards, which standards may be modified from time to time by EVS: Advanced Encryption Standard (AES), minimum 128-bit key or Triple Data Encryption Standard (3DES), minimum 168-bit key encrypted algorithms,
       10. monitor compliance with the obligations of this Section 6, and immediately notify EVS if Subscriber suspects or knows of any unauthorized access or attempt to access the EVS Employment Information, including, without limitation, a review of EVS invoices for the purpose of detecting any unauthorized activity,
       11. not ship hardware or software between Subscriber’s locations or to third parties without deleting all Security Information and any EVS Employment Information,
       12. if Subscriber uses a Service Provider to establish access to EVS Employment Information, be responsible for the Service Provider’suse of Security Information, and ensure the Service Provider safeguards Security Information through the use of security requirements that are no less stringent than those applicable to Subscriber under this Section 6,
       13. use commercially reasonable efforts to assure data security when disposing of any consumer information or record obtained from the EVS Employment Information. Such efforts must include the use of those procedures issued by the federal regulatory agency charged with oversight of Subscriber’s activities (e.g. the Consumer Financial Protection Bureau, the applicable banking or credit union regulator) applicable to the disposal of consumer report information or records.
       14. use commercially reasonable efforts to secure EVS Employment Information when stored on servers, subject to the following requirements: (i) servers storing EVS Employment Information must be separated from the internet or other public networks by firewalls which are managed and configured to meet industry accepted best practices, (ii) protect EVS Employment Information through multiple layers of network security, including but not limited to, industry-recognized firewalls, routers, and intrusion detection/prevention devices (IDS/IPS), (iii) secure access (both physical and network) to systems storing EVS Employment Information, which must include authentication and passwords that are changed at least every ninety (90) days; and (iv) all servers must be kept current and patched on a timely basis with appropriate security specific system patches, as they are available,
       15. not allow EVS Employment Information to be displayed via the internet unless utilizing, at a minimum, a three-tier architecture configured in accordance with industry best practices, and
       16. use commercially reasonable efforts to establish procedures and logging mechanisms for systems and networks that will allow tracking and analysis in the event there is a compromise, and maintain an audit trail history for at least three (3) months for review by EVS.
           1. If EVS reasonably believes that Subscriber has violated this Section 6, EVS may, in addition to any other remedy authorized by this Agreement, with reasonable advance written notice to Subscriber and at EVS’s sole expense, conduct,or have a third party conduct on its behalf, an audit of Subscriber’s network security systems, facilities, practices and procedures to the extent EVS reasonably deems necessary, including an on-site inspection, to evaluate Subscriber’s compliance with the data security requirements of this Section 6.

7. Subscriber certifies that it has read the attached Exhibit D “Notice to Users of Consumer Reports, Obligations of Users” which explains Subscriber’s obligations under the FCRA as a user of consumer information.

**State Compliance Matters**

**Vermont Fair Credit Reporting Contract Certification**

The undersigned, (“Subscriber”), acknowledges that it subscribes to receive various information services from TALX Corporation, a provider of Equifax Verification Solutions (“EVS”) in accordance with the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended (the “VFCRA”) and the Federal Fair Credit Reporting Act, 15, U.S.C. 1681 et. Seq., as amended (the “FCRA”) and its other state law counterparts. In connection with Subscriber's continued use of EVS information services in relation to Vermont consumers, Subscriber hereby certifies as follows:

Vermont Certification. Subscriber certifies that it will comply with applicable provisions under Vermont law. In particular, Subscriber certifies that it will order EVS Employment Information relating to Vermont residents, that are credit reports as defined by the VFCRA, only after Subscriber has received prior consumer consent in accordance with VFCRA § 2480e and applicable Vermont Rules. Subscriber further certifies that the attached copy of § 2480e of the Vermont Fair Credit Reporting Statute was received from EVS.

**Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999)**

**§ 2480e. Consumer consent**

(a) A person shall not obtain the credit report of a consumer unless:

(1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or

(2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.

(b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.

(c) Nothing in this section shall be construed to affect:

(1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and

(2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Consumer Financial Protection Bureau.

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**VERMONT RULES \*\*\* CURRENT THROUGH JUNE 1999 \*\*\***

**AGENCY 06. OFFICE OF THE ATTORNEY GENERAL**

**SUB-AGENCY 031. CONSUMER PROTECTION DIVISION**

**CHAPTER 012. Consumer Fraud--Fair Credit Reporting**

**RULE CF 112 FAIR CREDIT REPORTING**

**CVR 06-031-012, CF 112.03 (1999)**

**CF 112.03 CONSUMER CONSENT**

(a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.

(b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.

(c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

**Exhibit B**

*Para información en español, visite* [*www.consumerfinance.gov/learnmore*](http://www.consumerfinance.gov/learnmore) *o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552*

**A Summary of Your Rights Under the Fair Credit Reporting Act**

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under FCRA. **For more information, including information about additional rights, go to** [**www.consumerfinance.gov/learnmore**](http://www.consumerfinance.gov/learnmore) **or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.**

* **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
* **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
  + a person has taken adverse action against you because of information in your credit report;
  + you are the victim of identity theft and place a fraud alert in your file;
  + your file contains inaccurate information as a result of fraud;
  + you are on public assistance;
  + you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for additional information.

* **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
* **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous.

See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for an explanation of dispute procedures.

* **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete, or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.
* **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
* **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
* **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).
* **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address form the lists these offers are based on. You may opt out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).
* The following FCRA right applies with respect to nationwide consumer reporting agencies**:**

**CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE**

**You have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization.** The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

As an alternative to a security freeze, you have the right to place an initial or extended fraud alert on your credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer’s credit file. Upon seeing a fraud alert display on a consumer’s credit file, a business is required to take steps to verify the consumer’s identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting 7 years.

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

* **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
* **Identity theft victims and active duty military personnel have additional rights.** For more information, visit [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

**States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:**

|  |  |
| --- | --- |
| **TYPE OF BUSINESS:** | **CONTACT:** |
| 1.a. Banks, savings associations, and credit unions with total assets of over $10 billion and their affiliates  b. Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the CFPB: | a. Consumer Financial Protection Bureau  1700 G Street, N.W.  Washington, DC 20552  b. Federal Trade Commission  Consumer Response Center  600 Pennsylvania Avenue, N.W.  Washington, DC 20580  (877) 382-4357 |
| 2. To the extent not included in item 1 above:  a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks  b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and Insured State Branches of Foreign Banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act.  c. Nonmember Insured Banks, Insured State Branches of Foreign Banks, and insured state savings associations  d. Federal Credit Unions | a. Office of the Comptroller of the Currency  Customer Assistance Group  1301 McKinney Street, Suite 3450  Houston, TX 77010-9050  b. Federal Reserve Consumer Help Center  P.O. Box 1200  Minneapolis, MN 55480  c. FDIC Consumer Response Center  1100 Walnut Street, Box #11  Kansas City, MO 64106  d. National Credit Union Administration  Office of Consumer Financial Protection (OCFP)  Division of Consumer Compliance Policy and Outreach 1775 Duke Street  Alexandria, VA 22314 |
| 3. Air carriers | Asst. General Counsel for Aviation Enforcement & Proceedings  Aviation Consumer Protection Division  Department of Transportation  1200 New Jersey Avenue, S.E.  Washington, DC 20590 |
| 4. Creditors Subject to the Surface Transportation Board | Office of Proceedings, Surface Transportation Board  Department of Transportation  395 E Street, S.W.  Washington, DC 20423 |
| 5. Creditors Subject to the Packers and Stockyards Act, 1921 | Nearest Packers and Stockyards Administration area supervisor |
| 6. Small Business Investment Companies | Associate Deputy Administrator for Capital Access  United States Small Business Administration  409 Third Street, S.W., Suite 8200  Washington, DC 20416 |
| 7. Brokers and Dealers | Securities and Exchange Commission  100 F Street, N.E.  Washington, DC 20549 |
| 8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations | Farm Credit Administration  1501 Farm Credit Drive  McLean, VA 22102-5090 |
| 9. Retailers, Finance Companies, and All Other Creditors Not Listed Above | Federal Trade Commission  Consumer Response Center  600 Pennsylvania Avenue, N.W.  Washington, DC 20580  (877) 382-4357 |

**Exhibit C**

**All users of consumer reports must comply with all applicable regulations, including regulations promulgated after this notice was first prescribed in 2004. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau’s website,** [**www.consumerfinance.gov/learnmore**](http://www.consumerfinance.gov/learnmore)**.**

**NOTICE TO USERS OF CONSUMER REPORTS:**

**OBLIGATIONS OF USERS UNDER THE FCRA**

The Fair Credit Reporting Act (FCRA), 15 U.S.C. §1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Bureau of Consumer Financial Protection’s website at [www.consumerfinance.gov/learnmore.](http://www.consumerfinance.gov/learnmore) At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Bureau’s website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

* 1. **OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS**
     1. **Users Must Have a Permissible Purpose**

Congress has limited the use of consumer reports to protect consumers’ privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are:

* + As ordered by a court or a federal grand jury subpoena. Section 604(a)(1)
  + As instructed by the consumer in writing. Section 604(a)(2)
  + For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer’s account. Section 604(a)(3)(A)
  + For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)
  + For the underwriting of insurance as a result of an application from a consumer. Section 604(a)(3)(C)
  + When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a)(3)(F)(i)
  + To review a consumer’s account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
  + To determine a consumer’s eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant’s financial responsibility or status. Section 604(a)(3)(D)
  + For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. Section 604(a)(3)(E)
  + For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. Sections 604(a)(4) and 604(a)(5)

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making “prescreened” unsolicited offers of credit or insurance. Section 604(c). The particular obligations of users of “prescreened” information are described in Section VII below.

1. **Users Must Provide Certifications**

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

1. **Users Must Notify Consumers When Adverse Actions Are Taken**

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

1. **Adverse Actions Based on Information Obtained From a CRA**

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

* The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
* A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
* A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days.
* A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

1. **Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies**

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer’s written request.

1. **Adverse Actions Based on Information Obtained From Affiliates**

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

1. **Users Have Obligations When Fraud and Active Duty Military Alerts are in Files**

When a consumer has placed a fraud alert, including one relating to identify theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer’s alert.

1. **Users Have Obligations When Notified of an Address Discrepancy**

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer’s file. When this occurs, users must comply with regulations specifying the procedures to be followed, which will be issued by the Consumer Financial Protection Bureau and the banking and credit union regulators.

The Consumer Financial Protection Bureau regulations will be available at

[www.consumerfinance.gov/learnmore/](http://www.consumerfinance.gov/learnmore/).

1. **Users Have Obligations When Disposing of Records**

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. The Consumer Financial Protection Bureau, the Securities and Exchange Commission, and the banking and credit union regulators have issued regulations covering disposal. The Consumer Financial Protection Bureau regulations may be found at [www.consumerfinance.gov/learnmore/.](http://www.consumerfinance.gov/learnmore/)

1. **CREDITORS MUST MAKE ADDITIONAL DISCLOSURES**

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the Consumer Financial Protection Bureau.

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) (“Notice to the Home Loan Applicant”).

**III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES**

* + 1. **Employment Other Than in the Trucking Industry**

If the information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

* Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
* Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
* Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer’s rights will be provided to the consumer.
* **Before** taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer’s rights (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b)(2).

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

* + 1. **Employment in the Trucking Industry**

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

**IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED**

Investigative consumer reports are a special type of consumer report in which information about a consumer’s character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

* + The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)
  + The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
  + Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

**V. SPECIAL PROCEDURES FOR EMPLOYMEE INVESTIGATIONS**

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

**VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION**

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in regulations issued by the banking and credit union regulators) – the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or a permitted by statute, regulation, or order).

1. **OBLIGATIONS OF USERS OF “PRESCREENED” LISTS**

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(1), 604(c), 604(e), and 614(d). This practice is known as “prescreening” and typically involves obtaining a list of consumers from a CRA who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

* + Information contained in a consumer’s CRA file was used in connection with the transaction.
  + The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
  + Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
  + The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, the Consumer Financial Protection Bureau has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The regulation is 12 CFR 1022.54.

1. **OBLIGATIONS OF RESELLERS**
   * 1. **Disclosure and Certification Requirements**

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

* Disclose the identity of the end-user to the source CRA.
* Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
* Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:

1. the identify of all end-users;
2. certifications from all users of each purpose for which reports will be used; and
3. certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.
4. **Reinvestigations by Resellers**

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

1. **Fraud Alerts and Resellers**

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

1. **LIABILITY FOR VIOLATIONS OF THE FCRA**

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619.

**The Consumer Financial Protection Bureau website,** [**www.consumerfinance.gov/learnmore**](http://www.consumerfinance.gov/learnmore)**, has more information about the FCRA.**

**Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1618 et seq.:**

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| Section 603 | 15 U.S.C. 1681  15 U.S.C. 1681a |
| Section 604 | 15 U.S.C. 1681b |
| Section 605 | 15 U.S.C. 1681c |
| Section 605A | 15 U.S.C. 1681c-1 |
| Section 605B | 15 U.S.C. 1681c-2 |
| Section 606 | 15 U.S.C. 1681d |
| Section 607 | 15 U.S.C. 1681e |
| Section 608 | 15 U.S.C. 1681f |
| Section 609 | 15 U.S.C. 1681g |
| Section 610 | 15 U.S.C. 1681h |
| Section 611 | 15 U.S.C. 1681i |
| Section 612 | 15 U.S.C. 1681j |
| Section 613 | 15 U.S.C. 1681k |
| Section 614 | 15 U.S.C. 1681l |
| Section 615 | 15 U.S.C. 1681m |
| Section 616 | 15 U.S.C. 1681n |
| Section 617 | 15 U.S.C. 1681o |
| Section 618 | 15 U.S.C. 1681p |
| Section 619 | 15 U.S.C. 1681q |
| Section 620 | 15 U.S.C. 1681r |
| Section 621 | 15 U.S.C. 1681s |
| Section 622 | 15 U.S.C. 1681s-1 |
| Section 623 | 15 U.S.C. 1681s-2 |
| Section 624 | 15 U.S.C. 1681t |
| Section 625 | 15 U.S.C. 1681u |
| Section 626 | 15 U.S.C. 1681v |
| Section 627 | 15 U.S.C. 1681w |
| Section 628 | 15 U.S.C. 1681x |
| Section 629 | 15 U.S.C. 1681y |