



# Membership Application

Date of Application: \_\_\_\_\_

Important: **All information must be completed in its entirety.** Please print clearly and legibly to ensure accurate and timely processing.

## General Company Information

Company Name: \_\_\_\_\_ Years in Business \_\_\_\_\_ yrs \_\_\_\_\_ mos.

Type of Ownership (indicate one):  Partnership  Sole Owner  Nonprofit  Corporation  LLC

Do you have any other company name(s) or dba?  Yes  No If Yes, please list: \_\_\_\_\_

Physical Street Address (**no P.O. box numbers, please**): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_ How Long? \_\_\_\_\_ yrs \_\_\_\_\_ mos.

Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_ Is this a residential address?  Yes  No

Previous Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_ How Long? \_\_\_\_\_ yrs \_\_\_\_\_ mos.

Do you own or lease the building in which you are located? (please check one)  Own  Lease

## Principal of the Company (If sole owner or partnership, please complete the section below.)

I understand that the information provided below will be used to obtain a consumer credit report, and my creditworthiness may be considered when making a decision to grant membership

Principal name: \_\_\_\_\_

Title or Position: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Year of Birth: \_\_\_\_\_

Residential Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

## Affiliated or Parent Company Information

\* **Do you have any branch offices located in the state of California?**  Yes  No

Affiliated or Parent Company Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Will the Parent or Affiliated Company use the credit reports? Yes No



**Business Information** (Please tell us about your company.)

Type of Business: \_\_\_\_\_ Do you need a Purchase Order?  Yes  No PO# \_\_\_\_\_

Do you have an Investigation License?  Yes  No **If Yes, please provide a copy with this application.**

Estimated # of Credit Reports you will access monthly: \_\_\_\_\_

How will you access the Credit Reports?  Personal Computer  Credit Terminal  CPU-CPU  Phone/Fax

Do you already have a credit reporting software package?  Yes  No If Yes, what is the name? \_\_\_\_\_

Does your company qualify for sales tax exemptions?  Yes  No If Yes, please provide proof.

**Permissible Purpose/Appropriate Use** (Application will not be processed unless this information is provided.)

Please describe the specific purpose for which Credit Report information will be used. (What will you do with the information obtained?)

**This section MUST be completed.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following applies to consumer credit products (i.e. Consumer Credit Reports, Business Owners Profile, and Small Business Intelliscore):

I have read and understand the "FCRA Requirements" notice and "Access Security Requirements" and will take all reasonable measures to enforce them within my facility. I certify that I will use the Credit Report information for no other purpose other than what is stated in the Permissible Purpose/Appropriate Use section on this application and for the type of business listed on this application. I will not resell the report to any third party. I understand that if my system is used improperly by company personnel, or if my access codes are made available to any unauthorized personnel due to carelessness on the part of any employee of my company, I may be held responsible for financial losses, fees, or monetary charges that may be incurred and that my access privilege may be terminated.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Type or Print Name of Owner or Officer Title

**X** \_\_\_\_\_  
Authorized Signature Date

Revised 10/98

## Corra Group User Agreement

This Agreement is made and entered into by and between CORRA, (“Corra Group”) and the undersigned (“User”). This Agreement shall be effective at such time as Corra Group has sent written notification, whether via facsimile, e-mail, or otherwise, to User indicating its acceptance of the terms and conditions of the Agreement (the “Effective Date”).

**Corra Group’s Services:** Corra Group shall provide consumer reports and investigative consumer reports (“Screening Reports”) at User’s request in connection with any pre-employment or post-employment background screening of applicants (the “Applicant”) or retention of employees (the “Employee”). Screening Reports may include such information as employment history, consumer credit reports, motor vehicle records, education verifications, criminal and civil records and other background information. In the case of investigative consumer reports, Corra Group shall also provide personal references collected and processed by Corra Group through various channels of information.

**Corra Group as Agent of User:** User acknowledges and agrees that Corra Group is an authorized agent of User for the purpose of investigating, researching, preparing and returning the Screening Reports ordered by User.

**Information Security:** User acknowledges and understands its obligation to maintain the confidentiality and integrity of any information and User identification numbers and passwords requested from or through Corra Group.

**Compliance with Applicable Laws:** User and Corra Group shall comply in good faith with all applicable laws in the request, preparation, transmission, dissemination and use of Screening Reports, including, but not limited to, the FCRA, Title VII of the Civil Rights Act of Employment Opportunity Commission (“EEOC”) guidelines and regulations, Consumer Reporting Act (California Civil Code Sections 1785.1 et seq.), Investigative Consumer California Civil Code Section 1786, et. seq.) and all other applicable laws and regulations relating to the use of consumer credit reports and consumer investigative reports.

### User’s Obligations:

**Disclosure to Applicant or Employee.** User shall provide Applicant or Employee with a clear and conspicuous disclosure, in writing, that the Screening Report will be obtained for employment purposes and such disclosure shall be contained in a document containing only such disclosure. User shall provide Applicant or Employee such other disclosures as required by the FCRA and other applicable state and local laws for the type of report requested, including all disclosures which are required before requesting that Corra Group prepares the Screening Report, and before taking any adverse action based in whole or in part upon any information contained in the Report.

**Written Authorization from Applicant or Employee:** User shall obtain from the Applicant or Employee a written authorization to obtain and use the Report as required by the FCRA and all other applicable State and local laws.

**Certification to Corra Group:** Concurrent with making the request for a Report, User shall provide Corra Group with certification that complies with section 604(b)(1) of FCRA (15 U.S.C. §1681b(b)(1)), and in the case of a Report that constitutes an investigative consumer report as defined by the FCRA, an additional certification in a form that complies with section 606(a)(2) of FCRA (15 U.S.C. §1681d(a)(2)) and all other certifications as may be required by applicable state and local laws.

**Use For Employment Purposes Only:** User shall use the Screening Report provided by Corra Group for employment purposes only and shall not use the Screening Report in violation of any Federal or State equal employment opportunity law or regulation. User shall notify Corra Group immediately of any change in purpose for which the information is used.

**Use For Permissible Purposes:** User shall be the exclusive user of the Screening Reports and certifies that such Screening Reports shall be used solely for the permitted purposes as proscribed by Section 604 of the FCRA [15 U.S.C. §1681b], California Civil Code Section 1786.12 and all other applicable State and local laws.

**Basis for Employment Decisions and Obligations After Adverse Decisions:** User shall base all employment decisions and actions on its own policies and procedures and acknowledges and agrees that Corra Group’s employees are not allowed and will not render any opinions regarding the Screening Report. Before taking any adverse action against an Applicant or Employee based in whole or in part on any information provided in the Screening Report provided

by Corra Group, per FCRA guidelines, User and/or Corra Group is required provide the Applicant or Employee with a copy of their Screening Report. User shall inform the Applicant or Employee that Corra Group did not make the decision to take adverse action and cannot give specific reasons for the adverse action taken. User shall further provide a Summary of Rights under the FCRA to the Applicant or Employee.

**Confidentiality and Security of Information.** User acknowledges and understands its obligation to maintain the confidentiality and integrity of any information received by User. All information requested by User is for User's exclusive use and User shall take reasonable steps to ensure that all information provided by Corra Group will be held in strict confidence, will be kept confidential and will not be disclosed to any third party not involved in the employment decision for which the information is sought. Any use of the Screening Report provided by Corra Group, other than for the internal uses provided for in this contract is prohibited, including, but not limited to resale or other commercial use, misrepresentation, improper use of the information or access to the information by unauthorized personnel, whether intentionally or due to carelessness, and may subject User to criminal and/or civil liability under the Federal Credit Reporting Act ("FCRA") and other applicable Federal, State and local laws.

**Protection of Access Codes:** If User is issued an access code to be used for Internet access to Corra Group's services (the "Access Code"), User shall only publicize the Access Code to personnel on a need-to-know basis. Any log-on or password information provided to User in connection with the Access Code shall be provided only to an "Account Administrator" and specific individuals designated as "Authorized Users". User shall notify Corra Group immediately upon any change of the Account Administrator or Authorized Users.

**Protection of Reports:** User shall securely store any hard copy of a Screening Report and protect it against release and disclosure to unauthorized personnel or third parties. In furtherance of that obligation, User shall provide to Corra Group the name of the person requesting the information for each Screening Report request and, where applicable, shall provide the name of the individual who has been designated as the principal Account Administrator.

**Payment Requirements/Collection:** User Agrees to promptly pay for all services rendered hereunder in accordance with Corra Group's employment screening schedule of fees. Pricing is subject to change at any time with written notice. User agrees to pay all applicable charges within thirty (30) days of receipt of the information or Screening report requested. All monetary obligations to Corra Group for services rendered which are past due fifteen days or more may, at the election of Corra Group, bear interest at the rate of one and one-half percent (1½ %) per month and/or relinquish User's access privileges and release Corra Group from any obligation to perform any further services. In the event that legal action is necessary to obtain the payment of any monetary obligations to Corra Group, the User shall be liable to Corra Group for all costs and reasonable attorneys' fees incurred by Corra Group in collection of such obligations.

**Attorneys Fees and Costs:** In the event a dispute arises with respect to this Agreement, the party prevailing in such dispute shall be entitled to recover all expenses, including, without limitation, reasonable attorneys' fees and expenses incurred in ascertaining such party's rights, and in preparing to enforce, or in enforcing such party's rights under this Agreement, whether or not it was necessary for such party to institute suit or submit the dispute to arbitration.

**Governing Law:** This Agreement is deemed to be made, executed and performed in the State of California. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of California, without reference to principles of conflicts of laws. The parties to this Agreement consent to jurisdiction and venue in the State and Federal courts located in the State of California, County of Los Angeles

**Waiver:** The failure of either party to insist in any one or more cases upon the strict performance of any term, covenant or condition of this Agreement will not be construed as a waiver of a subsequent breach of the same or any other covenant, term or condition; nor shall any delay or omission by either party to seek a remedy for any breach of this Agreement be deemed a waiver by either party of its remedies or rights with respect to such a breach.

**Successors:** This Agreement shall inure to the benefit of and bind the heirs, personal representatives, successors, and assigns of the parties.

**Limitation of Liability:** Corra Group and User agree that unless Corra Group has committed gross negligence or engaged in intentional wrongdoing in the preparation and transmission of the Screening Report, Corra Group's total liability to User shall be limited to the return of the fees paid to Corra Group for the Screening Report and then only to the extent that the information contained in the Screening Report is found to be the primary basis upon which User incurred

injury or damage resulting from the furnishing of the screening Report by Corra Group. Corra Group and User agree that Corra Group shall not be liable to Use for any other damages, costs or expenses whatsoever except as expressly agreed to above or pursuant to Section 12 (a) hereof, and that neither party shall be liable to the other party for punitive, exemplary or consequential damages.

**Indemnification:**

**By Corra Group.** Corra Group shall indemnify, defend and hold User and its affiliates and User and its Affiliates' officers, directors, agents, employees, successors and assigns, harmless from and against any and all claims, demands, costs, expenses and liabilities of any kind or nature whatsoever, including, without limitation, reasonable and actual outside attorneys' fees and costs, which may be incurred by User to a third party, based upon the gross negligence or intentional wrongdoing by Corra Group in preparing or transmitting the Screening Report.

**By User.** User shall indemnify, defend and hold Corra Group and its affiliates and Corra Group's and its Affiliates' officers, directors, agents, employees, and successors and assigns, harmless from and against any and all claims, demands, costs expenses and liabilities of any kind or nature whatsoever, including, without limitation, reasonable and actual outside attorneys' fees and costs, which may be incurred by Corra Group and its affiliates and Corra Group's and its Affiliates' officers, directors, agents, employees, and successors based upon the illegal or wrongful use by User of the Screening Report, the gross negligence or intentional wrongdoing by User in connection with the use of the Screening Report, unsubstantiated claims brought by the User's Applicant: or User's failure to comply with its obligations under the FCRA or other applicable laws in connection with the procurement or use of the Screening Report.

**Warranty:** Corra Group represents and warrants that services will be performed in a diligent and professional manner in accordance with applicable industry standards. Corra Group shall use its best efforts to provide high quality, timely and accurate information to user, however user recognizes that Corra Group cannot guarantee the accuracy of the information provided because such information is obtained from public records and other third party sources that may not always be accurate or current. The Screening report obtained by Corra Group is derived from databases and records that have been created and maintained by various government agencies, private companies, and other contributors that are not under the control of Corra group. Responsibility for the accuracy of the information contained in the Screening report and these databases and records rests solely in the contributor. The user waives any and all claim or claims against Corra Group arising out of or related to the accuracy of the Screening report, databases and records.

**Term:** The term of this Agreement shall continue in force and effect without any fixed date of termination; provided, however, that:

Either party may terminate this Agreement for any reason or no reason at all upon thirty (30) days prior written notice of termination subject to any and all obligations, responsibilities and liabilities incurred prior to termination; or

User may terminate this Agreement, without prior notice, if the other party breaches any provision of this Agreement and fails to cure such breach within ten (10) calendar days after receiving written notice thereof; or

Corra Group may, with just cause, such as delinquency or violation of the terms of this Agreement or a legal requirement of this Agreement or any applicable Federal, State or local law, discontinue serving User and terminate this Agreement immediately.

\_\_\_\_\_  
Name of User (i.e., Company Name)

\_\_\_\_\_  
Type or Print Name of Owner or Officer

\_\_\_\_\_  
Title

**X** \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

## End User Certification Of Use For Employment Purposes

In compliance with the Federal Fair Credit Reporting Act as amended by the Consumer Credit Reporting Reform Act of 1996 (the "Act"), \_\_\_\_\_ ("*End User*") hereby certifies to Consumer Reporting Agency that it will comply with the following provisions:

1. End User is a \_\_\_\_\_ ("*Type of Business, e.g. CPA Firm*") and has a need for consumer credit information in connection with the evaluation of individuals for employment, promotion, reassignment or retention as an employee ("Consumer Report for Employment Purposes").
2. End User shall request Consumer Report for Employment Purposes pursuant to procedures prescribed by Reseller from time to time only when it is considering the individual inquired upon for employment, promotion, reassignment or retention as an employee, and for no other purpose. End User shall comply with any federal and state laws which may restrict or ban the use of Consumer Report for Employment Purposes.
3. End User certifies that it will not request a Consumer Report for Employment Purposes unless:
  - a. A clear and conspicuous disclosure is first made in writing to the consumer by End User before the report is obtained, in a document that consists solely of the disclosure that a consumer report may be obtained for employment purposes;
  - b. The consumer has authorized in writing the procurement of the report; and
  - c. Information from the Consumer Report for Employment Purposes will not be used in violation of any applicable federal or state equal employment opportunity law or regulation.
4. End User further certifies that before taking adverse action in whole or in part based on the Consumer Report for Employment Purposes, it will provide the consumer with:
  - a. A copy of the Consumer Report for Employment Purposes; and
  - b. A copy of the consumer's rights, in the format approved by the Federal Trade Commission.
5. End User shall use the Consumer Report for Employment Purposes only for a one-time use, and shall hold the report in strict confidence, and not disclose it to any third parties that are not involved in the employment decision.
6. End User will maintain copies of all written authorizations for a minimum of five (5) years from the date of inquiry.
7. With just cause, such as violation of the terms of End User's contract or a legal requirement, or a material change in existing legal requirements that adversely affects End User's Agreement, Reseller may, upon its election, discontinue serving the End User and cancel the agreement immediately.



The information from the consumer report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation.

End User hereby acknowledges receipt of the “SUMMARY OF CONSUMER RIGHTS” and “NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA”

I have direct knowledge of all the facts certified in this document “End User Certification of Use for Employment Purposes”

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Name of End User (i.e., Company Name)

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Type or Print Name of Authorized Signer

Title

**X**

Authorized Signature

Date

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Physical Address of End User

## Access Security Requirements

We must work together to protect the privacy and information of consumers. The following information security measures are designed to reduce unauthorized access to consumer information. It is your responsibility to implement these controls. If you do not understand these requirements or need assistance, it is your responsibility to employ an outside service provider to assist you. Capitalized terms used herein have the meaning given in the Glossary attached hereto. The credit reporting agency reserves the right to make changes to Access Security Requirements without notification. The information provided herewith provides minimum baselines for information security.

In accessing the credit reporting agency's services, you agree to follow these security requirements:

### **1. Implement Strong Access Control Measures**

- 1.1 Do not provide your credit reporting agency Subscriber Codes or passwords to anyone. No one from the credit reporting agency will ever contact you and request your Subscriber Code number or password.
- 1.2 Proprietary or third party system access software must have credit reporting agency Subscriber Codes and password(s) hidden or embedded. Account numbers and passwords should be known only by supervisory personnel.
- 1.3 You must request your Subscriber Code password be changed immediately when:
  - any system access software is replaced by system access software or is no longer used;
  - the hardware on which the software resides is upgraded, changed or disposed of
- 1.4 Protect credit reporting agency Subscriber Code(s) and password(s) so that only key personnel know this sensitive information. Unauthorized personnel should not have knowledge of your Subscriber Code(s) and password(s).
- 1.5 Create a separate, unique user ID for each user to enable individual authentication and accountability for access to the credit reporting agency's infrastructure. Each user of the system access software must also have a unique logon password.
- 1.6 Ensure that user IDs are not shared and that no Peer-to-Peer file sharing is enabled on those users' profiles.
- 1.7 Keep user passwords Confidential.
- 1.8 Develop strong passwords that are:
  - Not easily guessable (i.e. your name or company name, repeating numbers and letters or consecutive numbers and letters)
  - Contain a minimum of seven (7) alpha/numeric characters for standard user accounts
- 1.9 Implement password protected screensavers with a maximum fifteen (15) minute timeout to protect unattended workstations.
- 1.10 Active logins to credit information systems must be configured with a 30 minute inactive session, timeout.
- 1.11 Restrict the number of key personnel who have access to credit information.
- 1.12 Ensure that personnel who are authorized access to credit information have a business need to access such information and understand these requirements to access such information are only for the permissible purposes listed in the Permissible Purpose Information section of your membership application.
- 1.13 Ensure that you and your employees do not access your own credit reports or those reports of any family member(s) or friend(s) unless it is in connection with a credit transaction or for another permissible purpose.
- 1.14 Implement a process to terminate access rights immediately for users who access credit reporting agency credit information when those users are terminated or when they have a change in their job tasks and no longer require access to that credit information.
- 1.15 After normal business hours, turn off and lock all devices or systems used to obtain credit information.
- 1.16 Implement physical security controls to prevent unauthorized entry to your facility and access to systems used to obtain credit information.



## **2. Maintain a Vulnerability Management Program**

- 2.1 Keep operating system(s), Firewalls, Routers, servers, personal computers (laptop and desktop) and all other systems current with appropriate system patches and updates.
- 2.2 Configure infrastructure such as Firewalls, Routers, personal computers, and similar components to industry best security practices, including disabling unnecessary services or features, removing or changing default passwords, IDs and sample files/programs, and enabling the most secure configuration features to avoid unnecessary risks.
- 2.3 Implement and follow current best security practices for Computer Virus detection scanning services and procedures:
  - Use, implement and maintain a current, commercially available Computer Virus
  - detection/scanning product on all computers, systems and networks.
  - If you suspect an actual or potential virus, immediately cease accessing the
  - system and do not resume the inquiry process until the virus has been eliminated.
  - On a weekly basis at a minimum, keep anti-virus software up-to-date by
  - vigilantly checking or configuring auto updates and installing new virus definition files.
- 2.4 Implement and follow current best security practices for computer anti-Spyware scanning services and procedures:
  - Use, implement and maintain a current, commercially available computer anti-
  - Spyware scanning product on all computers, systems and networks.
  - If you suspect actual or potential Spyware, immediately cease accessing the
  - system and do not resume the inquiry process until the problem has been
  - resolved and eliminated.
  - Run a secondary anti-Spyware scan upon completion of the first scan to ensure
  - all Spyware has been removed from your computers.
  - Keep anti-Spyware software up-to-date by vigilantly checking or configuring auto updates and installing new anti-Spyware definition files weekly, at a minimum. If your company's computers have unfiltered or unblocked access to the Internet (which prevents access to some known problematic sites), then it is recommended that anti-Spyware scans be completed more frequently than weekly.

## **3. Protect Data**

- 3.1 Develop and follow procedures to ensure that data is protected throughout its entire information lifecycle (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.)
- 3.2 All credit reporting agency data is classified as Confidential and must be secured to this requirement at a minimum.
- 3.3 Procedures for transmission, disclosure, storage, destruction and any other information modalities or media should address all aspects of the lifecycle of the information.
- 3.4 Encrypt all credit reporting agency data and information when stored on any laptop computer and in the database using AES or 3DES with 128-bit key encryption at a minimum.
- 3.5 Only open email attachments and links from trusted sources and after verifying legitimacy.

## **4. Maintain an Information Security Policy**

- 4.1 Develop and follow a security plan to protect the Confidentiality and integrity of personal consumer information as required under the GLB Safeguard Rule.
- 4.2 Establish processes and procedures for responding to security violations, unusual or suspicious events and similar incidents to limit damage or unauthorized access to information assets and to permit identification and prosecution of violators.

- 4.3 The FACTA Disposal Rules requires that you implement appropriate measures to dispose of any sensitive information related to consumer credit reports and records that will protect against unauthorized access or use of that information.
- 4.4 Implement and maintain ongoing mandatory security training and awareness sessions for all staff to underscore the importance of security within your organization.

#### **5. Build and Maintain a Secure Network**

- 5.1 Protect Internet connections with dedicated, industry-recognized Firewalls that are configured and managed using industry best security practices.
- 5.2 Internal private Internet Protocol (IP) addresses must not be publicly accessible or natively routed to the Internet. Network address translation (NAT) technology should be used.
- 5.3 Administrative access to Firewalls and servers must be performed through a secure internal wired connection only.
- 5.4 Any stand alone computers that directly access the Internet must have a desktop Firewall deployed that is installed and configured to block unnecessary/unused ports, services and network traffic.
- 5.5 Encrypt Wireless access points with a minimum of WEP 128 bit encryption, WPA encryption where available.
- 5.6 Disable vendor default passwords, SSIDs and IP Addresses on Wireless access points and restrict authentication on the configuration of the access point.

#### **6. Regularly Monitor and Test Networks**

- 6.1 Perform regular tests on information systems (port scanning, virus scanning, vulnerability scanning).
- 6.2 Use current best practices to protect your telecommunications systems and any computer system or network device(s) you use to provide Services hereunder to access credit reporting agency systems and networks. These controls should be selected and implemented to reduce the risk of infiltration, hacking, access penetration or exposure to an unauthorized third party by:
  - protecting against intrusions;
  - securing the computer systems and network devices;
  - and protecting against intrusions of operating systems or software.

**Record Retention:** *The Federal Equal Opportunities Act states that a creditor must preserve all written or recorded information connected with an application for 25 months. In keeping with the ECOA, the credit reporting agency requires that you retain the credit application and, if applicable, a purchase agreement for a period of not less than 25 months. When conducting an investigation, particularly following a breach or a consumer complaint that your company impermissibly accessed their credit report, the credit reporting agency will contact you and will request a copy of the original application signed by the consumer or, if applicable, a copy of the sales contract.*

*“Under Section 621 (a) (2) (A) of the FCRA, any person that violates any of the provisions of the FCRA may be liable for a civil penalty of not more than \$2,500 per violation.”*

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Signature/Title

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Date

**Glossary****Term****Definition****Computer Virus**

A Computer Virus is a self-replicating computer program that alters the way a computer operates, without the knowledge of the user. A true virus replicates and executes itself. While viruses can be destructive by destroying data, for example, some viruses are benign or merely annoying.

**Confidential Encryption**

Very sensitive information. Disclosure could adversely impact our company. Encryption is the process of obscuring information to make it unreadable without special knowledge.

**Firewall**

In computer science, a Firewall is a piece of hardware and/or software which functions in a networked environment to prevent unauthorized external access and some communications forbidden by the security policy, analogous to the function of Firewalls in building construction. The ultimate goal is to provide controlled connectivity between zones of differing trust levels through the enforcement of a security policy and connectivity model based on the least privilege principle.

**Information Lifecycle**

(Or Data Lifecycle) is a management program that considers the value of the information being stored over a period of time, the cost of its storage, its need for availability for use by authorized users, and the period of time for which it must be retained.

**IP Address**

A unique number that devices use in order to identify and communicate with each other on a computer network utilizing the Internet Protocol standard (IP). Any All participating network devices - including routers, computers, time-servers, printers, Internet fax machines, and some telephones - must have its own unique IP address. Just as each street address and phone number uniquely identifies a building or telephone, an IP address can uniquely identify a specific computer or other network device on a network. It is important to keep your IP address secure as hackers can gain control of your devices and possibly launch an attack on other devices.

**Peer-to-Peer**

A type of communication found in a system that uses layered protocols. Peer-to-Peer networking is the protocol often used for reproducing and distributing music without permission.

**Router**

A Router is a computer networking device that forwards data packets across a network via routing. A Router acts as a junction between two or more networks transferring data packets.

**Spyware**

Spyware refers to a broad category of malicious software designed to intercept or take partial control of a computer's operation without the consent of that machine's owner or user. In simpler terms, spyware is a type of program that watches what users do with their computer and then sends that information over the internet.

**SSID**

Part of the Wi-Fi Wireless LAN, a service set identifier (SSID) is a code that identifies each packet as part of that network. Wireless devices that communicate with each other share the same SSID.

**Subscriber Code**

Your seven digit credit reporting agency account number.

**WEP Encryption**

(Wired Equivalent Privacy) A part of the wireless networking standard intended to provide secure communication. The longer the key used, the stronger the encryption will be. Older technology reaching its end of life.

**WPA**

(Wi-Fi Protected Access) A part of the wireless networking standard that provides stronger authentication and more secure communications. Replaces WEP. Uses dynamic key encryption verses static as in WEP (key is constantly changing and thus more difficult to break than WEP).

## FCRA Requirements

### Federal Fair Credit Reporting Act (as amended by the Consumer Credit Reporting Reform Act of 1996)

Although the FCRA primarily regulates the operations of consumer credit reporting agencies, it also affects you as a user of information. A copy of the federal Fair Credit Reporting Act is available online at: <http://www.ftc.gov/os/statutes/031224fcra.pdf>. We suggest that you and your employees become familiar with the following sections in particular:

- § 604. Permissible Purposes of Reports
- § 606. Disclosure of investigative consumer reports
- § 607. Compliance Procedures
- § 615. Requirement on users of consumer reports
- § 616. Civil liability for willful noncompliance
- § 617. Civil liability for negligent noncompliance
- § 619. Obtaining information under false pretenses
- § 621. Administrative Enforcement
- § 623. Responsibilities of Furnishers of Information to Consumer Reporting Agencies
- § 628. Disposal of Records

Each of these sections is of direct consequence to users who obtain reports on consumers.

As directed by the law, credit reports may be issued only if they are to be used for extending credit, review or collection of an account, employment purposes, underwriting insurance or in connection with some other legitimate business transaction such as in investment, partnership, etc. It is imperative that you identify each request for a report to be used for employment purposes when such report is ordered. Additional state laws may also impact your usage of reports for employment purposes.

We strongly endorse the letter and spirit of the Federal Fair Credit Reporting Act. We believe that this law and similar state laws recognize and preserve the delicate balance between the rights of the consumer and the legitimate needs of commerce.

In addition to the Federal Fair Credit Reporting Act, other federal and state laws addressing such topics as computer crime and unauthorized access to protected databases have also been enacted. As a prospective user of consumer reports, we expect that you and your staff will comply with all relevant federal statutes and the statutes and regulations of the states in which you operate.

We support consumer reporting legislation that will assure fair and equitable treatment for all consumers and users of credit information.

\_\_\_\_\_  
Name of End User (i.e., Company Name)

\_\_\_\_\_  
Type or Print Name of Authorized Signer

\_\_\_\_\_  
Title

**X** \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

## END USER CERTIFICATION OF COMPLIANCE California Civil Code - Section 1785.14(a)

Section 1785.14(a), as amended, states that a consumer credit reporting agency does not have reasonable grounds for believing that a consumer credit report will only be used for a permissible purpose unless all of the following requirements are met:

Section 1785.14(a)(1) states: "If a prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the consumer credit reporting agency shall, with a reasonable degree of certainty, match at least three categories of identifying information within the file maintained by the consumer credit reporting agency on the consumer with the information provided to the consumer credit reporting agency by the retail seller. The categories of identifying information may include, but are not limited to, first and last name, month and date of birth, driver's license number, place of employment, current residence address, previous residence address, or social security number. The categories of information shall not include mother's maiden name."

Section 1785.14(a)(2) states: "If the prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the retail seller must certify, in writing, to the consumer credit reporting agency that it instructs its employees and agents to inspect a photo identification of the consumer at the time the application was submitted in person. This paragraph does not apply to an application for credit submitted by mail."

Section 1785.14(a)(3) states: "If the prospective user intends to extend credit by mail pursuant to a solicitation by mail, the extension of credit shall be mailed to the same address as on the solicitation unless the prospective user verifies any address change by, among other methods, contacting the person to whom the extension of credit will be mailed."

In compliance with Section 1785.14(a) of the California Civil Code, \_\_\_\_\_  
("End User") hereby certifies to Consumer Reporting Agency as follows: (Please circle)

End User **(IS)** **(IS NOT)** a retail seller, as defined in Section 1802.3 of the California Civil Code ("Retail Seller") and issues credit to consumers who appear in person on the basis of applications for credit submitted in person ("Point of Sale").

End User also certifies that if End User is a Retail Seller who conducts Point of Sale transactions, End User will, beginning on or before July 1, 1998, instruct its employees and agents to inspect a photo identification of the consumer at the time an application is submitted in person.

End User also certifies that it will only use the appropriate End User code number designated by Consumer Reporting Agency for accessing consumer reports for California Point of Sale transactions conducted by Retail Seller.

If End User is not a Retail Seller who issues credit in Point of Sale transactions, End User agrees that if it, at any time hereafter, becomes a Retail Seller who extends credit in Point of Sale transactions, End User shall provide written notice of such to Consumer Reporting Agency prior to using credit reports with Point of Sale transactions as a Retail Seller, and shall comply with the requirements of a Retail Seller conducting Point of Sale transactions, as provided in this certification.

\_\_\_\_\_  
End User (i.e., Company Name)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## California Places Restrictions on Use of Credit Checks by Employers

Effective January 1, 2012 and pursuant to California AB 22 (which will amend Section 1785.20.5 of Ca. Civil Code and add Chapter 3.6 to Part 2 of Division 2 of Ca. Labor Code, relating to employment) employers or prospective employers in California are prohibited from obtaining a consumer credit report for employment purposes unless the position of the person for whom the report is sought falls into one of several enumerated exemptions.

This law prohibits employers from utilizing a credit report in making a hiring decision unless the position is included as one of the acceptable positions outlined in the statute and the candidate is provided written notification that such a report may be obtained and the candidate provides their consent. In addition, if the employer obtains the credit report for one of the permitted positions, it must also provide the consumer with the specific reasons why such a report will be collected and have a checkbox allowing the candidate to request a copy of the credit check.

Employers may obtain a consumer credit report for employment purposes if the position involves at least one of the following:

- A position in the California Department of Justice.
- A managerial position (defined as a position that qualifies for the executive exemption from overtime).
- A sworn peace officer or other law enforcement position.
- A position for which credit information is required by law to be disclosed or obtained.
- A position that involves regular access (other than in connection with routine solicitation of credit card applications in a retail establishment) to people's bank or credit card account information, social security number, and date of birth.
- A position in which the employee would be a named signatory on the employer's bank or credit card account, authorized to transfer money on behalf of the employer, or authorized to enter into financial contracts on behalf of the employer.
- A position that involves regular access to cash totaling \$10,000 or more of the employer, a customer, or client during the workday.
- A position that involves access to confidential or proprietary information (defined as a legal "trade secret" under Civil Code 3426.1(d)).

I have read and understood the restrictions on ordering credit reports under California law AB 22, and will abide by the mandates of the California Law.

\_\_\_\_\_  
Name of User (i.e., Company Name)

\_\_\_\_\_  
Type or Print Name of Owner or Officer

\_\_\_\_\_  
Title

**X** \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

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**New York State Correction Law  
Article 23-A, Section 753  
Licensure and Employment of Persons Previously  
Convicted of One or More Criminal Offenses**

Â§ 753. Factors to be considered concerning a previous criminal conviction; presumption.

1. In making a determination pursuant to section seven hundred fifty-two of this chapter, the public agency or private employer shall consider the following factors:

- (a) The public policy of this state, as expressed in this act, to encourage the licensure and employment of persons previously convicted of one or more criminal offenses.
- (b) The specific duties and responsibilities necessarily related to the license or employment sought.
- (c) The bearing, if any, the criminal offense or offenses for which the person was previously convicted will have on his fitness or ability to perform one or more such duties or responsibilities.
- (d) The time which has elapsed since the occurrence of the criminal offense or offenses.
- (e) The age of the person at the time of occurrence of the criminal offense or offenses.
- (f) The seriousness of the offense or offenses.
- (g) Any information produced by the person, or produced on his behalf, in regard to his rehabilitation and good conduct.
- (h) The legitimate interest of the public agency or private employer in protecting property, and the safety and welfare of specific individuals or the general public.

2. In making a determination pursuant to section seven hundred fifty-two of this chapter, the public agency or private employer shall also give consideration to a certificate of relief from disabilities or a certificate of good conduct issued to the applicant, which certificate shall create a presumption of rehabilitation in regard to the offense or offenses specified therein.

*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 the 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 identify 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 from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-567-8688.
- **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:**

- 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:
  
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
3. Air carriers
4. Creditors Subject to Surface Transportation Board
5. Creditors Subject to Packers and Stockyards Act, 1921
6. Small Business Investment Companies
7. Brokers and Dealers
8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations
9. Retailers, Finance Companies, and All Other Creditors Not Listed Above

**CONTACT:**

- a. Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552
  - b. Federal Trade Commission: Consumer Response Center – FCRA  
Washington, DC 20580  
(877) 382-4357
  
  - 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 Protection (OCP)  
Division of Consumer Compliance and Outreach (DCCO)  
1775 Duke Street  
Alexandria, VA 22314  
Asst. General Counsel for Aviation Enforcement & Proceedings  
Aviation Consumer Protection Division  
Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590  
Office of Proceedings, Surface Transportation Board  
Department of Transportation  
395 E Street S.W.  
Washington, DC 20423  
  
Nearest Packers and Stockyards Administration area supervisor
- Associate Deputy Administrator for Capital Access  
United States Small Business Administration  
409 Third Street, SW, 8th Floor  
Washington, DC 20416  
Securities and Exchange Commission  
100 F St NE  
Washington, DC 20549  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090  
FTC Regional Office for region in which the creditor operates or  
Federal Trade Commission: Consumer Response Center – FCRA  
Washington, DC 20580  
(877) 382-4357

**All users of consumer reports must comply with all applicable regulations. 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 Consumer Financial Protection Bureau's (CFPB) 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 CFPB'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.

### **I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS**

#### **A. 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.

#### **B. 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.

#### **C. 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.

### **2. 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.

### **3. 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.

### **D. 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.

### **E. 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.

Federal regulations are available at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

#### **F. 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. Federal regulations are available at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

### **II. 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 CFPB.

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**

#### **A. 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.

#### **B. 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 EMPLOYEE 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) 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).

## **VII. 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 615(d). This practice is known as "prescreening" and typically involves obtaining from a CRA a list of consumers 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 to 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 CFPB has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The relevant regulation is 12 CFR 1022.54.

## **VIII. OBLIGATIONS OF RESELLERS**

### **A. 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.

### **B. 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.

### **C. 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.

## **IX. 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 CFPB's website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore), has more information about the FCRA, including publications for businesses and the full text of the FCRA.**

### **Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:**

|              |                   |
|--------------|-------------------|
| Section 602  | 15 U.S.C. 1681    |
| Section 603  | 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-A |
| Section 605B | 15 U.S.C. 1681c-B |
| 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   |

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|-------------|-------------------|
| 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   |