



## SERVICE AGREEMENT FOR EMPLOYMENT SCREENING SERVICES

This Agreement is made by and between \_\_\_\_\_  
(End User) and ACUTRAQ. End User employs ACUTRAQ herein for a period beginning the date of this contract and shall continue in effect until terminated by either party with or without cause. This agreement may be terminated at any time on fifteen (15) days written notice or immediately if this contract has been violated.

The End User's type of business is \_\_\_\_\_

Terms and conditions of this contract are subject to the following:

1. **SERVICES PROVIDED:** ACUTRAQ agrees to furnish to End User personal identifier record (SSN), employment references, federal, civil and criminal records, motor vehicle records, credit reports, education and credential verification, and other background information ("consumer report") on job applicants/employees, as requested by the End User. ACUTRAQ will use its best efforts to deliver the consumer reports requested in an expeditious manner, however, ACUTRAQ shall have no obligation or liability to End User for any delay or failure to deliver consumer reports caused by the parties providing data or information to ACUTRAQ, or by any other third-party. ACUTRAQ is a federally regulated Consumer Reporting Agency as defined by the Fair Credit Reporting Act for the purpose of providing pre-employment screening information in accordance with all applicable guidelines and confidentiality as stipulated within applicable statutes.
2. **DISCLAIMER OF WARRANTY/LIMITATION OF LIABILITY:** Resident rental histories, credit reports, criminal background, sex offender, and/or other information provided is based on other third party sources and/or court records. ACUTRAQ does not warrant or represent that the results provided will be 100% accurate and up to date. ACUTRAQ does not make any representation or warranty as to the character or the integrity of the person, business, or entity that is the subject of any search inquiry processed through our service.

No warranty, express or implied, exists that the person who is the subject of the inquiry is in fact the same person that may be found in the records. The End User must make positive identification. Further, ACUTRAQ shall not be liable in any manner whatsoever for any loss or injury to End User resulting from the obtaining or furnishing of such information and shall not be deemed to have guaranteed the accuracy of such information. ACUTRAQ shall not be held responsible or liable for any delays in or failure or suspension of service caused by mechanical or power failures, strikes, labor difficulties, fire, inability to operate or obtain service for its equipment, weather, earthquakes, floods or other causes beyond the control of ACUTRAQ. ACUTRAQ has access to consumer reports from one or more consumer credit reporting agencies.

3. **Limitation of Liability.** IN NO EVENT SHALL ACUTRAQ, ITS PARENTS, SUBSIDIARIES, OR AFFILIATES, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, OR AGENTS ("ACUTRAQ") BE LIABLE FOR DIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, DIRECT OR INDIRECT DAMAGES (INCLUDING BUT NOT LIMITED TO, LOSS OF DATA, USE, OR PROFITS, TORTS INVOLVING PRIVACY, ETC.), HOWEVER CAUSED, WHETHER FOR BREACH OF CONTRACT, NEGLIGENCE, OR OTHERWISE, AND WHETHER OR NOT ACUTRAQ HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH DAMAGES.
4. **END USER'S ACKNOWLEDGMENT OF COMPLIANCE WITH THE FAIR CREDIT REPORTING ACT:** End User is an employer and has a permissible purpose for obtaining consumer reports in accordance with the Fair Credit Reporting Act (15 U. S. C. 1681 et seq.) including, without limitation, all amendments thereto ("FCRA"). The End User certifies its permissible purpose as:

- **Employment Screening / Volunteer Screening:** End User shall request Consumer Report for Employment Purposes pursuant to procedures prescribed by ACUTRAQ 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.
5. **USE OF CONSUMER REPORTS:** 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.
      - End User shall use each Consumer Report only for a one-time use and shall hold the report in strict confidence, and not disclose it to an third parties.
      - 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
  6. **MAINTAIN COPIES:** End User will maintain copies of all written authorizations for a minimum of 5 years from the date if inquiry.
  7. **THE FCRA PROVIDES THAT ANY PERSON WHO KNOWINGLY AND WILLFULLY OBTAINS INFORATION ON A CONSUMER FROM A CONSUMER REPORTING AGENCY UNDER FALSE PRETENSES SHALL BE FINED UNDER TITLE 18 OF THE UNITED STATES CODE OR IMPRISONED NOT MORE THAN 2 YEARS OR BOTH.**
  - **Pre-Adverse Action:** End User certifies that before taking adverse action (e.g., refusing to hire or promote an applicant/employee), based in whole or part on information contained in the consumer report, it will first:
    1. Provide the applicant/employee with a copy of the consumer report
    2. Provide the applicant/employee with a copy of the Consumer Rights, in the format approved by the Federal Trade Commission (A copy of this Consumer Rights form may be obtained from ACUTRAQ)
    3. Provide the applicant with ample time to dispute any information contained in the consumer report
  - **Adverse Action:** End User certifies that after providing the applicant/employee with the Pre-Adverse Action information contained above, and after it has given the applicant/employee “ample time” to dispute the information, the End User will send the applicant a follow-up notification that the End User is taking adverse action (e.g., denying employment or promotion) based in part or in whole on the information contained in the consumer report.
  8. **CONFIDENTIALITY AND USE OF INFORMATION:** End User certifies that it acknowledges the sensitivity and confidentiality of the information contained in the consumer report and End User agrees that information obtained from a consumer report will not be used in violation of any applicable state or federal equal employment opportunity laws. End User agrees to maintain copies of all written authorizations for a minimum of five (5) years from the date of inquiry.

9. **DISCONTINUED USE:** With just cause, any violation of the terms of this agreement or a material change in existing legal requirements that adversely affects the End User and this agreement, ACUTRAQ may, upon its election, discontinue serving the End User and cancel the agreement immediately.
10. **INDEMNIFICATION/HOLD HARMLESS:** By signing this document, End User acknowledges that it has read and understands the requirements of the Fair Credit Reporting Act, End User agrees that it will comply with all such requirements, and End User agrees that it shall defend, indemnify and hold ACUTRAQ, its directors, officers, employees, agents, successors and assigns, harmless from any and all claims, liability, costs or damages whatsoever arising out of or related to End User's failure to comply with the requirements of the FCRA. End User further agrees that it shall defend, indemnify and hold ACUTRAQ, its directors, officers, employees, agents, successors and assigns, harmless from any and all claims, liability or damages whatsoever arising out of or related to the accuracy or use of the services or data provided under this Agreement.
11. **PAYMENT REQUIREMENTS/COLLECTION:** End User agrees to pay ACUTRAQ the applicable charges for the various services rendered to End User as specified in ACUTRAQ's employment screening service list, which is subject to change from time to time. End User agrees to pay all applicable charges within thirty (30) days of receipt of the information or consumer report requested. However, all monetary obligations to ACUTRAQ for services rendered which are past due fifteen days or more may, at the election of ACUTRAQ, be charged a \$15 per month late fee. In the event that legal action is necessary to obtain the payment of any monetary obligations to ACUTRAQ, the End User shall be liable to ACUTRAQ for all costs and reasonable attorneys' fees incurred by ACUTRAQ in collection of such obligations. ACUTRAQ has the right to change the payment period according to the client's credit rating (score) and financial status.
12. **COMPLIANCE WITH LAWS:** This agreement is governed by the laws of the State of Arkansas and shall inure to and is binding upon the successors and assigns of ACUTRAQ and the heirs, executors and assigns of the End User. In the event End User violates the terms of this agreement, End User agrees to pay all costs for steps taken by ACUTRAQ, whether by lawsuit or otherwise, to defend, preserve, or enforce the rights under this agreement. All rights and duties of End User and ACUTRAQ, arising from services performed or agreed to be performed by ACUTRAQ, shall be determined under the internal laws of the Federal Government and State of Arkansas, County and City. End User shall be liable to any third party claimant for its own acts of negligence with regard to the performance of its duties hereunder.
13. **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.
14. **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.

15. **SUCCESSORS:** This Agreement shall insure to the benefit of and bind the heirs, personal representatives, successors, and assigns of the parties.

16. **CANCELLATION:** End User may cancel the account with ACUTRAQ by sending notification in writing fifteen (15) days in advance. However, the company herein is obligated and must adhere to the FCRA despite cancellation. FCRA requires that all Disclosure and Release forms must be kept on file in a secure location for a period of at least five (5) years.

The End User hereby has read, acknowledges and agrees to the terms and conditions of this agreement.

The End User has executed this Agreement on this the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, intending to be legally bound thereby.

Sole Proprietor: \_\_\_\_\_ Partnership: \_\_\_\_\_ Corporation: \_\_\_\_\_ LLC: \_\_\_\_\_ Non-Profit/Volunteer: \_\_\_\_\_

\_\_\_\_\_  
Company Name Doing Business As

\_\_\_\_\_  
Company Main Phone Company Fax Number

Physical Address: \_\_\_\_\_  
Street City State Zip

Billing Address (if different): \_\_\_\_\_  
Street/PO Box City State Zip

\_\_\_\_\_  
Authorized Contact Name Cell Phone Number Title Name of Business Owner

\_\_\_\_\_  
Email Address Federal Tax ID # (or Social Security # of Owner)

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**Complete for Corporation Only:** Officer Name - \_\_\_\_\_ Title - \_\_\_\_\_  
Officer Name - \_\_\_\_\_ Title - \_\_\_\_\_  
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**Complete the section ONLY for Sole Proprietor: or Partnership: :**

\*Completing this section you are allowing consent for ACUTRAQ to pull a credit report

Owner Name: \_\_\_\_\_ Social Security Number \_\_\_\_\_

Owner Address: \_\_\_\_\_  
Street State Zip

2nd Owner Name: \_\_\_\_\_ Social Security Number \_\_\_\_\_

2nd Owner Address: \_\_\_\_\_  
Street State Zip

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*\*Must Be Signed By Authorized Personnel*

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_ Title \_\_\_\_\_





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 Combs, AR, 72721  
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 Email [acutraq@windstream.net](mailto:acutraq@windstream.net) web [acutraq.com](http://acutraq.com)

### ACCESS SECURITY REQUIREMENTS

We must work together to protect the privacy of consumers. The following measures are designed to reduce unauthorized access of consumer credit reports. In accessing ACUTRAQ services, you agree to follow these measures:

- You must protect your ACUTRAQ USER ID and password so that only key personnel employed by your company know this sensitive information. Unauthorized persons should never have knowledge of your password. Do not post this information in any manner within your facility. If a person who knows the password leaves your company or no longer needs to have it due to a change in duties, the password should be changed immediately.
- Do not share passwords with co-workers, friends, or family.
- Do not discuss your ACUTRAQ USER ID and password by telephone with any unknown caller, even if the caller claims to be an employee of ACUTRAQ.
- Restrict the ability to obtain reports to a few key personnel.
- After normal business hours, be sure to turn off and lock all devices or systems used to obtain report information.
- Secure hard copies and/or electronic files of consumer reports within your facility so that unauthorized persons cannot easily access them.
- Shred or destroy all hard copy consumer reports when no longer needed.
- Make all employees aware that your company can access credit, and other report information only for the permissible purposes listed in the Permissible Purpose Information section of your membership application.
- You or your employees may not access their own reports. Nor should you or your employees access the report of a family member or friend unless it is in connection with a credit transaction or for some other permissible purpose.
- Do not send sensitive data through email, such as consumer's SSN, account numbers, actual credit reports, etc. unless data is encrypted.
- In the event of a compromised system, notify ACUTRAQ immediately and take necessary steps to ensure no other credit reports are accessed using compromised system.

Record Retention: The Federal Equal Opportunities Act states that a creditor/employer must preserve all written or recorded information connected with an application for five (5) years. In keeping with the ECOA, ACUTRAQ requires that you retain the credit/employment application and, if applicable, a lease/employment contract for a period of not less than 5 years. When conducting an investigation, particularly following a consumer complaint that your company impermissibly accessed their credit report, ACUTRAQ will contact you and will request a copy of the original application signed by the consumer or, if applicable, a copy of the lease/employment 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 and/or 2 years in prison.”

\_\_\_\_\_  
 \*COMPANY NAME

\_\_\_\_\_  
 EMAIL ADDRESS OF NEW USER

\_\_\_\_\_  
 \*SIGNATURE OF USER

\_\_\_\_\_  
 PRINTED NAME OF USER (Please Print Clearly)

\_\_\_\_\_  
 \*AUTHORIZED MANAGER/OWNER SIGNATURE

\_\_\_\_\_  
 DATE



**Upon signing this document you are acknowledging that you have  
read, agree with, and understand the obligations listed in this  
Notice To Users under the FCRA.**

**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.

**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, 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/).

#### **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. 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/).

### **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 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**

#### **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 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).

#### **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 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.

## 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 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.

Section 602	Section 603	Section 611	15 U.S.C. 1681i	Section 621	15 U.S.C. 1681s
Section 604	15 U.S.C. 1681b				
		Section 612	15 U.S.C. 1681j	Section 622	15 U.S.C. 1681s-1
Section 605	15 U.S.C. 1681c				
		Section 613	15 U.S.C. 1681k	Section 623	15 U.S.C. 1681s-2
Section 605A	15 U.S.C. 1681c-A	Section 614	15 U.S.C. 1681l		
				Section 624	15 U.S.C. 1681t
Section 605B	15 U.S.C. 1681c-B	Section 615	15 U.S.C. 1681m		
				Section 625	15 U.S.C. 1681u
Section 606	15 U.S.C. 1681d	Section 616	15 U.S.C. 1681n		
				Section 626	15 U.S.C. 1681v
Section 607	15 U.S.C. 1681e	Section 617	15 U.S.C. 1681o		
				Section 627	15 U.S.C. 1681w
Section 608	15 U.S.C. 1681f	Section 618	15 U.S.C. 1681p		
				Section 628	15 U.S.C. 1681x
Section 609	15 U.S.C. 1681g	Section 619	15 U.S.C. 1681q		
				Section 629	15 U.S.C. 1681y
Section 610	15 U.S.C. 1681h	Section 620	15 U.S.C. 1681r	15 U.S.C. 1681	
				15 U.S.C. 1681a	