



A Background Screening Company

Dear Client,

So that we may better serve you, please fill out the information below and send back to your Confirm Choice representative via email or fax.

Company Name: \_\_\_\_\_  
 Tax ID: \_\_\_\_\_  
 Business Type: \_\_\_\_\_ State of Incorporation: \_\_\_\_\_  
 Physical Address: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Fax Number: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Email: \_\_\_\_\_  
 Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Invoices:** (All invoices will be sent electronically and posted to the website for your security and convenience.)

Attention of: \_\_\_\_\_ Email: \_\_\_\_\_

*You will be invoiced bi-monthly unless otherwise specified.*

All requests must be submitted through our website interface for privacy and security.

Please list users:

<u>Name</u>	<u>Email</u>	<u>Admin Rights?</u>	<u>Results?</u>
_____	_____		
_____	_____		
_____	_____		
_____	_____		
_____	_____		
_____	_____		

You will be notified by email once a result is available at the website.

*Admin Rights allow you to see invoices and add/change/delete users.*



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**Disclosure and Authorization Form**

The Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681 *et seq.*, requires that a Disclosure and Authorization Form be signed by the applicant prior to Confirm Choice furnishing a report. These forms should be retained for a minimum of six (6) years. The Confirm Choice Service Agreement requires that you either maintain the Disclosure and Authorization Form or provide us with a copy for our records. Please indicate which option you will follow below:

**Option A,** \_\_\_\_\_ will provide a copy of the signed Disclosure and Authorization Form for all consumers to Confirm Choice and which will therefore be maintained by Confirm Choice.

**Option B,** \_\_\_\_\_ will retain a copy of the signed Disclosure and Authorization Form for all applicants for no less than a period of six (6) years.

**Adverse Action Process**

Confirm Choice is a Consumer Reporting Agency (“CRA”), as defined by the FCRA and accordingly we must comply with the FCRA in the furnishing of consumer reports or investigative consumer reports for background screening purposes. The FCRA requires that when a report is used for employment purposes, including volunteer services, and use of the report could result in adverse action being taken against the job applicant or volunteer, the individual must be notified of such prior to a final decision and must be afforded an opportunity to review the report for any inaccuracies or incomplete information. Accordingly, prior to an adverse action being taken against an individual, an employer or volunteer agency must provide the individual with a copy of the report as well as a copy of *A Summary of Your Rights Under the Fair Credit Reporting Act*. In addition, if an adverse decision is taken after the “pre-adverse action notice” is provided to the individual, a second notice, typically referred to as the “adverse action notice”, must be provided to the individual spelling out certain information about Confirm Choice and the individual’s rights under the FCRA. As a service to you, Confirm Choice can handle this obligation for you. If you are screening for other permissible purposes, only the “adverse action notice” needs to be provided. Please select one of the options below:

**Option A:** Yes, \_\_\_\_\_ would like Confirm Choice to handle the Adverse Action process (\$4/applicant).

**Option B:** Yes, \_\_\_\_\_ would like to utilize the Adverse Action letter template(s) online but will manage the process (\$2/applicant).

**Option C:** No, \_\_\_\_\_ will handle the Adverse Action process and agrees to follow both the pre-adverse action and adverse action steps, as applicable, pursuant to sections 1681b and 1681m of the FCRA (no charge).

**Obtaining Information Under False Pretenses**

The FCRA imposes criminal penalties against anyone who knowingly and willfully obtains information on a consumer from a CRA under false pretenses, including a fine, up to two (2) years in prison, or both.

Authorizing Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

Company: \_\_\_\_\_

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



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**SERVICE AGREEMENT**

This Service Agreement (the "Agreement") is entered into \_\_\_\_\_ ("Effective Date") by and between Confirm Choice, LLC, with its headquarters located at 4205 Hillsboro Pike, Suite 200, Nashville, Tennessee 37215 ("Confirm Choice") and \_\_\_\_\_ with its headquarters located at \_\_\_\_\_ ("Client").

WHEREAS, Client plans to request from Confirm Choice certain services for employment, contracting purposes, or tenant screening, which include consumer reports and investigative consumer reports (collectively "Background Report(s)") as defined under the federal Fair Credit Reporting Act ("FCRA"), 15 U.S.C. § 1681 *et. seq.*

WHEREAS, Confirm Choice desires to provide such Background Reports to Client pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, Confirm Choice and Client hereby agree as follows:

**1. Client certifies that:**

- (a) It has a permissible purpose for obtaining Background Reports in accordance with the FCRA and that permissible purpose is:
  - In connection with the evaluation of individuals for employment, promotion, reassignment or retention as an employee.
  - For a legitimate business need in connection with a business transaction that is initiated by a consumer, including, but not limited to, tenant screening.
- (b) The ordering of Background Reports will only be for the permissible purpose described in this Section 2 and for no other purpose.
- (c) Information contained in a Background Report shall remain confidential.
- (d) It will use the Background Reports and information contained therein in a legally permissible and acceptable fashion. Client certifies that it will not use the Background Reports in violation of any applicable federal, state or local laws, regulations or guidance related to the use of consumer reports for employment screening purposes or tenancy; and, as a condition of entering into this Agreement, Client certifies that it has in place reasonable procedures designed to comply with all applicable federal, state or local laws, regulations or guidance.
- (e) It will meet the requirements of the FCRA, and applicable federal and state laws and regulations related to the use of Background Reports and information contained therein.
- (f) By initialing the appropriate pages contained herein, Client acknowledges receipt of the *Notice to Users of Consumer Reports: Obligations of Users under the Fair Credit Reporting Act* and that it will follow the requirements contained in the FCRA relating to end users of Background Reports.
- (g) By initialing the appropriate pages contained herein, Client acknowledges receipt of *A Summary of Your Rights Under the Fair Credit Reporting Act*, a copy of which must be provided by Client to Consumer (as defined below) as a part of the pre-adverse action process pursuant to the FCRA, if applicable.
- (h) Only designated and authorized representatives of Client will request Background Reports on Client's behalf and Client shall ensure that such designated and authorized representatives shall not attempt to obtain any Background Reports on themselves, associates, or any other person except in the exercise of their official duties.
- (i) **New York City Employers – Background Reports Containing Criminal History.** Pursuant to restrictions on when criminal background reports can be requested under New York City's Fair Chance Act, Client certifies that it will request a Background Report which includes a criminal history search only after extending a conditional offer of employment to the job applicant, or, in the alternative that the position for which Client is requesting a criminal history search is excluded under the Fair Chance Act.

**2. Client Certifications – Employment Purposes :**

In addition to having a permissible purpose pursuant to 15 U.S.C. § 1681b, and as described in this Agreement, Client certifies to the following when Background Reports will be used for **employment purposes**:

- (a) Prior to ordering a Background Report, Client shall make a clear and conspicuous disclosure, in a stand-alone document and in writing, to the person subject to such report (each a "Consumer") and receive written authorization to conduct a background check in compliance with the FCRA. Client shall retain Consumer's written authorization for a period of no less than six (6) years or provide Confirm Choice with a copy upon execution by the Consumer.
- (b) Client will follow prescribed adverse action procedures pursuant to 15 U.S.C. §§ 1681b and 1681m, where applicable. This includes the requirement to provide Consumer with a copy of the Background Report and the federal notice, *A Summary of Your Rights Under the Fair Credit Reporting Act* prior to taking any adverse action based in whole or in part on information in a Background Report provided by Confirm Choice.
- (c) Information contained in a Background Report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation.



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### 3. Client Obligations:

- (a) Client shall not request, obtain, or use Background Reports for any other purpose including, but not limited to, for the purpose of selling, leasing, renting or otherwise providing information obtained under this Agreement to any other party, whether alone, in conjunction with Client's own data, or otherwise in any service which is derived from the Background Reports.
- (b) The Background Reports shall be requested by, and disclosed by Client only to Client's designated and authorized employees and third parties having a need to know or based on contractual requirements and only to the extent necessary to enable client to use the Background Reports in accordance with this Agreement.
- (c) Client shall use each Background Report only for a one-time use and shall hold the report in strict confidence, and not disclose the information contained in the report to any third party that is not involved in the eligibility determination for employment or tenancy.
- (d) Client will properly dispose of Background Reports in its possession in a manner which will protect against unauthorized access, use or otherwise jeopardize the confidentiality of consumer's personal information contained in the Background Report. Client shall have in place policies and procedures which require the burning, pulverizing or shredding of Background Reports and any documents containing personal information received under this Agreement so that the information cannot practicably be read or reconstructed. If such information is in electronic files or media format, Client shall have in place policies and procedures to destroy or erase Background Reports and personal information so that it cannot practicably be read or reconstructed.
- (e) Client understands that Confirm Choice does not provide legal or other compliance related advice or services upon which Client may rely in connection with the Background Reports. Client understands that any provisions of this Agreement or conversation or communication with Confirm Choice representatives regarding searches, verifications or other services offered by Confirm Choice are not to be considered a legal opinion or legal advice regarding such use. Client agrees that it will consult with its own legal or other counsel regarding the use of background screening information, including but not limited to, the legality of using or relying on reported information and the Background Reports.

### 4. Security Obligations:

- (a) Client agrees to maintain reasonable and appropriate measures to protect against the misuse or unauthorized access or disclosure of information obtained through Confirm Choice and which is contained in the Background Reports. Client agrees to implement commercially available and reasonable security procedures and safeguards to prevent unauthorized access or disclosure of personally identifiable information in the Background Reports and to maintain the confidentiality and security of same. Such misuse shall include, but is not limited to, the release or disclosure to unauthorized users or the direct viewing of the Background Reports by unauthorized users of information such as dates of birth, driver's license numbers, social security numbers, record history or any other information provided in privacy from Consumer to Client or to Client from Confirm Choice. Client agrees to fully cooperate with any investigation of suspected misuse of the Background Reports and/or information contained therein. Confirm Choice may terminate this Agreement without notice or liability of any kind if misuse or unauthorized access of information in the Background Reports by Client is found or if there are any violations of the FCRA.
- (b) Client is responsible for assigning parties levels of access needed to obtain or view information on Confirm Choice's system. Client shall notify Confirm Choice immediately if an Account ID becomes invalid or a password is lost or may potentially be compromised.
- (c) If Client has reason to believe that an unauthorized party has accessed any data or that an unauthorized party has received any information contained in a Background Reports or other document provided by Confirm Choice, Client should immediately and within 24 hours, notify Confirm Choice. Client acknowledges that any unauthorized acquisition or loss of personally identifiable information contained in the Background Reports may violate state data security breach notification laws and that Client may have certain legal responsibilities related to such.

### 5. Term and Termination:

- (a) The term of this Agreement shall commence on the Effective Date and continue until terminated by either party.
- (b) Either party may terminate this Agreement for convenience upon thirty (30) days written notice to the other party and Confirm Choice may terminate this Agreement immediately as provided in section 7(b)
- (c) Upon the expiration or termination of this Agreement, the following shall apply (a) the parties shall cooperate to effect an orderly, efficient, effective and expeditious termination of the activities hereunder; (b) Confirm Choice shall have no obligation to perform any services hereunder after the effective date of the expiration or termination; and (c) Client shall pay to Confirm Choice any fees or other amounts payable for the services performed hereunder prior to the effective date of the expiration or termination.



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### 6. General Provisions:

- (a) Both parties (and its employees) are and shall remain independent contractors. Neither party on behalf, or in the name of the other party, may assume any obligation or responsibility.
- (b) Client agrees that Confirm Choice, or its designee, may conduct an audit to verify Client's records, processes and procedures associated with the services related to the Background Reports provided pursuant to this Agreement and to ensure compliance with the FCRA and other applicable laws and regulations. Client shall cooperate fully in connection with any such audit, including bearing the cost of such process as it relates to Client providing proof thereof, and will allow, or obtain, access to such systems, records and personnel as Confirm Choice, or its designee, may reasonably require for such audit. Confirm Choice agrees to provide reasonable notice when such an audit will be conducted. Any violations of the Agreement and/or violations of applicable law found as a result of such an audit will provide cause for Confirm Choice to terminate the Agreement immediately and with no liability to Confirm Choice.
- (c) This Agreement will be governed by, and construed and interpreted according to, the substantive laws of the State of Tennessee, without reference to conflicts of laws, principles, and applicable United States federal laws. The U.S. federal courts and Tennessee state courts shall have sole and exclusive jurisdiction over any claims or disputes brought by Confirm Choice or Client which may arise out of or in connection with this Agreement. Confirm Choice and Client consent to such forum and waive any and all objections to jurisdiction that they may have under the laws of the State of Tennessee or the United States.
- (d) Confirm Choice shall not be liable for, or be considered to be in breach or default on account of, any delay or failure to perform any Services due to any cause or condition beyond its reasonable control (including, but not limited to, any: fire, storm, flood, wind and acts of God or the elements; breakdown of or damage to any equipment, facilities or other property; unavailability of materials, supplies, equipment, transportation, services and other necessary items; and any act or omission of Client).
- (e) By signing this Agreement, Client agrees that Confirm Choice may communicate with Client via electronic mail and facsimile.
- (f) This Agreement and any attachments hereto, which are incorporated by reference, constitute the entire Agreement between the parties relating to its subject matter, and supersede all prior agreements and understandings, written or oral, with respect to the such subject matter. This Agreement may be amended, modified, or supplemented only by a writing that refers explicitly to this Agreement and that is signed by an authorized representative on behalf of each party. The headings of each section shall have no effect upon the construction or interpretation of any part of this Agreement.
- (g) Client may not sell, transfer, assign or otherwise dispose of any of its rights or obligations under this Agreement to any other person without the express written consent of Confirm Choice. Any attempt at assignment in violation of this section shall be void.
- (h) This Agreement may be executed in one or more counterparts and by facsimile or electronic means, each of which will be deemed to be an original and together shall be deemed to constitute one and the same Agreement.
- (i) The failure of a party to enforce any breach or provision of this Agreement shall not constitute a continuing waiver of such breach or provision and such party may at any time thereafter act upon or enforce such breach or provision of this Agreement. Any waiver of a breach executed by either party shall affect only the specific breach and shall not operate as a waiver of any subsequent or preceding breach.
- (j) If any clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed and the remaining provisions of the Agreement shall continue in full force and effect. The parties shall use their reasonable commercial efforts to agree upon a valid and enforceable provision as a substitute for the severed provision, taking into account the intent of this Agreement.
- (k) Sections 2, 3, 4, 5, 7, 8 and 9, and any other provisions of this Agreement that may reasonably be interpreted or construed to survive termination of the term will survive termination of the term.
- (l) Any written notice by either party shall be delivered personally by messenger, private mail courier service, or sent by registered or certified mail, return receipt requested, postage prepaid to the addresses listed on the signature page to this Agreement and shall be effective upon receipt.
- (m) Send notification of any change of its address or name to Confirm Choice within 14 days of such change.

### 7. Client agrees to the following in the case such as Motor Vehicle Records (MVRs) are purchased from Confirm Choice:

- (a) To comply with the federal Driver's Privacy Protection Act (18 U.S.C. § 2721 *et seq.*) including, without limitation, all amendments thereto (DPPA) and any similar state statutes.
- (b) Client may keep a copy of the Consumer's MVR in the Consumer's personnel file, but shall not in any other way retain or store this information.
- (c) Client shall complete any state forms that Confirm Choice is legally or contractually bound to acquire before providing Client with any state MVR.
- (d) Client shall not disseminate or publish personal information contained in MVRs via the Internet.
- (e) Client shall not publish or transmit MVR information via email.
- (f) Client stipulates to being a third party beneficiary of any MVR information obtained at Client's request through Confirm Choice.
- (g) Client will obtain the written release of the Consumer pursuant to the DPPA, as directed by Confirm Choice, and will retain the release for a period of no less than six (6) years or provide Confirm Choice with a copy.
- (h) With regard to MVR reports originating from the state of West Virginia, Client shall indemnify the state of West Virginia from and wrongful use of this information.



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### 8. Use of Credit Information:

- (a) If used for employment purposes, Client certifies that it has a need for Consumer credit information in connection with the evaluation of individuals for employment, promotion, reassignment or retention as an employee.
- (b) Client shall comply with any federal or state laws which may restrict or ban the use of consumer credit information for employment purposes.

### 9. Indemnification by Client:

Client shall indemnify, defend and hold harmless Confirm Choice and its affiliates and their respective directors, officers, employees and agents harmless from and against any and all loss, cost, expense, claim, demand, government agency investigations and liability of any kind or nature (including, but not limited to reasonable attorneys' fees and costs) which may be incurred by Confirm Choice arising from any claim or action brought by a third person against Confirm Choice and resulting from or based on (i) any negligent acts or omission, negligence or intentional misconduct of Client or its employees, agents or contractors; (ii) Client' s breach of the terms and conditions of this Agreement; or (iii) the violation of any applicable law.

### 10. Indemnification by Confirm Choice:

Confirm Choice shall indemnify and hold Client harmless from and against any and all loss, cost, expense, claim, demand, or liability (including, but not limited to reasonable attorneys' fees and costs) which may be incurred by Client arising from any claim or action brought by a third person against Client that arises out of, or results from, the Background Reports and is based upon the negligence or intentional misconduct of Confirm Choice in the provision of the Background Reports.

### 11. Limitation of Liability:

- (c) NEITHER PARTY WILL BE LIABLE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, FOR INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, INCIDENTAL, OR SPECIAL DAMAGES (INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST REVENUES, LOST PROFITS, LOST SAVINGS, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, BUSINESS INTERRUPTION, OR LOSS OF BUSINESS INFORMATION), EVEN IF SUCH PARTY HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.
- (d) Notwithstanding any other provision of this Agreement to the contrary, in no event will Confirm Choice's aggregate liability for damages relating to its indemnification obligations to Client under this Agreement exceed fifty percent (50%) of the total amount paid by Client to Confirm Choice hereunder in any calendar year. The remedies set forth in this paragraph and termination of this Agreement are Client's sole and exclusive remedies for claims or damages arising out of or relating in any way to this Agreement, the Background Reports or the services provided by Confirmation Choice hereunder.

### 12. Fees and Payments:

- (e) Subject to the terms of this Agreement, Client shall pay to Confirm Choice the fees and costs set forth on each invoice for Background Reports provided hereunder (collectively, the "Fees"), within thirty (30) days after delivery of the applicable invoice. The Fees do not include any taxes, customs, duties, or other amounts assessed or imposed by any governmental authority or private entity, which shall be paid by Client at the rate and in the manner prescribed by law. Confirm Choice, in its sole and absolute discretion and after providing Client not less than thirty (30) calendar days' notice, may revise the Fees. Accounts with invoices unpaid thirty (30) days or more after the date of the invoice may be assessed an interest charge of 1 ½ % per month, or the highest rate permitted by applicable law, whichever is less, determined and compounded daily from the date due until the date paid. A \$30.00 fee will be assessed for all returned checks. If the account goes to collection, Client agrees to pay all collection expenses, including attorneys' fees and costs. Client agrees that providing credit card information and submitting it electronically to Confirm Choice represents a legal authorization to debit the card for the orders placed or for non-payment per the 30 day term. Client shall pay all Fees in U.S. dollars.
- (f) Notwithstanding anything to the contrary herein, Client acknowledges and agrees that Confirm Choice may, in its sole discretion, suspend delivery of the Background Reports without notice if Client fails to pay Confirm Choice the Fees hereunder as provided above.
- (g) **New York Employers** – state law requires clients be provided an advance statement of services and charges for private investigative services. To the extent that the services provided hereunder are considered services by a licensed private investigator under state law, Confirm Choice shall not exceed a total of one (1) background Report per month, as those Background Reports are described in this Agreement, absent Client's consent.



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IN WITNESS WHEREOF, each party has caused this Agreement to be signed by its duly authorized officer as of the Effective Date. Client's duly authorized officer signing has direct knowledge of all facts certified.

**CONFIRM CHOICE, LLC:**

**Company Name:**

**Print Name:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

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

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

**Signature:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

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

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

**Address for Notices:** Confirm Choice  
4205 Hillsboro Pike, Suite 200  
Nashville, TN 37215

**Address for Notices:**



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**Notice to Users of Consumer Reports – Rev. Eff. January 1, 2013**

*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.





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### **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).



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## 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.
- First obtain written authorization from the consumer. 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.



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#### **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 pre-established 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;
  - (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.



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



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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 identity theft and place a fraud alert in your file;
  - your file contains inaccurate information as a result of fraud;
  - you are on public assistance;
  - you are unemployed but expect to apply for employment within 60 days.

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

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.
- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-567-8688.



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

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

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



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8. Federal Land Banks, Federal Lank Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations	Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090
9. Retailers, Finance Companies, and All Other Creditors Not Listed Above	FTC Regional Office for region in which the creditor operates or Federal Trade Commission: Consumer Response Center – FCRA, Washington, DC 20580, (877) 382-4357