

CONSUMER REPORT END-USER AGREEMENT

This Consumer Report End-User Agreement is between Compliance Background Screening Services (CBSS) ("CRA") and _____, effective as of date of last signature.

As required by the federal Fair Credit Reporting Act, the End-User certifies and agrees to:

- 1) Use the services of and the reports received from CRA in strict compliance with all provisions of the federal Fair Credit Reporting Act (FCRA), federal or state equal employment opportunity laws, state consumer reporting laws, the Americans with Disabilities Act (ADA 1990), and all other applicable federal and state laws and regulations including federal and state equal opportunity laws and regulations.
- 2) Use the information provided by CRA for the End-User's exclusive one-time use ONLY, except to disclose said information to the subject of the report, and for employment purposes only, and only in accordance with applicable law. Information will be held in strict confidence except to the extent that disclosure to others is required or permitted by law. End-User is prohibited from the sale or transfer of consumer reports to any other third party not involved in the employment decision. End-User is obligated to notify CRA of any change in the purpose for which information will be used. Recognize and understand that the FCRA provides that anyone "who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18, United States Code, imprisoned for not more than two (2) years, or both."
- 3) Certify that End-User has received and read the "Notice to Users of Consumer Reports: Obligations of Users under the FCRA", as attached to this agreement.
- 4) Make a clear and conspicuous disclosure to the applicant or employee in writing and in a separate document that a consumer report may be obtained for employment purposes.
- 5) Make a clear and accurate disclosure to the applicant or employee if an investigative consumer report will be obtained, including a statement informing the subject that additional information is available if requested.
- 6) Obtain the proper written authorization from the applicant or employee for any consumer and/or investigative report prior to requesting such report. Maintain written authorizations on file for a minimum of five (5) years from the date of inquiry.
- 7) Make signed authorizations available to CRA for audit purposes when given reasonable notice. End-User gives its consent to CRA to conduct such audits and agrees that any failure to cooperate fully and promptly in the conduct of any audit, or Subscriber's material breach of this agreement, constitute grounds for immediate suspension of the service or termination of this agreement. If CRA terminates this agreement due to the conditions in the preceding sentence, Subscriber (i) unconditionally releases and agrees to hold CRA harmless and indemnify it from and against any and all liabilities of whatever kind or nature that may arise from or

relate to such termination, and (ii) covenants it will not assert any claim or cause of action of any kind or nature against CRA in connection with such termination.

- 8) Provide proper notice to the applicant or employee, a copy of the report obtained, and “A Summary of Your Rights under the Fair Credit Reporting Act”, as required by the FCRA, if an adverse action or decision regarding employment may be made due to information in any report obtained from CRA. End-User also certifies receipt of duplicable copy of “A Summary of Your Rights under the Fair Credit Reporting Act”, as attached to this agreement, and acknowledges availability of the Summary on CRA’s website.
- 9) Vermont Certification. End-User certifies that it will comply with applicable provisions under Vermont law. In particular, End-User certifies that it will order TALX Employment Information relating to Vermont residents that are consumer reports as defined by the Vermont Fair Credit Reporting Act (“VFCRA”), only after End-User has received prior Consumer consent in accordance with VFCRA Section 2480e and applicable Vermont Rules. End-User further certifies that a copy of Section 2480e of the Vermont Fair Credit Reporting Statute, as attached to this agreement, was received from CRA.
- 10) Ensure that reports will be requested only by End-User's designated representatives and forbid employees from obtaining reports on themselves, associates or any other person except in the exercise of their official duties.
- 11) Recognize that information is obtained and managed by fallible sources, and that for the fee charged, CRA does not guarantee or ensure the accuracy or the depth of information provided.
- 12) Hold Equifax (The Work Number) and all its agents harmless on account of any expense or damage arising or resulting from the publishing or other disclosure of The Work Number Employment Information by CRA, its employees or agents. Recognize that Equifax does not guarantee the accuracy or completeness of The Work Number Employment Information, and releases Equifax and its agents, employees, affiliated credit reporting agencies and independent contractors from any liability, including negligence, in connection with the provision of The Work Number Employment Information and from any loss or expense suffered by subscriber resulting directly or indirectly from The Work Number Employment Information.
- 13) Assume responsibility for final verification of the subject’s identity.
- 14) Base employment decisions or any actions on the End-User's lawful policies and procedures and recognize that CRA’s employees are not allowed to render any legal opinions regarding information contained in a consumer report.
- 15) Pay for services as invoiced. Terms are NET 30 days. If an account goes to collection, End-User agrees to pay all expenses, including reasonable legal fees.
- 16) Provide credit information on End-User as may be requested by CRA during the course of this agreement.

- 17) Be aware that, if an account remains inactive for twelve consecutive months, it may be closed and a new End-User Agreement may be required to reopen the account.
- 18) Acknowledge that a copy of this agreement is as valid as an original.
- 19) Recognize that in order to remain in compliance with laws and regulations governing consumer reporting agencies, CRA may make modifications to this agreement from time to time. These modifications may be mailed to the End-User and the End-User's use of CRA's services after the date specified in the communication will be construed as your agreement and implied consent to these modifications.
- 20) Data Security. This section applies to any means through which End-User orders or accesses CRA Employment Information including, without limitation, system-to-system, personal computer or the Internet. The term "Authorized User" means an End-User employee that End-User has authorized to order CRA Employment Information and who is trained on End-User's obligations under this agreement with respect to the ordering and use of CRA information, including End-User's FCRA and other obligations with respect to the access and use of consumer reports.

With respect to handling CRA Employment Information, End-User agrees to:

- a) ensure that only Authorized Users can order or have access to CRA Employment Information,
- b) ensure that Authorized Users do not order CRA Employment Information for personal reasons or provide them to any third party except as permitted by this Agreement,
- c) inform Authorized Users that unauthorized access to consumer reports may subject them to civil and criminal liability under the FCRA punishable by fines and imprisonment,
- d) ensure that all devices used by End-User to order or access the CRA Employment Information are placed in a secure location and accessible only by Authorized Users and that such devices are secured when not in use through such means as screen locks, shutting power controls off, or other commercially reasonable security procedures,
- e) take all necessary measures to prevent unauthorized ordering of CRA Employment Information by any persons other than Authorized Users for permissible purposes, including, without limitation, (a) limiting the knowledge of the End-User security codes, User IDs, and any passwords End-User may use (collectively, "Security Information"), to those individuals with a need to know, (b) changing End-User's user passwords at least every ninety (90) days, or sooner if an Authorized User is no longer responsible for accessing CRA Employment Information, or if End-User suspects an unauthorized person has learned the password, and (c) using all security features in the software and hardware End-User uses to order CRA Employment Information,
- f) in no event access the CRA Employment Information via any hand-held wireless communication device, including but not limited to, web enabled cell phones, interactive wireless pagers, personal digital assistants (PDAs), mobile data terminals, and portable data terminals,
- g) not use non-company owned assets such as personal computer hard drives or portable and/or removable data storage equipment or media (including but not limited to laptops, zip drives, tapes, disks, CDs, and DVDs) to store CRA Employment Information.

- h) encrypt CRA Employment Information when it is not in use and with respect to all printed CRA Employment Information store in a secure, locked container when not in use and completely destroyed when no longer needed by cross-cut shredding machines (or other equally effective destruction method) such that the results are not readable or useable for any purpose,
- i) if End-User sends, transfers or ships any CRA Employment Information, encrypt the CRA Employment Information using the following minimum standards, which standards may be modified from time to time by CRA: Advanced Encryption Standard (AES), minimum 128-bit key or Triple Data Encryption Standard (3DES), minimum 168-bit key encrypted algorithms,
- j) monitor compliance with the obligations of this Section, and immediately notify CRA if End-User suspects or knows of any unauthorized access or attempt to access CRA Employment Information, including, without limitation, a review of CRA invoices for the purpose of detecting any unauthorized activity,
- k) not ship hardware or software between End-User's locations or to third parties without deleting all Security Information and any CRA Employment Information,
- l) if End-User uses a Service Provider to establish access to CRA Employment Information, be responsible for the Service Provider's use of Security Information, and ensure the Service Provider safeguards Security Information through the use of security requirements that are no less stringent than those applicable to Subscriber under this Section,
- m) use commercially reasonable efforts to assure data security when disposing of any consumer information or record obtained from CRA Employment Information. Such efforts must include the use of those procedures issued by the federal regulatory agency charged with oversight of Subscriber's activities (e.g. the Federal Trade Commission, the applicable banking or credit union regulator) applicable to the disposal of consumer report information or records.
- n) use commercially reasonable efforts to secure CRA Employment Information when stored on servers, subject to the following requirements: (i) servers storing CRA Employment Information must be separated from the internet or other public networks by firewalls which are managed and configured to meet industry accepted best practices, (ii) protect CRA Employment Information through multiple layers of network security, including but not limited to, industry-recognized firewalls, routers, and intrusion detection/prevention devices (IDS/IPS), (iii) secure access (both physical and network) to systems storing CRA Employment Information, which must include authentication and passwords that are changed at least every ninety (90) days; and (iv) all servers must be kept current and patched on a timely basis with appropriate security specific system patches, as they are available,
- o) not allow CRA Employment Information to be displayed via the internet unless utilizing, at a minimum, a three-tier architecture configured in accordance with industry best practices, and
- p) use commercially reasonable efforts to establish procedures and logging mechanisms for systems and networks that will allow tracking and analysis in the event there is a compromise, and maintain an audit trail history for at least three (3) months for review by CRA.
- q) If CRA reasonably believes that End-User has violated this Section, CRA may, in addition to any other remedy authorized by this Agreement, with reasonable advance written notice to End-User and at CRA's sole expense, conduct, or have a third party conduct on its behalf, an audit of End-User's network security

systems, facilities, practices and procedures to the extent CRA reasonably deems necessary, including an on-site inspection, to evaluate Subscriber's compliance with the data security requirements of this Section.

CRA agrees to:

- 1) Comply with all applicable laws in the preparation and transmission of reports as defined in the FCRA.
- 2) Follow reasonable quality assurance procedures to assure maximum possible accuracy of information.
- 3) Re-verify at no cost any disputed report when either the End-User or the subject makes a request in accordance with applicable law. CRA's response shall be made in writing and delivered within legally required time limit.
- 4) Maintain consumer report information and transaction details for a minimum of five (5) years. During an inquiry, the subject of the report has the right to learn the name of the End-User ordering information and has the right to receive a copy of the report ordered by the End-User when a lawful request is made to CRA.
- 5) Provide all information to the consumer as required by the Fair Credit Reporting Act.
- 6) Maintain confidentiality of its data acquisition and verification methodology.
- 7) CRA may, at its sole discretion, terminate service to any user.

I certify that I have read the terms for this Consumer Report End-User Agreement and I agree to the terms as written.

<p>LEGAL NAME: _____</p> <p>dba: _____</p> <p>SIGNATURE: _____</p> <p>NAME: _____</p> <p>TITLE: _____</p> <p>DATE: _____</p>	<p>LEGAL NAME: COMPLIANCE BACKGROUND SCREENING SERVICES (CBSS)</p> <p>dba: _____</p> <p>SIGNATURE: _____</p> <p>NAME: PHIL BRATTIN</p> <p>TITLE: PRESIDENT</p> <p>DATE: _____</p>
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Fill out and return with the Consumer Report End-User Agreement if you are considered an employer who:

- Is located in Vermont, or
- Could receive applicants who currently or previously lived in Vermont, or
- Could receive applicants who currently or previously worked in Vermont

ACCOUNT SETUP APPLICATION

BACKGROUND SCREENING – compliance@2cbss.com

Company Information



Legal Name: _____

dba: _____

Physical Address: _____

Mailing Address: _____

Billing Address: _____

Phone Number: _____ Fax Number: _____

Website: _____

Field of business: _____ Years in business: _____

Type of entity: ☐ Sole Proprietor ☐ C Corp ☐ S Corp ☐ LLC ☐ Other: _____

Tax ID Number: _____ State of Incorporation: _____

Contact Information

Senior Executive Contact: _____ Title: _____

Phone: _____

Email Address: _____

Primary Account Contact: _____ Title: _____

Phone: _____

Email Address: _____

Billing Contact: _____ Title: _____

Phone: _____

Email Address: _____



AUTHORIZED USERS – SCREENING SERVICES

Please list all persons who are authorized to place orders and/or access results.

Name: _____	Title: _____
Email: _____	Phone: _____
Access: <ul style="list-style-type: none"> <input type="checkbox"/> Place Orders <input type="checkbox"/> Place Orders via QuickApp* <input type="checkbox"/> View Results Placed by This User <input type="checkbox"/> View Results Placed by Other Users <input type="checkbox"/> Send Adverse Action Notices to Applicants <input type="checkbox"/> Manage Users 	For accounts with multiple locations/accounts ("parent/child accounts"): <ul style="list-style-type: none"> <input type="checkbox"/> Order Reports for Child Locations <input type="checkbox"/> View Results for Child Locations

Name: _____	Title: _____
Email: _____	Phone: _____
Access: <ul style="list-style-type: none"> <input type="checkbox"/> Place Orders <input type="checkbox"/> Place Orders via QuickApp* <input type="checkbox"/> View Results Placed by This User <input type="checkbox"/> View Results Placed by Other Users <input type="checkbox"/> Send Adverse Action Notices to Applicants <input type="checkbox"/> Manage Users 	For accounts with multiple locations/accounts ("parent/child accounts"): <ul style="list-style-type: none"> <input type="checkbox"/> Order Reports for Child Locations <input type="checkbox"/> View Results for Child Locations

Name: _____	Title: _____
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Name: _____	Title: _____
Email: _____	Phone: _____
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*QuickApp sends an email link to the candidate and allows the candidate to complete the required background check forms online. Once complete, the information is imported into the system and the background check is initiated based on client preferences.

VERMONT FAIR CREDIT REPORTING CONTRACT CERTIFICATION

The undersigned, _____ (“End-User”), acknowledges that it subscribes to receive various information services from Compliance Background Screening Services (CBSS) in accordance with the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended (the “VFCRA”) and the Federal Fair Credit Reporting Act, 15, U.S.C. 1681 et. Seq., as amended (the “FCRA”) and its other state law counterparts. In connection with End-User’s continued use of Compliance Background Screening Services (CBSS) information services in relation to Vermont consumers, End-User hereby certifies as follows:

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

END-USER: _____

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

DATE: _____

Compliance Officer or Person Responsible for Credit Reporting Compliance:

PRINTED NAME: _____

TITLE: _____

MAILING ADDRESS: _____

CITY, STATE, ZIP: _____

E-MAIL ADDRESS: _____

PHONE: _____ FAX: _____

VERMONT FAIR CREDIT REPORTING STATUTE, 9 V.S.A. § 2480e (1999)

§ 2480e. Consumer consent

- (a) A person shall not obtain the credit report of a consumer unless:
- (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
 - (2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.
- (b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.
- (c) Nothing in this section shall be construed to affect:
- (1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
 - (2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

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

AGENCY 06. OFFICE OF THE ATTORNEY GENERAL

SUB-AGENCY 031. CONSUMER PROTECTION DIVISION

CHAPTER 012. Consumer Fraud--Fair Credit Reporting

RULE CF 112 FAIR CREDIT REPORTING

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

CF 112.03 CONSUMER CONSENT

- (a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.
- (b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.
- (c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

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.

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. At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the CFPB's website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

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

I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose

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

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

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

B. Users Must Provide Certifications

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

C. Users Must Notify Consumers When Adverse Actions Are Taken

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

1. Adverse Actions Based on Information Obtained From a CRA

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

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

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

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

3. Adverse Actions Based on Information Obtained From Affiliates

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

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

When a consumer has placed a fraud alert, including one relating to identity 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.

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.

II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES

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

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

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

A. Employment Other Than in the Trucking Industry

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

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

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

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

B. Employment in the Trucking Industry

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

IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED

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

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

V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS

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

VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION

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

VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(1), 604(c), 604(e), and 615(d). This practice is known as “prescreening” and typically involves obtaining from a CRA a list of consumers who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

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

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

VIII. OBLIGATIONS OF RESELLERS

A. Disclosure and Certification Requirements

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

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
 - (1) the identify of all end-users;
 - (2) certifications from all users of each purpose for which reports will be used; and
 - (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

B. Reinvestigations by Resellers

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If

not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

C. Fraud Alerts and Resellers

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

IX. LIABILITY FOR VIOLATIONS OF THE FCRA

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

The CFPB's website, www.consumerfinance.gov/learnmore, has more information about the FCRA, including publications for businesses and the full text of the FCRA.

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

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