

A HIGHLY REGULATED INDUSTRY

At every stage in the process, consumer reporting agencies must follow strict regulations under the Fair Credit Reporting Act (FCRA), the primary federal regulation of consumer reports. The FCRA provides expansive regulatory and enforcement authority to the Consumer Financial Protection Bureau and the Federal Trade Commission, and ensures that professional background screeners are at every stage *empowering consumers, promoting accuracy* and *ensuring accountability*.

1. Consumer Consent



FCRA Requirements:
Section 604 (b)

Employer certifies compliance with FCRA requirements.

Employer must disclose to applicant that it may obtain a background check and get the applicant's authorization.

**Employment-only obligation*

2. Maximum Possible Accuracy



FCRA Requirements:
Section 607 (b)

Consumer reporting agency must follow reasonable procedures to assure maximum possible accuracy.

3. Reporting Limitations



FCRA Requirements:
Section 605

In most instances, consumer reporting agencies are not able to report non-conviction data older than 7 years.

Some states impose additional limitations.

4. Consumer Rights



FCRA Requirements:
Section 604 (b)(3)

If the employer considers taking adverse action, they must first send notice along with a copy of the report and a summary of rights.

**Employment-only obligation*

5. Right to Dispute



FCRA Requirements:
Section 611

The applicant may dispute any aspect of the report.

The consumer reporting agency must reinvestigate any disputes at no cost to the applicant.

2. Placement Decision



FCRA Requirements:
Section 615

The user of the report must notify the applicant of any adverse decision and of certain rights under the FCRA.