

Membership Application and Service Agreement

Failure to complete this application in its entirety will delay and/or deny your approval for membership.
Every field MUST be completed. If a field does not pertain to you, please do not leave it blank mark it N/A.

Company Information	Company Name: _____ Physical Address: _____ EIN or Social Security Number (REQUIRED): _____ Work Phone: _____ Work Fax: _____ Email: _____ Website: _____ Authorized Contacts (Names and Titles) 1. _____ 3. _____ 2. _____ 4. _____
Verification Documents	A copy of your current business license AND one of the following MUST be submitted with your application: _____ Advertising material or business card _____ State and/or Federal Tax records _____ Current phone bill _____ Articles of Incorporation/Partnership _____ Current utility bill _____ Voided business check or deposit slip _____ Professional State Issued License _____ Proof of (C) (3) status (non-profit, charitable, religious, or educational organization)
Property Information	Number of Units owned or managed: _____ Complete addresses of all Properties owned or managed (attach additional sheets if necessary) 1. _____ 2. _____ 3. _____ 4. _____
Billing Information	All invoices are sent via e-mail. E-mail to send invoice: _____ Name as appears on Credit Card: _____ Address as appears on billing statement: _____ Card Number: _____ Expiration Date: _____ 3-digit security code: _____ How would you like to be billed for your services? (Please check only one option) Do you want this card charged for all reports ran? _____yes _____no I would prefer to send a check. _____yes _____no

FCRA Information

For the purposes of the FCRA, please describe the nature of your business. _____

Also, on company letterhead please provide a letter of intent stating the exact purpose that you will be requesting Screening Solutions, LLC information.

Please indicate your intended use of Screening Solutions, LLC information:

_____ Tenant Screening

If you selected Tenant Screening you must provide a copy of the application you intend on using. Every application **MUST** contain a release statement, and **MUST** be signed by every applicant listed.

_____ Employment purposes (**END USER WILL IDENTIFY EACH TIME A REPORT IS REQUESTED FOR THIS PURPOSE**)

If you selected Employment Purposes the FCRA mandates four conditions on credit reports for employment purposes:

1. A clear and conspicuous disclosure is first made, in writing to the consumer, by End User before the report is obtained, in a document that consists solely of the disclosure that a consumer report may be obtained for employment purposes;
2. The consumer has authorized in writing the procurement of the report; and
3. Information from the Consumer Report for Employment Purposes will not be used in violation of any applicable federal or state equal employment opportunity law or regulation.

Personal Information

Complete Name of Property Owner or CFO of Company: _____

Physical Address: _____
Number Street City State Zip Code

Billing Address: _____
Number Street City State Zip Code

Home Phone: _____ Cell Phone: _____ Work Phone: _____

Fax: _____ Email: _____

Private Landlords

Are you a private landlord applying for membership as a sole proprietor? _____ yes _____ no

If so, you must submit a photo ID AND one of the following:

- _____ Copy of title
- _____ Copy of property tax document
- _____ Property insurance documents

We are also required to pull a copy of your current credit report. This information is used solely for verification purposes. Under the FCRA laws we are required to verify the identity and permissible purpose of every requester of consumer information. Failure to provide this information and consent to this requirement will automatically deny your membership application. Please provide the following and sign below:

Social Security Number: _____ Date of Birth: _____

I give my permission for Screening Solutions, LLC to access my personal credit file as a requirement for membership, and to charge my credit card on file the required one-time \$20.00 membership fee.

End User Signature

Date

This Agreement is made and entered into as of _____, 20____ by and between Screening Solutions, LLC and _____ (here after "End User").

End User is a _____ [type of business] and has a permissible purpose for obtaining consumer reports in accordance with the Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.) including, without limitation, all amendments thereto ("FCRA"). The End User certifies its permissible purpose as:

_____ In connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of the consumer; or

_____ In connection with the underwriting of insurance involving the consumer or review of existing policy holders for insurance underwriting purposes, or in connection with an insurance claim where written permission of the consumer has been obtained; or

_____ In connection with a tenant screening application involving the consumer; or In accordance with the written instructions of the consumer; or

_____ For a legitimate business need in connection with a business transaction that is initiated by the consumer; or

_____ As a potential investor, servicer or current insurer in connection with a valuation of, or assessment of, the credit or prepayment risks.

_____ End User certifies that End User shall use the consumer reports: (a) solely for the Subscriber's certified use(s); and (b) solely for End User's exclusive one-time use. End User shall not request, obtain or use consumer 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 End User's own data, or otherwise in any service which is derived from the consumer reports. The consumer reports shall be requested by, and disclosed by End User only to End User's designated and authorized employees having a need to know and only to the extent necessary to enable End User to use the Consumer Reports in accordance with this Agreement. End User shall ensure that such designated and authorized employees shall not attempt to obtain any Consumer Reports on themselves, associates, or any other person except in the exercise of their official duties.

_____ End User will maintain copies of all written authorizations for a minimum of five (5) years from the date of inquiry.

THE FCRA PROVIDES THAT ANY PERSON WHO KNOWINGLY AND WILLFULLY OBTAINS INFORMATION ON A CONSUMER FROM A CONSUMER REPORTING AGENCY UNDER FALSE PRETENSES SHALL BE FINED UNDER TITLE 18 OF THE UNITED STATES CODE OR IMPRISONED NOT MORE THAN TWO YEARS, OR BOTH.

_____ End User shall use each Consumer Report only for a one-time use and shall hold the report in strict confidence, and not disclose it to any third parties; provided, however, that End User may, but is not required to, disclose the report to the subject of the report only in connection with an adverse action based on the report. Moreover, unless otherwise explicitly authorized in an agreement between Reseller and its End User for scores obtained from TransUnion, or as explicitly otherwise authorized in advance and in writing by TransUnion through Reseller, End User shall not disclose to consumers or any third party, any or all such scores provided under such agreement, unless clearly required by law.

With just cause, such as violation of the terms of the End User's contract or a legal requirement, or a material change in existing legal requirements that adversely affects the End User's agreement, Reseller may, upon its election, discontinue serving the End User and cancel the agreement immediately.

_____ End User certifies that it meets the qualifications of a Certified Person under 15 CFR Part 1110.2 and that its access to the DMF is appropriate because:

- A. Certified Person: End User has a legitimate fraud prevention interest, or has a legitimate business purpose pursuant to a law, governmental rule, regulation or fiduciary duty, and shall specify the basis for so certifying; and
- B. Security: End User has systems, facilities, and procedures in place to safeguard the accessed information; experience in maintaining the confidentiality, security, and appropriate use of the accessed information, pursuant to requirements similar to the requirements of section 6103(p)(4) of the Internal Revenue Code of 1986; and agrees to satisfy the requirements of such section 6103(p)(4) as if such section applied to End User; and
- C. End User shall not disclose information derived from the DMF to the consumer or any third party, unless clearly required by law.
- D. Penalties: End User acknowledges that failure to comply with the provisions above may subject Reseller to penalties under 15 CFR 1110.200 of \$1,000 for each disclosure or use, up to a maximum of \$250,000 in penalties per calendar year.
- E. Indemnification and Hold Harmless: End User shall indemnify and hold harmless the TransUnion and the U.S. Government/NTIS from all claims, demands, damages, expenses, and losses, whether sounding in tort, contract or otherwise, arising from or in connection with End User's, or End User's employees, contractors, or subcontractors, use of the DMF. This provision shall survive termination of the Agreement and will include any and all claims or liabilities arising from intellectual property rights
- F. Liability:

- a. Neither TransUnion nor the U.S. Government/NTIS (a) make any warranty, express or implied, with respect to information provided under this Section of the Policy, including, but not limited to, implied warranties of merchantability and fitness for any particular use; (b) assume any liability for any direct, indirect or consequential damages flowing from any use of any part of the DMF, including infringement of third party intellectual property rights; and (c) assume any liability for any errors or omissions in the DMF. The DMF does have inaccuracies and

NTIS and the Social Security Administration (SSA), which provides the DMF to NTIS, does not guarantee the accuracy of the DMF. SSA does not have a death record for all deceased persons. Therefore, the absence of a particular person on the DMF is not proof that the individual is alive. Further, in rare instances, it is possible for the records of a person who is not deceased to be included erroneously in the DMF.

- b. If an individual claims that SSA has incorrectly listed someone as deceased (or has incorrect dates/data on the DMF), the individual should be told to contact to their local Social Security office (with proof) to have the error corrected. The local Social Security office will:

- i. Make the correction to the main NUMIDENT file at SSA and give the individual a verification document of SSA's current records to use to show any company, recipient/purchaser of the DMF that has the error; OR,

- ii. Find that SSA already has the correct information on the main NUMIDENT file and DMF (probably corrected sometime prior), and give the individual a verification document of SSA's records to use to show to any company subscriber/ purchaser of the DMF that had the error.

____ End User will request Scores only for End User's exclusive use. End User may store Scores solely for End User's own use in furtherance of End User's original purpose for obtaining the Scores. End User shall not use the Scores for model development or model calibration and shall not reverse engineer the Score. All Scores provided hereunder will be held in strict confidence and may never be sold, licensed, copied, reused, disclosed, reproduced, revealed or made accessible, in whole or in part, to any Person except (i) to those employees of End User with a need to know and in the course of their employment; (ii) to those third party processing agents of End User who have executed an agreement that limits the use of the Scores by the third party to the use permitted to End User and contains the prohibitions set forth herein regarding model development, model calibration and reverse engineering; (iii) when accompanied by the corresponding reason codes, to the consumer who is the subject of the Score; or (iv) as required by law.

Employment Reports

End User shall request Consumer Reports for Employment Purposes pursuant to procedures prescribed by Reseller from time to time only when it is considering the individual inquired upon for employment, promotion, reassignment or retention as an employee, and for no other purpose.

End User certifies that it will not request a Consumer Report for Employment Purposes unless:

- A clear and conspicuous disclosure is first made in writing to the consumer by End User before the report is obtained, in a document that consists solely of the disclosure that a consumer report may be obtained for employment purposes;
- The consumer has authorized in writing the procurement of the report; and
- Information from the Consumer Report for Employment Purposes will not be used in violation of any applicable federal or state equal employment opportunity law or regulation.

End User further certifies that before taking adverse action in whole or in part based on the Consumer Report for Employment Purposes, it will provide the consumer with:

- A copy of the Consumer Report for Employment Purposes; and
- A copy of the consumer's rights, in the format approved by the Federal Trade Commission.

End User shall use the Consumer Report for Employment Purposes only for a one-time use, and shall hold the report in strict confidence, and not disclose it to any third parties that are not involved in the employment decision.

End User will maintain copies of all written authorization for a minimum of five (5) years from the date of inquiry.

As a consumer reporting agency we are obligated to call your attention to certain membership requirements that are necessary for legal compliance with various state and federal laws. Failure to comply with any of these requirements will result in immediate cancellation of all membership privileges. Please read and initial each provision below.

____ Any information services and data originating from Screening Solutions, LLC will be requested only for the End User's exclusive use and held in strict confidence except to the extent that disclosure to others is required or permitted by law. Only designated representatives of End User will request information on End User's employees, and employees are forbidden to obtain consumer reports on themselves, associates or any other persons except in the exercise of their official duties. Qualified End User will not disclose information received from Screening Solutions, LLC to the subject of the report except as permitted or required by law, but will refer the subject to Screening Solutions, LLC, who will then refer the subject to the appropriate provider.

_____ End User will hold Screening Solutions, LLC and all of its/their agents harmless on account of any expense or damage arising or resulting from the publishing or the disclosure of Information by End User, its employees or agents contrary to the conditions of provision 1 or applicable law.

_____ Recognizing the information obtained from Screening Solutions, LLC is secured by and through fallible human sources and that, for the fee charged, Screening Solutions, LLC cannot be an insurer of the accuracy of the information. End User understands that the accuracy of any information received by is not guaranteed by, and End User releases Equifax and its affiliate companies, affiliated credit bureaus, agents employees, and independent contractors, Transunion, Experian, and Screening Solutions, LLC from liability, even if caused by negligence, in connection with Equifax Information Services its affiliate companies, affiliated credit bureaus, agents employees, and independent contractors, Transunion, Experian, and Screening Solutions, LLC and from any loss or expense suffered by Qualified Member resulting directly or indirectly from Equifax, Transunion, Experian, or Screening Solutions, LLC Information.

_____ End User will be charged for the Equifax Information Services, Transunion services, and Experian services by Screening Solutions, LLC, the credit reporting agency, which is responsible for paying Equifax, Transunion, and Experian for the information they provide.

_____ Written notice by either party to the other will terminate these Terms and Conditions effective ten (10) days after the date of that notice, but the obligations and agreements set forth in provisions 1,2,3,6,7 and 8 herein will remain in force.

_____ It is recognized and understood 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.” Screening Solutions, LLC may periodically conduct audits of End Users regarding their compliance with these Terms and Conditions. Audits will be conducted by mail or email whenever possible and will require End User to provide documentation as to permissible use of particular consumer reports. End User gives their consent to Screening Solutions, LLC to conduct such audits and agrees that any failure to cooperate fully and promptly in the conduct of any audit, or End Users material breach of these Terms and Conditions, constitute grounds for immediate termination of service. If Screening Solutions, LLC terminates this agreement due to conditions in the preceding sentence, End User (i) unconditionally releases and agrees to hold Equifax and its affiliate companies, affiliated credit bureaus, agents employees, and independent contractors, Transunion, Experian, and Screening Solutions, LLC and its agents and employees, harmless and indemnify 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 Equifax and its affiliate companies, affiliated credit bureaus, agents employees, and independent contractors, Transunion, Experian, and Screening Solutions, LLC, or their agents in connection with such termination.

_____ California Law Certification. End User will instruct its employees to inspect a photo identification of the consumer at the time an application is submitted in person. Before delivering a credit report on a consumer who has applied (a) in person, and (b) for credit Screening Solutions, LLC must match at least three (3) items of a consumer’s identification within the file maintained by Equifax, Transunion, or Experian with the Information provided to Equifax, Transunion, and/or Experian by End User’s inspection of the photo identification of each consumer who applies for in-person credit, taking special actions regarding a consumer’s presentment of a police report regarding fraud, and acknowledging consumer demands for reinvestigations within certain time frames.

_____ Vermont Certification. End User certifies that is will comply with applicable provisions under Vermont law. In particular End User certifies it will order information services relating to Vermont residents that are credit 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 the attached copy of Section 2480e (Exhibit 1-B) of Vermont Fair Credit Reporting Statute was received.

Data Security.

_____ This provision applies to any means through which End User will order or access Screening Solutions, LLC data, including, without limitation, system-to-system, personal computer or the Internet; provided, however, if End User orders or accesses information via the Internet, End User shall fully comply with connectivity security requirement specified in paragraph 10.3, below.

_____ End User will, with respect to handling Screening Solutions, LLC information:

- ensure that only Authorized Users can order or have access to the Screening Solutions, LLC data
- ensure that Authorized Users do not order credit reports for personal reasons or provide them to any third party except as permitted by these Terms and Conditions.,
- ensure that all devices used by End User to order or access Screening Solutions, LLC 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,
- take all necessary measures to prevent unauthorized ordering of or accessing Screening Solutions, LLC Information by any person other than an Authorized User with permissible purposes, including, without limitation, limiting the knowledge of the End Users security codes, member numbers, User IDs, and passwords End User may use, to those individuals with a need to know, changing End User’s passwords at least every ninety (90) days, or sooner if an Authorized User is no longer responsible for accessing the Screening Solutions, LLC information, or if End User suspects an unauthorized person has learned the password, and using all security features in the software and hardware End User uses to order or access information from Screening Solutions, LLC

- in no event access the Screening Solutions, LLC Information via any 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,
- not use 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, DVDs, software, and code) to store the Information provided by Screening Solutions, LLC. In addition, Screening Solutions, LLC information must be encrypted when not in use and all printed Screening Solutions, LLC Information must be stored in a secure, locked container when not in use, and must be 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.
- if End User sends, transfers, or ships Screening Solutions, LLC Information, encrypt the data using the following minimum standards, which standards may be modified from time to time by Equifax, Transunion, Experian, or Screening Solutions, LLC: Advanced Encryption Standard (AES), minimum 128-bit key or Triple Data Encryption Standard (3DES), minimum 168-bit key, encrypted algorithms,
- Monitor compliance with the obligations of this paragraph 9, and immediately notify Screening Solutions, LLC, who will in turn alert Equifax, Transunion, and Experian, if End User suspects or knows of any unauthorized access or attempt to access Screening Solutions, LLC Information. Such monitoring will include, without limitation, a review of each Screening Solutions, LLC invoice for the purpose of detecting unauthorized activity.
- Not ship hardware or software between End User's locations or to third parties without deleting all Screening Solutions, LLC number(s), security codes, User IDs, passwords, End User passwords, and any consumer information
- Access, use and store the information only at or from locations within the territorial boundaries of the United States, United States Territories and Canada (the "Permitted Territory"). End User may not access, use or store the information at or from, or send the information to, any location outside of the Permitted Territory without first obtaining written permission.
- 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, and
- Use commercially reasonable efforts to assure data security when disposing of any consumer report information or record obtained from Screening Solutions, LLC. Such efforts must include the use of those procedures issued by the federal regulatory agency charged with oversight of End User'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.

Network Security

End User will, with respect to End User's network security:

- use commercially reasonable efforts to protect Screening Solutions, LLC information when stored on servers, subject to the following requirements: (i) Screening Solutions, LLC Information must be protected by multiple layers of network security, including but not limited to, firewalls, routers, and intrusion detection devices; (ii) secure access (both physical and network) to systems storing Screening Solutions, LLC Information, must include authentication and passwords that are changed at least every 90 days; and (iii) all servers must be kept current and patched on a timely basis with appropriate security-specific system patches, as they are available,
- use commercially reasonable efforts to protect End User's connection with dedicated, industry-recognized firewalls that are configured and managed to adhere to industry accepted best practices,
- only hold Screening Solutions, LLC Information on an application server which can only be accessed by a presentation server, through one of the following: (i) Dual or multiple firewall method (preferred)-this method consists of a firewall between the Internet and the presentation server(s) and another firewall between the presentation server(s) and the application server holding Screening Solutions, LLC Information. The network firewall should ensure that only the presentation server(s) is/are allowed to access the application server holding Screening Solutions, LLC Information, (ii) Single firewall method (acceptable) - when a dual firewall method is not feasible, a presentation server(s). Multiple interfaces to separate the presentation server(s) and the application server holding Screening Solutions, LLC Information are required. The firewall should be configured to allow only the presentation server(s) access to the application server holding Screening Solutions, LLC Information, or (iii) ensure that all administrative and network access to the firewalls and servers must be through an internal network or protected extranet using strong authentication encryption such as VPN and SSH.

If Screening Solutions, LLC reasonably believes the End User has violated this paragraph 9, they may, in addition to any other remedy authorized by these Terms and Conditions, with reasonable advance written notice to End User and at their expense, conduct, or have a third party conduct on their behalf, an audit of End User's network security systems, facilities, practices, and procedures to the extent they reasonably deem necessary, including an on-site inspection, to evaluate End User's compliance with the data security requirement of this paragraph 9.

In using the service of Screening Solutions, LLC **End User in all aspects must comply** with the provisions of all applicable state and federal laws, particularly the FCRA. End User certifies that reports are ordered only for End User's exclusive use, that End User is the sole recipient of the consumer report, and neither the report nor the information contained in the report will be shared with any third party. End User further certifies that consumer reports will be ordered solely for the purpose indicated under the FCRA.

By signing below you certify that all information contained in this membership application is true and correct to the best of your knowledge. You certify that you have read the entire membership application, and will abide by each provision noted. You authorize Screening Solutions, LLC to verify all information contained in this application, including but not limited to, a consumer credit report, personal and/or business references, banking references, and criminal history reports. You agree to pay for all services ordered by you and/or your company.

End User Information:

Company Name

Screening Solutions, LLC Representative (please print)

End User Representative and Title (please print)

Screening Solutions, LLC Representative's Signature

End User Representative's Signature

Date

Date

NOTICE TO USERS OF CONSUMER REPORTS: **Please read and retain for your records**

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

I. Obligations of All Users of Consumer Reports

1. 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:

1. As ordered by a court or federal grand jury subpoena. Section 604(a)(1)
2. As instructed by the consumer in writing. Section 604(a)(2)
3. 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)
4. For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Section 604(a)(3)(B) and 604(b)
5. For the underwriting of insurance as a result of an application from a consumer. Section 604(a)(3)(C)
6. 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)
7. 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)
8. 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)
9. 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)
10. For use by state or 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 VI below.

2. 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.

3. 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.

a. 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.

b. 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.

c. **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 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 have been issued that cover disposal.

II. Creditors Must Make Additional Disclosures

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the Consumer Financial Protection Bureau. Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home Loan Applicant")

III. Obligations Of Users When Consumer Reports Are Obtained For Employment Purposes

A. **Employment Other Than in the Trucking Industry**

If 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 the 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 subject 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 below.
- Upon 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 federal 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 as 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. Section 603(l), 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. This statement must include the address and the toll-free telephone number of the appropriate notification system.

In addition, once 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. 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.