

## **FCRA Requirements Addendum**

Federal Fair Credit Reporting Act (as amended by the Consumer Credit Reporting Reform Act of 1996)

Although the FCRA primarily regulates the operations of consumer credit reporting agencies, it also affects you as a user of information. We have included a copy of the FCRA with your membership kit. We suggest that you and your employees become familiar with the following sections in particular:

§ 604	Permissible Purposes of Reports
§ 607	Compliance Procedures
§ 615	Requirement on users of consumer
§ 616	Civil liability for willful noncompliance
§ 617	Civil liability for negligent noncompliance
§ 619	Obtaining information under false
§ 621	Administrative Enforcement
§ 623	Responsibility of Furnishers of Information to Consumer Reporting

Each of these sections is of direct consequence to users whom obtain reports on consumers.

As directed by the law, credit reports may be issued only if they are to be used for extending credit, review or collection of an account, employment purposes, underwriting insurance or in connection with some other legitimate business transaction initiated by the subject of the report such as tenant screening, in investment, partnership, etc. It is imperative that you identify each request for a report to be used for employment purposes when such report is ordered. Additional state laws may also impact your usage of reports for employment purposes.

We strongly endorse the letter and spirit of the Federal Fair Credit Reporting Act. We believe that this laws and similar state laws recognize and preserve the delicate balance between the rights of the consumer and the legitimate needs of commerce.

In addition to the Federal Fair Credit Reporting Act, other federal and state laws addressing such topics as computer crime and unauthorized access to protected databases have also been enacted. As a prospective user of consumer reports, we expect that you and your staff will comply with all relevant federal and state statutes and regulations in the locale you operate.

We support legislation that will assure fair and equitable treatment for all consumers and users of credit information.