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LEGAL ALERT | September 14, 2018

New Notices for Employment Background Checks

On Tuesday, the Bureau of Consumer Financial Protection published a new version of the “Summary of Your Rights Under the Fair Credit Reporting Act”. This version must be provided to job applicants when conducting employment background checks pursuant to the Fair Credit Reporting Act [“FCRA”]. The revised Summary of Rights alerts applicants to their right to obtain a free national “security freeze”, which prohibits credit reporting agencies from releasing a person’s credit report without their consent. The revisions are intended to comply with the Economic Growth, Regulatory Relief, and Consumer Protection Act passed in May this year, which is aimed at combating identity theft.

The “Summary of Your Rights Under the Fair Credit Reporting Act” is published by the Federal Government and must be provided to a job applicant when an employer requires a background check as a condition of employment. Under the FCRA, an employer must provide this Summary of Rights—along with a “stand-alone disclosure” and authorization to obtain an applicant’s background report—before obtaining a background report from a consumer reporting agency. The Summary of Rights must also be given to the applicant along with a “pre-adverse action notice” and an “adverse action notice” where the employer elects not to hire an applicant based on information in their background report.

The new Summary of Rights is available [here in English](#) or [here in Spanish](#).

Employers nationwide who conduct background checks for applicants should begin using these new forms immediately. Please do not hesitate to contact Stokes Wagner for more information on the use of background checks in employment.

Questions? Contact Stokes Wagner.