

## Account Set Up Instructions

Thank you for partnering with Commercial Investigations LLC to enhance the quality of your new hires, tenants, volunteers, board members, and more, through our Background Investigations services.

Completely fill out the service agreement and return by fax (212-937-3858) or email (staff@commercialinvestigationsllc.com). Please note that we require each page to be initialed in the upper right corner. Even if a page is not filled out except for your initials, please return it blank with just initials.

- On the section 'Employment Related Credit Reports' (page 2), if you will be running credit reports please indicate what type of business it will be used for. If you will not be running credit reports, please indicate n/a. Examples would be manufacturer or placement company or health care or n/a.
- On the section 'Tenant Related Credit Reports' (page 3), if you will be running credit reports for tenant purposes, please indicate the reason for running the report. If it is not for tenant related reasons, please mark n/a.
- On page 8, sign and date the Client Section.
- On page 9, please fill out the Vermont Addendum. This is for all clients regardless of location, and not only those that would possibly run a credit report. Some of the information is duplicative but please fill out completely.
- Page 8 requires information regarding your business. Please fill out all sections.
- Pages 11 and 12 require you to designate end users to your account. Only those listed as end users can have access to information or call Commercial Investigations regarding a background investigation. This can be adjusted in the future as necessary.
- Pages 14 and 15 are for Credit Card or ACH payments. Please complete these forms if you will be paying your invoices this way.
- Pages 16-22 include information regarding consumer rights and responsibilities. Please initial that you have read and understand all pages.

After we receive your service agreement, you will be setup in our system (usually within three business days) and will be emailed a group of welcome emails that will provide you with further instructions on how to access your account online.

You're ready to go!

### Consent Forms

In order for Commercial Investigations to complete a background investigation, each subject must complete a consent form. When providing us with a completed consent form, in an effort to provide safe and secure services to our clients, CI cannot accept non-protected consent forms. There are a number of alternative options to send files to us including:

- Via encrypted messages (such as Cisco Registered Envelope Service), or
- Fax at (212) 937-3858, or
- Password protected PDF documents.

## BACKGROUND INVESTIGATIONS SERVICE AGREEMENT

COMMERCIAL INVESTIGATIONS LLC, a limited liability company hereafter referred to as “CI” and “Reseller”, and \_\_\_\_\_, hereafter referred to as “Client” and “End User” and “Qualified Subscriber”, enter into this agreement under the terms and conditions set forth below. CI is licensed by the New York State Department of State, Division of Licensing Services.

CI shall act in accordance with the Fair Credit Reporting Act (FCRA) and its amendments and shall qualify prospective clients in fulfillment of compliance standards set forth by the FCRA. CI reserves the right to deny its services to companies that do not operate within the scope of the FCRA. It is the sole responsibility of Client to be educated about, and in compliance with the FCRA and any subsequent amendments, as well as all state laws governing the request, use, and content of an investigative consumer report.

Client agrees, in accordance with the FCRA, to disclose to the applicant in writing, using a document that consists solely of such disclosure, that a report may be procured, and to obtain the applicant’s written authorization for such report. Such written authorization shall be kept on file by Client. Client also agrees that when adverse action is taken based upon information in a consumer report, client will advise the applicant of the action, provide them with the report including the summary of their rights under the FCRA, and provide information about CI and how to contact CI. Finally, client agrees to keep all reports confidential, use them only for the purpose intended, and not to disclose them to unrelated third parties. In addition, Client is solely responsible for the final verification of the applicant’s identity. CI employees will assist Client in understanding reports, but they are not allowed to render any legal opinions.

Client understands that if Client requests a credit report as part of Client’s background investigations, an on-site inspection may be required. CI will contact you for further information if necessary. If Client will obtain Credit Reports from CI Client shall complete the applicable sections here:

### For Employment Related Credit Reports

End User is a [Insert type of business or N/A for not applicable]

\_\_\_\_\_ and has a need for consumer credit information in connection with the evaluation of individuals for employment, promotion, reassignment or retention as an employee ("Consumer Report for Employment Purposes").

End User shall request Consumer Report 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 shall comply with any federal and state laws which may restrict or ban the use of Consumer Report for Employment Purposes.

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

- a. 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;
- b. The consumer has authorized in writing the procurement of the report; and
- c. 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:

- d. A copy of the Consumer Report for Employment Purposes; and
- e. 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 authorizations for a minimum of five (5) years from the date of inquiry.

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

**For Tenant Related Credit Reports**

End User is a [Insert type of business or N/A for not applicable]

\_\_\_\_\_ 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 (Fair Credit Reporting Act "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 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, including, but not limited to, tenant screening; 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 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 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 and other contractors of End User who have executed an agreement that limits the use of the Scores by the third party only to the use permitted to End User and contains the prohibitions set forth herein regarding model development, model calibration, reverse engineering and confidentiality; (iii) when accompanied by the corresponding reason codes, to the consumer who is the subject of the Score; (iv) to government regulatory agencies; or (v) as required by law.

Client acknowledges and agrees drug testing services that may be produced and/or compiled for under this Agreement shall be for the Client's employment drug testing services only and shall not include any clinical laboratory testing services which are specifically excluded from this Agreement. Drug testing services shall be

provided under, but not limited to, the Department of Health and Human Services (HHS), Department of Transportation (“DOT”), Nuclear Regulatory Commission (“NRC”) guidelines and any applicable federal, state and local laws. CI advises Client to set forth policies and procedures with regards to employment drug testing services.

CI agrees to follow proper protocol in regards to employment drug testing services, including but not limited to the Department of Health and Human Services (HHS), Department of Transportation (“DOT”), Nuclear Regulatory Commission (“NRC”) guidelines and any applicable federal, state and local laws.

CI shall use its best efforts to perform its background investigations within a reasonable timeframe. CI will charge fees quoted on distributed rate schedules, as well as mandatory court and other third party fees, for background investigations undertaken pursuant to Client’s request. Client understands and agrees that the searches performed and the information obtained may be undertaken by independent contractors of CI. While CI cannot guarantee the accuracy of its search results, it will use its best efforts to obtain all relevant information. Client must be an End-User to request and utilize consumer reports.

CI will forward detailed reports, which will outline the information obtained, and invoices outlining the work performed. Payment terms are Net (30) thirty days. Any invoices that are more than thirty (30) days overdue will be subject to a late fee of 1.5% interest per month until paid.

CI shall have the right to terminate its services to Client if services are not paid in a timely manner, if Client fails to cooperate with a reasonable request, or if CI determines that continuation of services would be unethical, impractical, improper, or otherwise undesirable. In the event this agreement is terminated for any reason, CI shall be entitled to all fees, expenses, and costs incurred.

Should a dispute arise out of our agreement for any reason, except non-payment issues, the parties agree that the matter will be submitted to arbitration through the American Arbitration Associations (AAA) under its Commercial Arbitration Rules, the parties shall split the initial arbitration costs and the prevailing party shall be entitled to reimbursement of all its costs, expenses and reasonable attorney’s fees incurred. Judgment on an award rendered by an Arbitrator may be entered in any court having jurisdiction thereof.

Issues of non-payment shall not be subject to arbitration and jurisdiction on all such issues shall lie in Albany County, New York, or in any court, which shall have, proper jurisdiction over the parties and CI shall be entitled to reasonable attorney’s fees and costs.

Client shall indemnify, hold harmless and defend CI from and against any and all losses incurred by, or claims against CI, including attorney’s fees, costs or damages, arising from any claim, cause of action, injury or damage to persons or property in connection with the negligence, misconduct, or breach of contract of Client’s directors, officers, employees, prospective employees or agents, or of CI’s independent contractors, in connection with the services performed under this agreement unless the claims, causes of action, damages, costs, expenses, or liabilities shall directly result from the gross negligence or misconduct of CI or any of its directors, officers, or employees. In addition, Client shall hold CI harmless from any and all claims or damages arising out of the failure to obtain information with regard to a request, except for the gross negligence or misconduct of CI, its directors, officers, or employees.

During the Term and for one year after any termination of this agreement, client will not directly or indirectly [on client's own behalf or in the service or on behalf of others], in any capacity induce or attempt to induce any officer, director, or employee to leave CI.

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**Qualified Subscriber End User Terms and Conditions**

TALX Employment Information (as defined below) may be received by End User through CI subject to the following conditions (the "Terms and Conditions"):

1. Any information services and data originating from TALX (the "TALX Employment Information") will be requested only for Subscriber'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 Subscriber will request TALX Employment Information on Subscriber's employees, and employees will be forbidden to obtain TALX Employment Information on themselves, associates or any other persons except in the exercise of their official duties. Subscriber will not disclose TALX Employment Information to the subject of the TALX Employment Information except as permitted or required by law, but will refer the subject to TALX.
2. Subscriber will hold TALX and all its agents harmless on account of any expense or damage arising or resulting from the publishing or other disclosure of TALX Employment Information by Subscriber, its employees or agents contrary to the conditions of Section 1 above or applicable law.
3. Subscriber recognizes that TALX does not guarantee the accuracy or completeness of TALX Employment Information and Subscriber releases TALX and TALX's agents, employees, affiliated credit reporting agencies and independent contractors from any liability, including negligence, in connection with the provision of TALX Employment Information and from any loss or expense suffered by Subscriber resulting directly or indirectly from TALX Employment Information. Subscriber covenants not to sue or maintain any claim, cause of action, demand, cross-action, counterclaim, third-party action or other form of pleading against TALX, TALX's agents, employees, affiliated credit reporting agencies, or independent contractors arising out of or relating in any way to the accuracy, validity, or completeness of any TALX Employment Information.
4. Subscriber will be charged for the TALX Employment Information by CRA, which is responsible for paying TALX for the TALX Employment Information; provided, however, should the underlying relationship between Subscriber and CRA terminate at any time during the term of this Agreement, charges for the TALX Employment Information will be invoiced to Subscriber, and Subscriber will be solely responsible to pay TALX directly.
5. Fair Credit Reporting Act Certification. Subscriber certifies that it will order TALX Employment Information, which is a consumer report as defined by the federal Fair Credit Reporting Act, 15 U.S.C. 1681 et seq. ("FCRA"), only when Subscriber intends to use the TALX Employment Information: (a) in accordance with the FCRA and all state law counterparts; and for the following permissible purpose: for employment purposes; provided, however, that Subscriber certifies that, before ordering TALX Employment Information to be used in connection with employment purposes, it will clearly and conspicuously disclose to the Consumer, in a written document consisting solely of the disclosure, that Subscriber may obtain TALX Employment Information for employment purposes, and will also obtain the Consumer's written authorization to obtain or procure TALX Employment Information relating to that Consumer. Subscriber further certifies that it will not take adverse action against the Consumer based in whole or in part upon the TALX Employment Information without first providing to the Consumer to whom the TALX Employment Information relates a copy of the TALX Employment Information and a written description of the Consumer's rights as prescribed by the Federal Trade Commission ("FTC") under Section 609(c)(3) of the FCRA as referenced on Exhibit A-1 attached hereto, and also will not use any TALX Employment Information in violation of any applicable federal or state equal employment opportunity law or regulation. Subscriber will use TALX Employment Information ordered under this Agreement for the foregoing purpose and for no other purpose. Subscriber acknowledges that it has received from CRA a copy of the consumer rights summary as prescribed by the FTC as referenced on Exhibit A-1.

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." TALX may periodically conduct audits of Subscriber regarding its compliance with the FCRA and other certifications in this Agreement. Audits will be conducted by mail whenever possible and will require Subscribers to provide documentation as to permissible use of particular TALX Employment Information. Subscriber gives its consent to TALX 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 TALX terminates this Agreement due to the conditions in the preceding sentence, Subscriber (i) unconditionally releases and agrees to hold TALX 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 TALX in connection with such termination.

Vermont Certification. Subscriber certifies that it will comply with applicable provisions under Vermont law. In particular, Subscriber 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 Subscriber has received prior Consumer consent in accordance with VFCRA Section 2480e and applicable Vermont Rules. Subscriber further certifies that a copy of Section 2480e of the Vermont Fair Credit Reporting Statute, attached hereto, was received from CRA.

Subscriber will comply with the applicable provisions of the FCRA, Federal Equal Credit Opportunity Act and any amendments to it, all state law counterparts of them, and all applicable regulations promulgated under any of them including, without limitation, any provisions requiring adverse action notification to the Consumer.

6. Data Security. This Section 6 applies to any means through which Subscriber orders or accesses TALX Employment Information including, without limitation, system-to-system, personal computer or the Internet. The term "Authorized User" means a Subscriber employee that Subscriber has authorized to order the TALX Employment Information and who is trained on Subscriber's obligations under this Agreement with respect to the ordering and use of the TALX Employment Information, including Subscriber's FCRA and other obligations with respect to the access and use of consumer reports.

(a) With respect to handling the TALX Employment Information, Subscriber agrees to:

- (a) ensure that only Authorized Users can order or have access to TALX Employment Information,
- (b) ensure that Authorized Users do not order TALX 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 Subscriber to order or access the TALX 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 TALX Employment Information by any persons other than Authorized Users for permissible purposes, including, without limitation, (a) limiting the knowledge of the Subscriber security codes, member numbers, User IDs, and any passwords Subscriber may use (collectively, "Security Information"), to those individuals with a need to know, (b) changing Subscriber's user passwords at least every ninety (90) days, or sooner if an Authorized User is no longer responsible for accessing the TALX Employment Information, or if Subscriber suspects an unauthorized person has learned the password, and (c) using all security features in the software and hardware Subscriber uses to order TALX Employment Information,
- (f) in no event access the TALX 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 TALX Employment Information.
- (h) encrypt TALX Employment Information when it is not in use and with respect to all printed TALX 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, if Subscriber sends, transfers or ships any TALX Employment Information, encrypt the TALX Employment Information using the following minimum standards, which standards may be modified from time to time by TALX: Advanced Encryption Standard (AES), minimum 128-bit key or Triple Data Encryption Standard (3DES), minimum 168-bit key encrypted algorithms,

- (i) monitor compliance with the obligations of this Section 6, and immediately notify TALX if Subscriber suspects or knows of any unauthorized access or attempt to access the TALX Employment Information, including, without limitation, a review of TALX invoices for the purpose of detecting any unauthorized activity,
  - (j) not ship hardware or software between Subscriber's locations or to third parties without deleting all Security Information and any TALX Employment Information,
  - (k) not ship hardware or software between Subscriber's locations or to third parties without deleting all Security Information and any TALX Employment Information,
  - (l) if Subscriber uses a Service Provider to establish access to TALX 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 6,
  - (m) use commercially reasonable efforts to assure data security when disposing of any consumer information or record obtained from the TALX 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 TALX Employment Information when stored on servers, subject to the following requirements: (i) servers storing TALX 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 TALX 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 TALX 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 TALX 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 TALX.
- (a) If TALX reasonably believes that Subscriber has violated this Section 6, TALX may, in addition to any other remedy authorized by this Agreement, with reasonable advance written notice to Subscriber and at TALX's sole expense, conduct, or have a third party conduct on its behalf, an audit of Subscriber's network security systems, facilities, practices and procedures to the extent TALX reasonably deems necessary, including an on-site inspection, to evaluate Subscriber's compliance with the data security requirements of this Section 6.
7. Subscriber certifies that it has read the attached Exhibit A-3 "Notice to Users of Consumer Reports, Obligations of Users" which explains Subscriber's obligations under the FCRA as a user of consumer information.

This agreement shall become effective beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
and shall continue until terminated by the parties

\_\_\_\_\_  
Client Authorized Signature

\_\_\_\_\_  
CI Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Background Investigations Service Agreement Addendum  
Vermont Fair Credit Reporting Certification**

The undersigned, \_\_\_\_\_ (“subscriber”), acknowledges that it subscribes to receive various information services from Commercial Investigations LLC (CI) 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 the Subscriber’s continued use of Commercial Investigations LLC (CI) information services in relation to Vermont consumers, Subscriber hereby certifies as follows:

Vermont Certification: Subscriber certifies that it will comply with applicable provisions under Vermont law. In particular, Subscriber certifies that it will order Employment Information relating to Vermont residents, that are credit reports as defined by the VFCRA, only after Subscriber further certifies that the attached copy of §2480e of the Vermont Fair Credit Reporting Statute was received (see next page) from Commercial Investigations LLC (CI).

Client: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Please also include the following information**  
Compliance Officer or Person Responsible for Credit Reporting Compliance

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**Vermont Statute**  
**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.

For proper account set up and to better serve your background investigations needs, please fill out the following profile.

Organization Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_ County: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Web Home Page URL: \_\_\_\_\_

Sales Tax Rate: \_\_\_\_\_ Tax ID Number \_\_\_\_\_

Is Your Organization Tax Exempt? Yes \_\_\_\_\_ No \_\_\_\_\_

(If yes, please provide a copy of your tax exempt form)

Billing Contact Name: \_\_\_\_\_ (person handling invoices)

Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Work Address (if different from organizations):

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Will you be paying invoices by Credit Card or ACH? Yes \_\_\_\_\_ No \_\_\_\_\_

\*\*\*If yes, please fill out the Credit Card Authorization/ACH Authorization Agreement\*\*\*

Primary End User Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Work Address (if different from organizations):

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Additional End User Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Work Address (if different from organizations):

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Additional End User Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Work Address (if different from organizations):

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Additional End User Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Work Address (if different from organizations):

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

**CREDIT CARD AUTHORIZATION FORM**

COMMERCIAL INVESTIGATIONS ACCOUNT NUMBER \_\_\_\_\_

CARD HOLDER NAME: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

CREDIT CARD NUMBER: \_\_\_\_\_

EXP. DATE: \_\_ / \_\_ CVC: \_\_\_\_\_

CARD HOLDER BILLING ADDRESS

\_\_\_\_\_ STREET ADDRESS

\_\_\_\_\_ CITY STATE ZIP

Your signature below authorizes Commercial Investigations LLC to charge your credit card for background investigations ran by our company, your card will be charged upon completion of services and a receipt will be sent to the email on file.

\_\_\_\_\_  
Signature Date

Please submit any changes to:  
EMAILFINANCE@COMMERCIALINVESTIGATIONSLLC.COM/FAX: 212-937-3858

This authorization will remain in full force until Commercial Investigations LLC has received written notification from you at minimum 2 week prior to cancelation of the agreement – any open searches will be charged before cancelation – Please remit any changes to FINANCE@COMMERCIALINVESTIGATIONSLLC.COM, CALL 800-284-0906 EXT 207 OR write us at 130 Remsen Street 2<sup>nd</sup> floor Cohoes NY 12047

**ACH AUTHORIZATION AGREEMENT**

I \_\_\_\_\_ hereby authorize COMMERCIAL INVESTIGATIONS LLC to initiate ACH from my account listed below. I also authorize COMMERCIAL INVESTIGATIONS LLC to make any adjustments necessary to correct errors to my account listed below.

Bank Name: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Bank Routing/Transit #: \_\_\_\_\_ Account #: \_\_\_\_\_

Amount to be deposited: \_\_\_\_\_  Checking

This authority is to remain in full force and effect until COMMERCIAL INVESTIGATIONS LLC has received written notification from me to terminate ACH.

Name (print) \_\_\_\_\_

TAX ID / SSN : \_\_\_\_\_

\_\_\_\_\_  
Signature Date

Joint Account owner:

\_\_\_\_\_  
Signature Date

NOTE: Please attach a voided blank check or savings account deposit slip (copies of blank checks and deposit tickets are acceptable) to validate account information.

EMAIL: [FINANCE@COMMERCIALINVESTIGATIONSLLC.COM](mailto:FINANCE@COMMERCIALINVESTIGATIONSLLC.COM) FAX: 212-937-3858

Transactions will occur once a month on the 20<sup>th</sup>, the amounts will vary dependent upon your invoice amount. This authorization will remain in full force until Commercial Investigations LLC has received written notification from you at minimum 1 week prior to cancelation of the agreement – Please remit any changes to [FINANCE@COMMERCIALINVESTIGATIONSLLC.COM](mailto:FINANCE@COMMERCIALINVESTIGATIONSLLC.COM), CALL 800-284-0906 EXT 207 OR write us at 130 Remsen Street 2<sup>nd</sup> floor Cohoes NY 12047

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**Summary of Consumer's Rights Under the Fair Credit Reporting Act**

The federal Fair Credit Reporting Act (FCRA) is designed to promote accuracy, fairness, and privacy of information in the files of every "consumer reporting agency" (CRA). Most CRAs are credit bureaus that gather and sell information about you -- such as if you pay your bills on time or have filed bankruptcy -- to creditors, employers, landlords, and other businesses. You can find the complete text of the FCRA, 15 U.S.C. 1681-1681u, at the Federal Trade Commission's web site (<http://www.ftc.gov>). The FCRA gives you specific rights, as outlined below. You may have additional rights under state law. You may contact a state or local consumer protection agency or a state attorney general to learn those rights.

**You must be told if information in your file has been used against you.** Anyone who uses information from a CRA to take action against you -- such as denying an application for credit, insurance, or employment -- must tell you, and give you the name, address, and phone number of the CRA that provided the consumer report.

**You can find out what is in your file.** At your request, a CRA must give you the information in your file, and a list of everyone who has requested it recently. There is no charge for the report if a person has taken action against you because of information supplied by the CRA, if you request the report within 60 days of receiving notice of the action. You also are entitled to one free report every twelve months upon request if you certify that (1) you are unemployed and plan to seek employment within 60 days, (2) you are on welfare, or (3) your report is inaccurate due to fraud. Otherwise, a CRA may charge you up to eight dollars.

**You can dispute inaccurate information with the CRA.** If you tell a CRA that your file contains inaccurate information, the CRA must investigate the items (usually within 30 days) by presenting to its information source all relevant evidence you submit, unless your dispute is frivolous. The source must review your evidence and report its findings to the CRA. (The source also must advise national CRAs -- to which it has provided the data -- of any error.) The CRA must give you a written report of the investigation and a copy of your report if the investigation results in any change. If the CRA's investigation does not resolve the dispute, you may add a brief statement to your file. The CRA must normally include a summary of your statement in future reports. If an item is deleted or a dispute statement is filed, you may ask that anyone who has recently received your report be notified of the change.

**Inaccurate information must be corrected or deleted.** A CRA must remove or correct inaccurate or unverified information from its files, usually within 30 days after you dispute it. **However, the CRA is not required to remove accurate data from your file unless it is outdated (as described below) or cannot be verified.** If your dispute results in any change to your report, the CRA cannot reinsert into your file a disputed item unless the information source verifies its accuracy and completeness. In addition, the CRA must give you a written notice telling you it has reinserted the item. The notice must include the name, address and phone number of the information source.

**You can dispute inaccurate items with the source of the information.** If you tell anyone -- such as a creditor who reports to a CRA -- that you dispute an item, they may not then report the information to a CRA without including a notice of your dispute. In addition, once you've notified the source of the error in writing, it may not continue to report the information if it is, in fact, an error.

**Outdated information may not be reported.** In most cases, a CRA may not report negative information that is more than seven years old; ten years for bankruptcies.

**Access to your file is limited.** A CRA may provide information about you only to people with a need recognized by the FCRA -- usually to consider an application with a creditor, insurer, employer, landlord, or other business.

**Your consent is required for reports that are provided to employers, or reports that contain medical information.** A CRA may not give out information about you to your employer, or prospective employer, without your written consent. A CRA may not report medical information about you to creditors, insurers, or employers without your permission.

**You may choose to exclude your name from CRA lists for unsolicited credit and insurance offers.** Creditors and insurers may use file information as the basis for sending you unsolicited offers of credit or insurance. Such offers must include a toll-free phone number for you to call if you want your name and address removed from future lists. If you call, you must be kept off the lists for two years. If you request, complete, and return the CRA form provided for this purpose, you must be taken off the lists indefinitely.

**You may seek damages from violators.** If a CRA, a user or (in some cases) a provider of CRA data, violates the FCRA, you may sue them in state or federal court.

The FCRA gives several different federal agencies authority to enforce the FCRA:

<b>FOR QUESTIONS OR CONCERNS REGARDING:</b>	<b>PLEASE CONTACT:</b>
CRAs, creditors and others not listed below	Federal Trade Commission Consumer Response Center - FCRA Washington, DC 20580 1-877-382-4367 (Toll-Free)
National banks, federal branches/agencies of foreign banks (word "National" or initials "N.A." appear in or after bank's name)	Office of the Comptroller of the Currency Compliance Management, Mail Stop 6-6 Washington, DC 20219 800-613-6743
Federal Reserve System member banks (except national banks, and federal branches/agencies of foreign banks)	Federal Reserve Board Division of Consumer & Community Affairs Washington, DC 20551 202-452-3693
Savings associations and federally chartered savings banks (word "Federal" or initials "F.S.B." appear in federal institution's name)	Office of Thrift Supervision Consumer Programs Washington, DC 20552 800-842-6929
Federal credit unions (words "Federal Credit Union" appear in institution's name)	National Credit Union Administration 1775 Duke Street Alexandria, VA 22314 703-518-6360
State-chartered banks that are not members of the Federal Reserve System	Federal Deposit Insurance Corporation Division of Compliance & Consumer Affairs Washington, DC 20429 800-934-FDIC
Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission	Department of Transportation Office of Financial Management Washington, DC 20590 202-366-1306
Activities subject to the Packers and Stockyards Act, 1921	Department of Agriculture Office of Deputy Administrator - GIPSA Washington, DC 20250 202-720-7051

**NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA**

**All users subject to the Federal Trade Commission's jurisdiction must comply with all applicable regulations, including regulations promulgated after this notice was prescribed in 2004. Information about applicable regulations currently in effect can be found at the Commission's Web site, [www.ftc.gov/credit](http://www.ftc.gov/credit). Persons not subject to the Commission's jurisdiction should consult with their regulators to find any relevant regulations.**

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 Federal Trade Commission's Website at [www.ftc.gov/credit](http://www.ftc.gov/credit). 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 Commission's Web site. **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.

**I. 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.

**II. 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.

**III. 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, which will be issued by the Federal Trade Commission and the banking and credit union regulators. The Federal Trade Commission's regulations will be available at [www.ftc.gov/credit](http://www.ftc.gov/credit).

**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. The Federal Trade Commission, the Securities and Exchange Commission, and the banking and credit union regulators have issued regulations covering disposal. The Federal Trade Commission's regulations may be found at [www.ftc.gov/credit](http://www.ftc.gov/credit).

**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 to be jointly prescribed by the Federal Trade Commission and the Federal Reserve Board. 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 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 issued by the banking and credit union regulators) – 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. Sections 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. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, once the Federal Trade Commission by rule has established the format, type size, and manner of the disclosure required by Section 615(d), users must be in *compliance* with the rule. The FTC's regulations will be at [www.ftc.gov/credit](http://www.ftc.gov/credit).

## 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 identity 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 FTC's Web site, [www.ftc.gov/credit](http://www.ftc.gov/credit), 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. 1681cA
Section 605B	15 U.S.C. 1681cB
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