

## Credit Checks: Know Your Rights

### *The Facts:*

- Most employers run credit checks on job applicants.
- Persons of color are more likely to have poor credit histories.
- Many people have poor credit through no fault of their own. For example, poor credit can result from medical illness without healthcare coverage, the loss of a job, a reduction in pay, divorce, etc.
- Credit history does not predict job performance.

### *Current Legal Protections:*

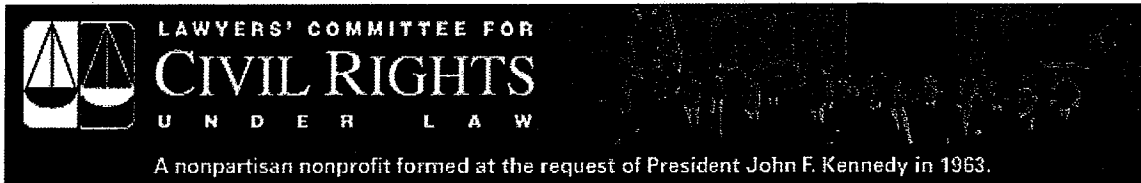
- **Title VII of the Civil Rights Act:** If a credit check disproportionately screens out minorities or women, the employer must have a “business need” to rely on the credit information, and the employer must explore “less discriminatory alternatives.”
- **The Fair Credit Reporting Act:** Employers must obtain written consent to access a consumer report. Before and after taking adverse action on the basis of information in a consumer report, employers must provide written notification, and inform individuals of their rights to obtain a free copy of the consumer report and the right to dispute inaccurate information.
- Some state laws prohibit employers from running credit checks for most jobs.

### *Proposed Legal Protections:*

- **The Equal Employment for All Act** would prohibit the use of consumer credit checks against prospective and current employees for the purposes of making adverse employment decisions.

If you have been turned away from a job because of your credit history, contact the Lawyers' Committee for Civil Rights at **(888) 324-7578**, or visit the Lawyers' Committee website and complete an intake questionnaire at [www.lawyerscommittee.org](http://www.lawyerscommittee.org). The intake questionnaire can be found by clicking on the “Contact Us” button.

Sarah Crawford  
Senior Counsel, Employment Discrimination Project  
Lawyers' Committee for Civil Rights Under Law  
1401 New York Avenue, NW, Suite 400  
Washington, DC 20005



## **Credit Checks: Know Your Rights**

### **Resources and Links**

You are entitled to one free credit report per year. To request a copy of your free credit report visit:

[www.annualcreditreport.com](http://www.annualcreditreport.com)

For more information on your rights under the Fair Credit Reporting Act visit the Federal Trade Commission:

[www.ftc.gov/bcp/consumer.shtm](http://www.ftc.gov/bcp/consumer.shtm)

To file a complaint about a violation of the Fair Credit Reporting Act visit:

[www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov)

If an employer has requested a background check covered by the Fair Credit Reporting Act, you may be entitled to receive a copy of your “file” from the employment screening company. For more information on how to request a free employment report, go to:

[www.privacyrights.org/fs/fs6b-SpecReports.htm#8](http://www.privacyrights.org/fs/fs6b-SpecReports.htm#8)

You can contact the Equal Employment Opportunity Commission to learn about Title VII, file a charge of discrimination, and learn about the employment laws in your state.

For more information visit:

[www.eeoc.gov](http://www.eeoc.gov)

Sarah Crawford  
Senior Counsel, Employment Discrimination Project  
Lawyers' Committee for Civil Rights Under Law  
1401 New York Avenue, NW, Suite 400  
Washington, DC 20005