

F.C.R.A. REQUIRMENTS

FEDERAL FAIR CREDIT REPORTING ACT (F.C.R.A. – 15 U.S.C. 1681 ET SEQ)

Although the F.C.R.A. primarily regulates the operations of consumer credit reporting agencies, it also affects you as the user of information. The full text of the *Fair Credit Reporting Act* (FCRA) as amended can be found on the internet at: <http://www.ftc.gov/os/statutes/fcra.html>. *Durham & Associates, Inc.*, recommends you read all the regulations thoroughly; however, we suggest you and your employees become familiar with the following sections in particular:

- 604. Permissible Purposes of Reports**
- 615. Conditions of Disclosures to Consumers**
- 616. Requirements on Users of Consumer Reports**
- 617. Civil Liability for Willful Noncompliance**
- 619. Civil liability for Negligent Noncompliance**
- 620. Obtaining Information Under False Pretenses**
- 623. Unauthorized Disclosures by Officer or Employee**

Each of the above sections directly affects users who obtain credit reports on consumers (employees).

As directed by 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 conjunction with some other legitimate business transaction such as an investment partnership. It is imperative that you identify each request for a report to be used for employment purposes when such a report is ordered. Additional state laws may also impact your usage of reports for employment purposes.

Durham & Associates, Inc., strongly endorses the letter and spirit of the Federal Fair Credit Reporting Act. We believe that this law and similar state laws recognize and preserve the delicate balance between the rights of the consumer and 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 statutes and the statutes and regulations of the states in which you operate.

Durham & Associates, Inc., supports consumer legislation that will ensure fair and equitable treatment for all consumers and users of credit information.

Please confirm receipt of this notice by signing and returning it with your application for accessing consumer credit information.

Company name

Typed or printed name and title

Authorized signature

Date