

TO: ALL CLIENTS
FROM: THOMAS W. NORTON, PRESIDENT

SUBJECT: FAIR CREDIT REPORTING ACT (FCRA) PL-91-508
CONSUMER CREDIT REPORTING REFORM ACT OF 1996 (CCRA) PL104-208
NEW YORK GENERAL BUSINESS LAWS OF 1977 CHAPTER 867
DRIVER PRIVACY PROTECTION ACT (DPPA)
SECTION 607 – 15 USC 1681e COMPLIANCE PROCEDURES

This memorandum outlines the principal requirements and procedures that users of *CONSUMER* or *INVESTIGATIVE CONSUMER REPORTS* must comply with, along with a suggested format for DISCLOSURE and AUTHORIZATION NOTIFICATION.

A *CONSUMER REPORT* is a file that may exist on a person in Credit Bureau; an *INVESTIGATIVE CONSUMER REPORT* is basically a "background investigation" of a JOB APPLICANT which may contain Credit Bureau files PLUS information from other sources including but not limited to former employers, associates, references and neighbors. Steps 2 and 3 outlined below, apply principally to JOB APPLICANTS.

1. ALL CLIENTS must *certify* to Fidelifacts that information requested in a *Consumer or Investigative Consumer Report* will be used ONLY for the purpose requested.
2. Each employer must provide a JOB APPLICANT with a clear, conspicuous WRITTEN DISCLOSURE, notifying them that a *CONSUMER REPORT* may be requested, as well as obtain WRITTEN AUTHORIZATION* from a JOB APPLICANT before requesting either a *CONSUMER* or *INVESTIGATIVE CONSUMER REPORT*. A suggested format for each is attached.

3. Under the Consumer Credit Reporting Reform Act of 1996, whenever any adverse action is contemplated against an applicant or employee, either partly or wholly because of information contained in a REPORT, the employer must provide him or her with verbal, written or electronic pre-adverse action notification, A Summary of Your Rights Under the Fair Credit Reporting Act, the name, address and phone number of the consumer reporting agency that furnished the report, along with a copy of the report and a statement that the consumer reporting agency did not make the decision to take the adverse action and is unable to explain the specific reasons behind the decision. The applicant must also be notified of his or her right to dispute the accuracy of the report.

Under the Reform Act, "adverse action" includes the "denial of employment or any other decision for employment purposes that adversely affects any current or prospective employee".

4. If your reason for declining the applicant has nothing to do with information in the report, the foregoing notification DOES NOT apply.

5. During the term of this Agreement, (Client Name) agrees to comply with all federal, state and local statutes, regulations and rules applicable to it, including, without limitation the FCRA, with any changes enacted to FCRA during the term of this Agreement, the Gramm Leach Bliley Act and its implementing regulations, any state or local laws governing the disclosure of consumer credit or employment information, and any regulations or limitations promulgated by Fidelifacts. (Client Name) further agrees to comply with any and all Federal or State EEO laws or regulations that complies with FCRA 604(b). Without limiting the foregoing, Fidelifacts may from time to time notify (Client Name) of new, additional, updated or new requirements relating to such laws, and compliance with which will be a condition of Fidelifacts continued provision of the credit or employment information to (Client Name), and (Client Name) shall utilize training materials to train and educate its employees in proper security procedures consistent with industry standards. In addition, such new requirements might require price increases. (Client Name) agrees to comply with any such new requirements no later than thirty (30) days after it actually receives notice from Fidelifacts and such requirements shall be incorporated into this Agreement by this reference. (Client Name) understands and agrees that Fidelifacts require evidence, including a certification that (Client Name) understands and will comply with applicable laws.

6. We will not discriminate against the applicant or employee, or otherwise misuse the information in violation of federal or state equal opportunity laws or regulations.

Obligations with Fraud and Active Duty Military Alerts

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 limitation on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance 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 he 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 sure must contact the consumer in accordance with the contact information provided in the consumer's alert.

Section 607 –15 USC 1681e Compliance Procedures

Section 607(a) states: "Every consumer reporting agency shall maintain reasonable procedures designed to avoid violations of section 605 and to limit the furnishing of consumer reports to the permissible purposes listed under section 604. These procedures shall require that prospective users of the information identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose. Every consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by such prospective user prior to furnishing such user a consumer report. No consumer reporting agency may furnish a consumer report to any person if it has reasonable grounds for believing that the consumer report will not be used for a purpose listed in section 604."

Fidelifacts/Metropolitan New York, Inc., contact information is 1-800-678-0007 / 1-212-425-1520 or by email operations@fidelifacts.com.

Equifax contact information 24-hour Corporate Security Fusion Center at (1-888-257-8799 or 1-770-740-5555 from outside the US) or by sending an email to CorporateSecuritySupport@equifax.com.

****NOTE: An employer has the right to DENY an applicant a job in NEW YORK, if the applicant refuses to sign the authorization required under the FCRA.***



TO: ALL CLIENTS EXHIBIT A

FROM: THOMAS W. NORTON, PRESIDENT

**SUBJECT: FAIR CREDIT REPORTING ACT (FCRA) PL 91-508
 CONSUMER CREDIT REPORTING REFORM ACT OF 1996 (CCRRA) PL-104-208
 GENERAL BUSINESS LAW OF NEW YORK (CH 867-GBL-NY-1977)
 DRIVER PRIVACY PROTECTION ACT (DPPA) 18 U.S.C. SECTION 2721 ET.SEQ.**

In order to comply with the above statutes, we are required to have a statement from each of our clients to the effect that reports ordered from Fidelifacts/Metropolitan New York, Inc., which are covered by the above, will be used only for permissible purposes as specified below.

For ease of handling, please read and certify compliance with the statement below by affixing your signature. Forward a copy to us and retain a copy for your files.

If you have any questions regarding the Fair Credit Reporting Act, The Consumer Credit Reporting Reform Act of 1996 or the General Business Law of New York or the DPPA call our toll-free information line at:
 800 678-0007

The consumer reports or investigative consumer reports ordered by our firm from Fidelifacts/Metropolitan New York, Inc. will be used only for pre-employment screening, a permissible purpose as outlined in the Fair Credit Reporting Act (PL 91-508), The Consumer Credit Reporting Reform Act of 1996 and the General Business Law of New York (CH 867-NY-1977).

Our firm certifies that it will comply with the Reform Act's disclosure and adverse action requirement and that the information will not be used in violation of any applicable Federal or State equal opportunity law or regulation nor will it be re-sold to any third party.

Signed : _____ Date _____

Title: _____

Company: _____

Address: _____

Reports will be used only for: Employment Screening

Please Note: Any company or person who knowingly obtains a consumer report under false pretenses or without a permissible purpose will be subject to damages. In these circumstances, the company or person will be liable to both the consumer reporting agency and the applicant or employee for their actual damages sustained or \$1,000, whichever is greater.

In addition, any company or person that willfully fails to comply with the statute will be liable to the applicant or employee for actual damages, punitive damages, costs and attorney's fees, although the Reform Act limits actual damages in this situation to an amount not less than \$100 and not more than \$1,000.

Finally, if an unsuccessful motion, pleading or other paper is filed in "bad faith or for purposes of harassment," the Reform Act will award reasonable attorney's fees to the prevailing party. A copy of this document should be kept on file for 5 (five) years.