

Reports on credit

and other financial information

The use of credit reports for employment purposes

What is an employment report?

Federal law specifically allows potential and current employers to view a modified version of your credit report for employment purposes such as hiring and promoting.

This modified credit report is called an employment report. It includes much of the information about your loans and credit cards that is listed in your credit report. To protect your financial security, all Experian employment reports omit your account numbers. To meet equal employment opportunity laws, Experian® also omits year of birth and spouse references.

Who uses employment reports?

Traditionally, the biggest users of credit reports for employment purposes are companies in the defense, chemical, pharmaceutical and financial services industries because of the sensitive positions many of their employees hold.

Increasingly, other industries use the reports to serve as a general indicator of an applicant's financial honesty and personal integrity.

What types of information are on an employment report?

The employment report can help verify information on a job application and provide a clearer picture of an applicant.

For example, an applicant's payment pattern can demonstrate integrity. If the report indicates that personal finances are handled responsibly, the company can assume the individual will handle its financial affairs responsibly, too.

It's important to remember one critical thing an employment report does not do: It does not tell a potential employer whether to hire or promote an applicant.

An employment report typically is used in addition to application data, references or skills testing to help employers make the best, most objective hiring decision.




*You expect a bank or department store to look at your credit report when you apply for a loan or credit card. But what if you apply for a new job instead of new spending opportunities? Does your potential employer have a right to review your credit report? The answer is yes. Credit reports can legally be used for noncredit purposes, including employment. This issue of **Reports on Credit** answers these important questions:*

- *What is an employment report?*
- *Who uses employment reports?*
- *What types of information are on an employment report?*
- *How are your rights as a consumer protected?*

How are your rights as a consumer protected?

Recognizing the sensitive nature of employment reports, legislators enacted several consumer protections. Among them are the following:

- Federal law prohibits anyone from accessing an employment report without first obtaining written permission from the consumer.
- If the employment report plays any part in a decision that negatively impacts the consumer, federal law requires the company to give the consumer a copy of the report along with a written description of the consumer's rights.

In addition to state and federal requirements, Experian instituted several policies to protect consumer privacy and ensure accuracy:

- Experian strongly recommends to employers that they not deny employment solely on the basis of an employment report.
- If the employment report contains information that causes a potential employer concern, Experian encourages the employer to give the applicant an opportunity to clarify the issue.
- When an employer obtains a copy of an employment report, that inquiry is not shown on future credit or employment reports except when an applicant obtains his or her own report directly from Experian. This protects consumer privacy because other employers or credit grantors will not be informed about job-related activities. (Information about employer access is located in the "Requests for Your Credit History" section of the consumer personal credit report. It remains on file for two years.)



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