

Credit Reports and Job Hunting

Whether you are hired or promoted for a job may depend on the information revealed in a background check, specifically in your credit report or employment report. Job applicants and existing employees as well as volunteers may be asked to submit to background checks. For some jobs, screening is required by federal or state law. The current emphasis on security and safety has dramatically increased the number of employment background checks conducted.

What Is an Employment Report?

An employment report is a modified credit report that helps potential and current employers make hiring and promoting decisions. The employment report contains much of the same information about your loans and credit cards that your credit report has listed. However, your marital status, year of birth and account number is omitted from the employment report to protect your financial security. Federal law allows potential and current employers to view a modified version of your credit report for employment purposes such as hiring and promoting.

The report; however, does not tell a potential employer whether to hire or promote an applicant. An employment credit report typically is used in addition to application information, references and skills testing to help employers make the best, most objective hiring decision.

Consumer Protection

Applicants and employees fear employers can dig into the past in ways that have nothing to do with the job. While some people are not concerned about background investigations, others are uncomfortable with the idea of an investigator poking around in their personal history. In-depth background checks could unearth information that is irrelevant, taken out of context or just plain wrong. A further concern is that the report might include information that is illegal to use for hiring purposes or which comes from questionable sources.

Recognizing the sensitive nature of credit reports, legislators enacted several consumer protections:

- Federal law prohibits anyone from accessing a credit report without first obtaining written permission from the consumer.
- If the credit 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.
- State and federal requirements protect consumer privacy and ensure accuracy.
- When an employer obtains a copy of a credit report for employment purposes, access is not shown on future credit reports except when an applicant obtains his or her own report. In addition, inquiries for employment purposes do not affect credit-worthiness or credit-risk scores because they are not shown to lenders.

Source: www.privacyrights.org and www.experian.com