



Fair Credit Act Summary

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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If your city routinely conducts credit checks on applicants or employees, you may want to consider only conducting the checks on positions involving money (finance department employees, police officers, etc...). Then be sure to provide notice and follow the guidelines when an adverse decision is made.

The CFPB has issued updated FCRA notices that employers and consumer reporting agencies must use when conducting background checks on employees or applicants. The revised form, effective as of January 1, 2013, are available in Appendices K, M and N at the end of Title 12 of the Code of Federal Regulations, Part 1022 and are substantively the same as the old forms. Each form was revised to replace references to the FTC with reference to the CFPB and to provide a link to the new website. They include:

- Appendix F to Part 698 - Summary of Consumer Rights [1],
- Appendix G to Part 698 - Notice of Furnishers Responsibilities [2], and
- Appendix H to Part 698 - Notice of User Responsibilities [3].

The Summary of Consumer Rights is the form used mostly by employers, most notably when obtaining "investigative consumer reports" and sending pre-adverse action letters.

Links:

[1] https://ecfr.io/Title-16/pt16.1.698#ap16.1.698_13.f

[2] https://ecfr.io/Title-16/pt16.1.698#ap16.1.698_13.g

[3] https://ecfr.io/Title-16/pt16.1.698#ap16.1.698_13.h

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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