

This article presents general guidelines for Ohio nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.

Employers Should be Aware of New Forms for Background Check Compliance

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Due to recent federal regulation, employers must follow new disclosure procedures before performing background checks. Effective September 21, 2018, the Consumer Financial Protection Bureau (CFPB) issued updated model disclosure forms mandated by the Fair Credit Reporting Act (FCRA). The new forms may be accessed [here](#). The last time the CFPB provided a model disclosure form for use by employers performing background checks was 2012.

The amended “Summary of Your Rights” form contains additional explanation of applicant-consumer’s rights not previously contained in the 2012 version of the form. Specifically, the amended summary of rights explains that applicant-consumers may obtain a “security freeze” on their consumer report at no cost. That mechanism allows consumers to freeze their accounts so that credit reporting agencies cannot release any credit information without the applicant-consumer’s authorization. Additionally, the amended summary of rights form explains that applicant-consumers may place a temporary fraud alert on their account for one year (or seven years for victims of identity theft).

The new forms are effective immediately; however, the CFPB will temporarily permit continued use of the 2012 forms as long as a separate page containing the new information is also provided to the applicant-consumer. The CFPB is currently considering other revisions to the model forms as well.

The FCRA requires strict notice and disclosure requirements, and employers are strongly encouraged to familiarize themselves with these requirements to avoid liability or other consequences. Many states have also enacted statutes that place additional notice or disclosure requirements on employers when obtaining background checks on prospective or current employees. If you have any doubts or questions regarding FCRA compliance, please consult legal counsel to ensure compliance.

If you are a PBPO client and would like to discuss your organization’s particular situation or if you have questions regarding background check compliance, please contact us at info@pbpohio.org. If you are not a client but would like to apply, please contact us at info@pbpohio.org.