Section 3 Human Resources Policies Subject 3.2 Employment Related **Policy 3.2.10 Use of Consumer Reports for Employees, Students and Contractors**	05/16/14 -Originated -Reviewed w/ changes -Reviewed w/o changes 05/16/14 -Effective Human Resources -Author

Use of Consumer Reports for Employees, Students and Contractors

Definitions

Adverse Action: a decision for employment or enrollment purposes that adversely affects any current or prospective employee or student. Examples include failure to hire, termination, decision not to promote, deny enrollment as a student.

Consumer Information: name, date of birth, physical and mailing addresses, and taxpayer number or other identifying numbers which may be contained in applications, change of address notifications, correspondence, or other documentation maintained by UTMB about a consumer. This includes information received about a consumer from a third-party source.

Consumer Report: any communication of information by a consumer reporting agency reflecting a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected to make business decisions regarding the consumer. This includes but is not limited to: background checks, criminal history checks, credit reports, educational background checks, and driving record checks.

Consumer Reporting Agency or **Agency**: means any person or company that regularly collects or evaluates consumer information and then provides the information as consumer reports to third parties for monetary fees, dues, or on a cooperative, nonprofit basis.

Individual: a student, prospective student, employee, prospective employee, contractor, volunteer, patient or other individual about whom a consumer report is requested by UTMB.

Notice of Address Discrepancy: a notice sent by a consumer reporting agency that notifies UTMB of a substantial difference between the address that UTMB provided to request the consumer report and the address(es) in the consumer reporting agency's file for the individual.

Verified Address: an address for an individual that UTMB has reasonably confirmed is accurate.

Policy

UTMB utilizes a third-party vendor credit reporting agency to conduct criminal record checks for employment, enrollment, and contracting related purposes. The resulting report is considered a "consumer report" under the Fair Credit Reporting Act (FCRA) and UTMB must comply with all FCRA disclosure and notice requirements.

The Federal Trade Commission (FTC) requires users of consumer reports to have a procedure in place to deal with any notices of address discrepancies it may receive from a consumer reporting agency. Essentially, the goal of the regulation is to ensure that UTMB and the consumer reporting agency are both referring to the same person, even if they each have different addresses for such person on file. In some instances, if UTMB verifies that the address supplied by the consumer reporting agency is incorrect, UTMB must report the correct address back to consumer reporting agency that provided the notice of address discrepancy.

Additionally, if the information provided in a consumer report results in an adverse decision about an individual, UTMB must follow certain steps. This requirement is to allow the individual an opportunity to present evidence challenging the information in the consumer report.

Notices of Address Discrepancy

When UTMB receives a notice of address discrepancy about an individual, UTMB must be able to form a reasonable belief that the consumer report refers to the individual about whom the report was requested before UTMB can make use of the information.

A reasonable belief will be based upon the following:

1. UTMB will review and compare the information contained in the consumer report with the information UTMB maintains about the individual.
2. If a reasonable belief does not exist after the review, UTMB will contact the individual directly to verify the information in the consumer report.

If UTMB cannot form a reasonable belief that the consumer report relates to the individual, the report cannot be used by UTMB in evaluating the individual, and no further action is required under this policy.

If UTMB reasonably believes that the consumer report does relate to the individual, UTMB shall report a verified address to the agency that

Notices of Address Discrepancy, continued

provided the notice of address discrepancy.

In determining whether an address is a verified address, UTMB may:

1. verify the address with the individual; **or**
2. review the address through third-party sources; **or**
3. utilize other methods which UTMB has determined are reasonable, and which have been documented in the internal operating manual.

The verified address will be reported to the agency if:

1. UTMB establishes a continuing relationship with the individual; **and**
2. UTMB regularly furnishes information to the agency that sent the notice of address discrepancy.

The verified address will be submitted during the reporting period that UTMB establishes a continuing relationship with the individual and may be included as part of the information UTMB regularly furnishes to the agency.

Consumer Notification of Adverse Actions

If an individual may be negatively impacted (e.g. not hired, not accepted for admission to school, etc.) based on information contained in the consumer report, before adverse action is taken UTMB will provide the consumer with notice that an adverse action is pending. The notice is to include:

1. information about the adverse action being considered,
2. a copy of the consumer report, and
3. a copy of "A Summary of Your Rights Under the Fair Credit Reporting Act".

The individual will be given five (5) business days to refute the information. Additional time extensions may be provided to the individual upon written request at the sole discretion of UTMB.

If UTMB decides to continue with the adverse action, it must give the individual notice that such action has been taken. The notice must be provided within three (3) business days of the adverse action and must include the following:

1. identification of the adverse action taken,

Consumer Notification of Adverse Actions, continued

2. the name, address and telephone number of the consumer reporting agency that provided the consumer report (including a toll-free number if the agency compiles and maintains files on consumers on a nationwide basis),
3. a statement that the consumer reporting agency did not make the adverse decision and is unable to provide the individual with the specific reasons why the adverse action was taken,
4. a notice of the individual's right to obtain a free copy of the consumer report from the consumer reporting agency within sixty days; and
5. a notice of the individual's right to dispute the accuracy or completeness of any information the agency furnished to UTMB.

References

16 CFR §681.1 Duties of users regarding address discrepancies
Fair Credit Reporting Act Sections 604 and 615
IHOP 3.2.6 Criminal History Background Checks for Employment and Promotion