



Institutional Handbook of Operating Procedures
Policy 03.02.10

Section: Human Resources	Responsible Vice President: Vice President of Human Resources and Chief HR Officer
Subject: Employment	Responsible Entity: Human Resources

I. Title

Use of Consumer Reports for Employees, Students, and Contractors

II. 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 [consumer information](#) provided in a 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.

III. 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 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.

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.

IV. 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,
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.

V. Relevant Federal and State Statutes

[16 CFR §681.1 Duties of users regarding address discrepancies](#)
[Fair Credit Reporting Act Sections 604 and 615](#)

VI. Related UTMB Policies and Procedures

[IHOP - 03.02.06 - Criminal History Background Checks for Employment and Promotion](#)

VII. Dates Approved or Amended

<i>Originated: 05/16/2014</i>	
<i>Reviewed with Changes</i>	<i>Reviewed without Changes</i>
	07/31/2017
	09/01/2021

VIII. Contact Information

Human Resources Employee Relations
(409) 772-8696