

Employer FCRA Compliance in Background Screening

Background checks can feel complex — especially when it comes to the Fair Credit Reporting Act (FCRA). Understanding your obligations is an important part of compliance.

Summary of Obligations of Users Under the FCRA



Permissible Purpose

You must have a legally legitimate and permissible reason for requesting a background check – and be able to document it.



Disclosure

You must provide a clear, standalone disclosure informing the applicant that a background check will be conducted.



Written Authorization

The applicant must sign a written consent form before the background check begins.



Pre-Adverse Action

If results may affect a hiring decision, provide applicant with a copy of the report, a summary of their rights, and a pre-adverse action letter.



Adverse Action

After reasonable time, if the decision remains the same, issue an adverse action notice with final explanation.

The Allied Screening portal contains letter templates to help you streamline your adverse action process with the click of a button!

Disclaimer: This document is intended for educational purposes only and does not constitute legal advice.