

FCRA Amendment – Fair and Accurate Credit Transactions Act (FACT) Effective 11/27/04

The Fair Credit Reporting Act (FCRA) has been amended with the signing of FACT (Fair and Accurate Credit Transactions Act). This amendment accomplishes two basic purposes.

First, it exempts third-party investigations of alleged employee misconduct from the notice and disclosure requirements.

Second, it implements more strict notification requirements to employees when a background check includes medical information. Previously employers were only required to obtain an employee's consent to the disclosure of medical information. The new legislation now requires that the consent form must provide specific information concerning the purpose for which the information will be provided and the employee consent must be specific and in writing.