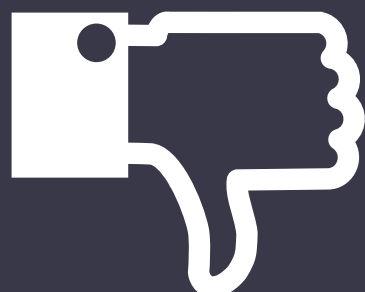


Navigating the PRE-ADVERSE & ADVERSE ACTIONS PROCESS

What is an Adverse Action?



An Adverse Action is a denial of employment or other negative action impacting the employment status of any current or prospective employee based upon the results of a consumer background screen. Adverse Action may apply to initial employment, denial of promotion, demotion, or termination of current employment. Per the Fair Credit Reporting Act (FCRA), end users of consumer reports (e.g., employers) who plan to take adverse action based on the contents of a consumer report must provide both written notice of the contents of the screening report along with an opportunity to dispute potentially erroneous information (pre-adverse action) and written notification of final action taken (adverse action).

The Adverse Action Process

Step 1: Pre-Adverse Action Notice

Prior to taking adverse action, an employer must provide the consumer with:

- A copy of their consumer report
- A summary of the consumer's rights under the FCRA

Step 2: Waiting Period

Before taking adverse action, an employer must wait a reasonable period of time to allow the consumer time to dispute the accuracy of the consumer report.

- Industry standard is 5 business days

Step 3: Adverse Action Notice

Employer must provide the following to the consumer when it has taken adverse action:

- Notice of the adverse action (i.e. not eligible for hire or denial of promotion) due to information in the consumer report
- The contact information for the consumer reporting agency that prepared the report
- A copy of the Summary of Rights under the FCRA

Please note: The above infographic describes an employer's obligations under the Federal Fair Credit Reporting Act. AccuSource recommends discussing any additional state and local law obligations with your legal counsel to ensure compliance with all applicable laws and regulations.

AccuSource

AccuSource, Inc. is a full service employment screening organization with corporate headquarters located in Corona, California. From our inception, our mantra has been to continuously seek and promote a balance between offering the latest in technology resources and providing direct, consistent, supportive client care. We partner with our clients to ensure they are kept abreast of changes in legislation and evolving trends in compliance requirements. Our clients are afforded continuous information through blog posts, educational webinars, educational videos, news alerts, and live updates. We also partner with top industry legal experts including Seyfarth-Shaw to ensure we not only are aware of changing laws when they occur but are tracking and identifying emerging trends to alert clients so they can prepare in advance.