

Credit Report



S.2425 An Act Regulating the Use of Credit Reports by Employers

Summary

- 1 To provide a measure of relief to Massachusetts job applicants, the Senate approved a bill to restrict the use of credit reports in hiring and promotions.
- 2 The bill provides exemptions for jobs that require credit checks under federal or state law, high-level positions at financial institutions, jobs that require national security clearance, and jobs with authority over funds of more than \$6,000.
- 3 In Massachusetts, it is currently legal for employers to conduct credit checks on job applicants and to use the results in employment decisions.

The bill was sponsored by Senator Michael J. Barrett (D-Lexington)

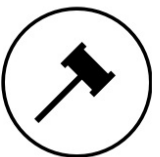


Senator Michael J. Barrett
@BarrettSenate

Chair, Senate Committee on Post Audit and Oversight



This Legislation was passed on
July 12, 2016



Passed Unanimously

STATUS



Sent to House

47% of employers nationally use credit checks to evaluate job applicants. Recent studies show credit reports are often riddled with errors. An eight-year study by the Federal Trade Commission found that 25% of consumers spotted mistakes in their records.

RESPONSE



"We don't have any research to show, any statistical correlation between what's in somebody's credit report and their job performance or their likelihood to commit fraud."

- Eric Rosenberg, Legislative Director for Transunion

"People see their credit reports dinged due to circumstances they couldn't reasonably foresee -- their spouse becomes ill, they get laid off, or they hit a combination of student debt and under-employment. All these things are regrettable, but none should stop them from getting back on their feet."

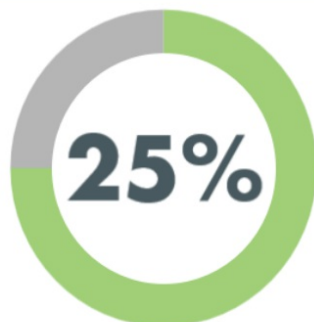
- Senator Michael J. Barrett



INFOGRAPHICS

Accuracy of Credit Reports

An eight-year study by the Federal Trade Commission found that 25% of consumers saw potentially significant errors in their own reports.



Saw Significant Errors

Yet

47%

of employers nationally use credit checks to evaluate job applicants

@Ma_Senate

S.2394