



## Application for Access to Consumer Reports and FCRA Related Data

This ComplyTraq, LLC (“ComplyTraq”) Application for Access to Consumer Reports and FCRA Related Data (“Application”) and the information identified herein and documentation submitted by the below referenced “Client” pursuant hereto, along with the terms, conditions, obligations, requirements, guidelines, assurances and certifications that follow, is subject to the terms and conditions, including those relating to confidentiality, of the agreement for services entered into between Client and MicroBilt Corporation, (“MicroBilt”) along with any exhibits, amendments and addenda thereto (the “Agreement”). MicroBilt is a “consumer reporting agency” and a “reseller of consumer reporting services” as such terms are set forth in the “FCRA” (defined below). ComplyTraq is the approved agent of MicroBilt designated pursuant to the Agreement, to perform customer onboarding due diligence, compliance certification, credentialing, background checks, FCRA training and testing, and on-site inspections of Client’s business premises, to determine and review credit, history, procedures, processes, security practices, protective measures and need for accessing, using, storing and/or distributing consumer credit information, data or other reports obtained from or through MicroBilt, so as to ensure Client’s initial and ongoing compliance with the Agreement.

### Application

Every field on this Application MUST be completed. If not applicable, you must write N/A. Failure to fully complete this Application in its entirety and return it along with the signed Certification (attached) will delay and/or deny your approval.

### **Company Information**

Business Name (Hereinafter “Client”) and Type of Company		Website Address(es) / URLs (if applicable)		IP Address and Range	
Physical Address (No PO Boxes)			City		State      Zip
SSN or Federal ID Number	State / Date Business was Established	Hours of Operation		Number of Employees Total: _____ For Access: _____	
Main Contact	Title	Email		Phone and Fax Numbers Work: _____ Cell: _____ Fax: _____	
Compliance Contact	Title	Email		Phone and Fax Numbers Work: _____ Cell: _____ Fax: _____	

### **Principal Information (Client Owner or Officer signing below) - N/A for publically traded companies & government entities**

Principal Name (if different)	Title	Email	Phone and Fax Numbers Work: _____ Cell: _____ Fax: _____
Home Address			
City/State/Zip			
Home Phone Number	Drivers License Number	Social Security Number	

### **Parent Company Information (if a subsidiary)**

Parent Company	Website Address(es) / URLs (if applicable)		
Physical Address (No PO Boxes)	City	State	Zip

### **FCRA Information**

For the Purposes of the FCRA, please describe the nature / type of your company’s business (required).
Please indicate End Users’ intended use of information (check all that apply):
<input type="checkbox"/> Related to transaction involving credit extension, account review, account collection or bankruptcy filing with respect to subject consumer. <input type="checkbox"/> Employment purpose (END USER WILL IDENTIFY TO PROVIDER EACH TIME A REPORT IS REQUESTED FOR THIS PURPOSE).

- Insurance underwriting (END USER WILL IDENTIFY TO PROVIDER EACH TIME A REPORT IS REQUESTED FOR THIS PURPOSE).
- Tenant screening.
- Related to a business transaction involving subject consumer. (CLIENT WILL IDENTIFY SPECIFIC BUSINESS PURPOSE EACH TIME A REQUEST IS MADE UNDER THIS CATEGORY, AND REPORT SAME TO THE PROVIDER AT POINT OF ACCESS).

**GLBA Information**

For the Purposes of the GLBA, please describe the nature / type of your company’s business (required).

Please indicate End Users’ intended appropriate use of information under GLBA (check all that apply):

- |   |  |
|---|--|
| <input type="checkbox"/> Child support enforcement        | <input type="checkbox"/> Credit/Collection Activity/skip tracing |
| <input type="checkbox"/> Locating former patients         | <input type="checkbox"/> Asset Verification Search               |
| <input type="checkbox"/> Locating beneficiaries and heirs | <input type="checkbox"/> Locating existing customers             |
| <input type="checkbox"/> Fraud Prevention                 | <input type="checkbox"/> Find owners/unclaimed goods             |
| <input type="checkbox"/> Employment verification          | <input type="checkbox"/> Locate Alumni/class reunions            |

**DPPA Information**

For the Purposes of the DPPA, please describe the nature / type of your company’s business (required).

Please indicate End Users’ intended appropriate use of information under DPPA (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Government Use  | <input type="checkbox"/> Motor Vehicle or Driver Safety                         |
| <input type="checkbox"/> Verify accuracy of Personal Information                             | <input type="checkbox"/> Civil, Criminal, Administrative or arbitral proceeding |
| <input type="checkbox"/> Statistical Reports   | <input type="checkbox"/> Insurer or insurance support organization              |
| <input type="checkbox"/> Licensed Private Investigative Agency or licensed security services |   |

**CA Civil Code End User Compliance (Please fully read Section below and check one)**

End User  IS or  IS NOT a “Retail Seller,” as defined in Section 1802.3 of the California Civil Code and conducts “Point of Sale” transactions, i.e., issues credit to consumers who appear in person on the basis of applications for credit submitted in person.

**Letter of Intent**

- On Company letterhead signed by an officer, owner or authorized manager, please provide the nature of your business, the intended use for the services, anticipated monthly volume and whether your Company anticipates its access to be primarily local, regional, national or international.

**Bona Fide Business Verification**

Copy of Business License plus one of the following must be attached (indicate which by checking the appropriate boxes):

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Copy of Business License (must be attached if required by your state, city or county and if not required, two of the other items must be chosen and attached) | <input type="checkbox"/> Articles of Incorporation / Partnership  | <input type="checkbox"/> Corporation verification with State or Federal government                                   |
| <input type="checkbox"/> Sales tax records   | <input type="checkbox"/> State and/or Federal tax records   | <input type="checkbox"/> Professional State Issued License   |
| <input type="checkbox"/> State Tax ID Certificate (not application)  | <input type="checkbox"/> Federal ID No. form (not application)  | <input type="checkbox"/> Proof of 501 (c) (3) status (non-profit, charitable, religious or educational organization) |
|  | <input type="checkbox"/> Proof of status under FCRA § 621(b) (1, 2, 3) (Federal bank, CU, air/ground carries and those subject to the Packers and Stockyards Act of 1921) |  |

Each of the following must be attached:

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Advertising Material or Business Card | <input type="checkbox"/> Copy of Business Check (only if sole proprietorship, partnership or corp. in business under 1 yr) | <input type="checkbox"/> Copy of Principal’s Photo ID / Driver’s License (only if sole proprietorship, partnership or corp. in business under 1 yr) |
| <input type="checkbox"/> Copy of Current Business Phone Bill   |  |   |

Business References and a Bank Reference are required for those in business under 1 yr., and upon request.

Do you own your office space?  Yes  No If yes, indicate how long to date ( )

Do you lease your office space?  Yes  No If yes, indicate how long to date ( ) and provide the following (N/A for publicly traded companies):

Copy of current Lease (must include Lease terms, the address page, the signature page and the landlord name and contact information)

**Financial Services or Lending Companies**

If your company is a mortgage banker and servicer, short term lender (deferred deposit transaction), consumer or commercial finance lender and broker, please indicate accordingly and provide license for each:

- |  |   |
|--|---|
| <input type="checkbox"/> Mortgage Banker           | <input type="checkbox"/> Deferred Deposit Transaction |
| <input type="checkbox"/> Commercial Finance Lender | <input type="checkbox"/> Consumer Finance Lender      |

List all states currently licensed for lending:

- Please provide a sample of your adverse action letter.

**Employment Screening Information**

If you selected Employment Screening under FCRA you must provide the following:

- List Number of Employees: \_\_\_\_\_  Private Investigator License (if applicable)

**Consumer Credit / Housing Counseling Agency Information**

Agency may not be or have an affiliation with a credit repair clinic. Agency must be non-profit and must provide the following as indicated:

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Proof of Membership in Association of Independent Consumer Credit Counseling Agencies (AICCA); <b>OR</b> | <input type="checkbox"/> Letter of certification from the Council on Accreditation (COA); <b>OR</b>   | <input type="checkbox"/> Copy of Housing Counseling Agency's current HUD approval certificate. |
| <input type="checkbox"/> Proof of Membership in National Foundation for Credit Counseling (NFCC).                                 | <input type="checkbox"/> Certification of ISO 9001:2000 standard for Consumer Credit Counseling Agencies.   | <input type="checkbox"/> Copies of Fee Disclosure documents.                                   |
| <input type="checkbox"/> Proof of non-profit status.  | <input type="checkbox"/> Blank copies of all contracts initiated between the Consumer Credit Counseling Agency and its clients, including Dual Role Disclosure. | <input type="checkbox"/> Copies of brochures and marketing material.                           |
|   |   | <input type="checkbox"/> Copy of non-affiliated third party employee trainer certification.    |

**Tenant Screening Attachment Information**

If you selected Tenant Screening under FCRA you must provide three completed rental applications and one of the optional items listed:

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Three completed rental applications   | <input type="checkbox"/> Document filings in Landlord/Tenant Court (optional) | <input type="checkbox"/> Verify membership in local/regional/national Apartment Association (optional) |
| <input type="checkbox"/> Signed list of all apartment complexes or properties being managed (mandatory for property management companies; optional for all others) |   |  |

Please provide name of complex.

Are you an individual Landlord?  Yes  No If yes, you must provide the following

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Copy of title                 | <input type="checkbox"/> Public records search of property | <input type="checkbox"/> County Assessor's office records |
| <input type="checkbox"/> Copy of property tax document | <input type="checkbox"/> Property insurance documents      |   |

**Bail Bonds Support Information**

If your business is a Bail Bonds company, please provide the following items:

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> State Bail Bonds License   | <input type="checkbox"/> Sample Notice to Indemnitor (if not part of contract) | <input type="checkbox"/> Bail Recovery Agent License (if applicable) |
| <input type="checkbox"/> Sample Bail Bonds contract | <input type="checkbox"/> Fee Schedule (if not part of contract)                |  |

**Business Operating from Residence Support Information**

Is your business operating out of a residence? (NOT Unrestricted or an Apartment)  Yes  No If yes, provide one of the following:

- |   |  |
|---|--|
| <input type="checkbox"/> Corporation verification by certificate of incorporation or framework with state or federal government | <input type="checkbox"/> Sole proprietorship/partnership verification by business license from county or state government or fictitious name application |
|---|--|

**Attorney or Law Firm Support Information**

Is Lawyer/Law Firm a) solely in collections, b) filing consumer bankruptcies or c) hiring employees?  Yes  No If yes, provide one of the following:

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Attorney State Identification Card   | <input type="checkbox"/> Bar Association Membership Card | <input type="checkbox"/> Verify licensure from <a href="http://www.martindale.com">www.martindale.com</a> |
| <input type="checkbox"/> If you will be using our services for the purpose of filing consumer bankruptcies, you must provide a document/sample template the consumer signs authorizing access to their information. |  |   |

**Compliance Assurances**

Client agrees, acknowledges and warrants, as either an approved end user ("End User") or as an approved third party sales agent distributor ("Sales Agent") to End Users of various credit related products and services, ("Reports") that as applicable:

1. Sales Agents may only distribute Reports to approved End Users who have a "permissible purpose" as defined in the FCRA to request such Reports and to no other third party, and may not themselves be End Users of Reports, nor have access to or use of the Reports; and
2. It shall abide by and accept responsibility for accessing and distributing (as to Sales Agents), using and storing (as to End Users) the Reports in accordance with the Fair Credit Reporting Act, 15 U.S.C. §1681 et. seq., ("FCRA") as amended by the Fair and Accurate Credit Transactions Act of 2003 ("FACT Act") and thereafter from time to time, the Gramm-Leach-Bliley Act of 1999 ("GLBA"), the Driver Privacy Protection Act ("DPPA"), the laws of the applicable state issuing Motor Vehicle Records ("MVR"), the Equal Credit Opportunity Act ("ECO"), the Truth In Lending Act ("TILA") and all other applicable local, state and federal laws regarding the Reports, as well as the permissions and limitations of the national consumer credit reporting agencies, TransUnion, Experian, Equifax ("Credit Bureaus"), and other industry, consumer or business data providers (together with the Credit Bureaus, "Repositories" and each a "Repository"), ComplyTraq, MicroBilt, and other vendors providing access to the Reports, when Reports subject to such acts and laws is accessed, distributed, used and/or stored, and as applicable, adhere to the "Notice to Users of Consumer Reports: Obligations of Users Under the FCRA" and the "Notice to Furnishers of Information: Obligations of Furnishers Under the FCRA," received hereunder as required by the

- FCRA, and be aware that access to certain Reports is subject to restrictions of the Repository providing such Report, such that End Users shall not export such Reports, related documentation or technical data, or any product incorporating such, outside of the fifty (50) states of the United States of America and its territories; and
3. End Users shall obtain in advance and retain on file appropriate application, release, consent and/or authorization forms (“Forms”) from any credit applicant, job applicant or other individual on whom Reports are sought; and
  4. End Users shall disclose to each such individual(s) as and when required by law, that credit and/or other Reports (including investigative credit report data, if applicable) will be sought on such individual(s); and
  5. End Users shall provide consumer(s) with questions about their own credit report or when credit is denied, terminated or changed or when an application is declined, based in whole or in part on such Reports, resulting in “adverse action” as defined in the FCRA, with the relevant Repository’s name, address and toll free phone number (and not that of any other Repository, vendor, partner or customer); and
  6. End Users shall both advise applicants and follow procedures itself, regarding Repository mandates on inquires and complaints and retain Forms for a minimum of five (5) years in all cases where credit is extended or an application approved and in any case where credit is declined or an application declined and promptly make available such Forms to the Repositories upon reasonable notice for occasions where confirmation or audit is required by the Repositories; and
  7. End Users shall take all reasonable precautions to ensure that consumer Credit Information on individuals will be held in strict confidence, disclosed only to those of its employees whose duties reasonably relate to the legitimate business purpose for which the information was requested and not disclosed to any other party in whole or in part unless required by valid subpoena, court order or applicable law; and
  8. Prior to requesting each consumer report, End Users shall be identified as the end user of the consumer report, certify each “permissible purpose” as defined in the FCRA for which the consumer report will be used and that the consumer report will be used for no other purpose; and
  9. Compliance and keeping up to date with new requirements or laws regarding access to or use of Reports is the responsibility of Client; and
  10. End Users may secure consumer credit and other Reports on individuals solely for End Users’ own internal one-time use in accordance with the permissions and restrictions promulgated by the Repositories, which may differ from one another, which may include credit, employment, insurance underwriting, collection, government licensing or written consumer consent or initiated transactions between itself and the consumer / individual to whom information refers and/or for such other “permissible purpose” related to a business transaction as is defined by the FCRA and/or as permitted and restricted by the Repositories, and may not be resold, sub-licensed or otherwise revised in any way or delivered to any third party; and
  11. As necessary, in accordance with FCRA, FACTA, GLBA, DPPA, MVR, ECOA, TILA and other local, state and federal laws, as well as Credit Bureau, Repository, MicroBilt, ComplyTraq and other vendor policies, prior to Sales Agent distributing and End User accessing the particular desired consumer credit information, data or other Reports and on an annual basis and when changing business addresses and as new products and services are offered for access from time to time and new laws, Credit Bureau, Repository, MicroBilt, ComplyTraq and vendor policies are established or amended, Client agrees to undergo and pay for compliance certification, credentialing, employee FCRA training and testing, an on-site inspection at its business premises (“Site Inspection”), criminal, consumer credit and other background checks on Client’s business and its principal (owner or officer), performed by ComplyTraq, to determine and review Client’s credit, history, procedures, processes and Sales Agent’s need for accessing and distributing and End User’s need for using and storing consumer credit information, data or other Reports, security practices and other protective measures in place, so as to ensure Client’s initial compliance, as well as periodically for reassurance thereafter. To ensure its End Users’ compliance, Sales Agents shall enter into a “ComplyTraq Compliance Services Agreement” directly with ComplyTraq.

The signature of Client’s authorized representative acknowledging acceptance of the above terms and conditions is set forth at the end of the attached Certification.

### **Security Requirements**

As a result of entering into your Agreement for access to and distribution (as to Sales Agents) and use and storage (as to End Users) of consumer Reports or other non-public personally identifiable information, the undersigned Client further agrees as applicable, to adhere to the following measures:

#### **Data Access Security**

We must work together to protect the privacy of consumers. The following measures are designed to reduce unauthorized access of consumer credit reports and other non-public personally identifiable information.

1. You must protect your account numbers and passwords so that only key personnel know this sensitive information. Unauthorized persons should never have knowledge of your passwords. Do not post or leave such information unattended in any manner.
2. System access software, whether developed by your company or purchased from a third party vendor, must have your account numbers and passwords “hidden” or embedded and be known only by supervisory personnel. Assign each user of your systems, a unique user ID logon and password.

3. Do not discuss your account numbers and passwords by telephone with any unknown caller, even if the caller claims to be an employee of a Credit Bureau or other data Repository.
4. Restrict the ability to obtain consumer credit and other information to only a few key End User personnel.
5. Point of sale End Users utilizing the drivers license scanning product must make consumers aware via posters and obtain written consent that drivers license data is being collected and such will be used for fraud prevention and transaction dispute resolution and will not be used for marketing.
6. Place all terminal devices used to obtain consumer credit and other information in a secure location within End User's facility. You should secure these devices so that unauthorized persons cannot access them.
7. After normal business hours, be sure to turn off and lock all End User devices or systems used to obtain or store consumer credit and other information.
8. Secure hard copy and electronic files of consumer credit and other information within End User's facility to prevent unauthorized access.
9. Shred or destroy all hard copy consumer credit and other information when no longer needed by End User in accordance with applicable contract, Repository regulation or law.
10. Erase or scramble End User electronic files containing consumer credit and other information when no longer needed in accordance with applicable contract, Repository regulation or law.
11. Advise all End User employees that your company can access consumer credit and other information only for the "permissible purposes" (as defined in the FCRA) identified herein and in your Agreement and that they may not, even for testing purposes, access their own consumer credit report or that of a family member, friend, public figure or celebrity, if your company does not have permissible purpose.

### Record Retention

It is important that End User's keep consumer credit applications and reports for a reasonable period of time. This will help to facilitate the investigative process if a consumer claims that your company inappropriately accessed their credit and other report. (Note: Your Agreement and some Repositories and/or Credit Bureaus require five years, some require three years or even six years and the federal Equal Credit Opportunity Act maintains that a creditor must preserve all written or recorded information connected with an application for 25 months.)

*"Under Section 621 (a) (2) (A) of the Fair Credit Reporting Act, 15 U.S.C. §1681 et. seq., ("FCRA"), as amended from time to time, any person that violates any of the provisions of the FCRA may be liable for a civil penalty of not more than \$3,500.00 per violation."*

### Internal Systems Security

Internal Client systems that have access to sensitive consumer or other non-public personally identifiable information, including Sales Agents and End Users, should implement the following security measures on their systems.

1. Use of screensavers (15 minute timeout maximum) for all personnel should be mandatory.
2. Client Names and password rules must be set according to the **Client Name and Password Security** section herein.

### Application Security

When building an application system that will request, house or display sensitive consumer or other non-public personally identifiable information, the following measures must be put in place to help ensure unauthorized access of such data.

1. Technical measures to prevent screen scraping or robotic harvesting of any consumer or other non-public personally identifiable information, including information that can be viewed prior to purchasing a product, as well as contractual prohibitions on screen scraping or robotic harvesting.
2. The system should be set up so that account velocity is automatically measured and monitored for unusual activity. The system should also have the ability to turn off an individual account's access to consumer or other non-public personally identifiable information, if the account velocity threshold is tripped, and shut down access within 15 minutes if the site velocity threshold is tripped.
3. Client Names and password rules must be set according to the **Client Name and Password Security** section herein.
4. IP address restrictions are required for all Sales Agents who will be accessing and distributing and End Users who will be using and storing sensitive consumer or other non-public personally identifiable information. The IP addresses of those with access to the systems must be known and set up in order to access and distribute (as to Sales Agents) and use and store (as to End Users) sensitive consumer or other non-public personally identifiable information. The systems must not allow Clients to access the systems from an unknown or foreign IP address.
5. All transactions, XML and Web Based Applications must be sent over an encrypted medium. Valid encryption strategies are either HTTPS (SSL) V3 or better and at least 128 bit or HTTP over an IP Secure VPN.

### Client Name and Password Security

The following rules must be implemented when establishing Client Names and passwords:

1. Client Names must be at least Eight (8) characters in length.
2. All passwords must be at least eight (8) characters in length.
3. Client Names and passwords cannot be the same.
4. Passwords cannot contain the Client Name.
5. All passwords must contain any two (2) of the following characters: alphabetic, numeric or symbols.

6. All Clients must have a unique Client Name and password.
7. Passwords should not be written down anywhere and Client Names and passwords may not be shared.
8. Clients must change their passwords at a minimum of once every 90 days.
9. Clients' account and access shall be suspended after five (5) unsuccessful login attempts.
10. Security administrators should be notified immediately if the Client has any reason to believe their Client Name or password may have been compromised.
11. Inactive Clients should be suspended after 90 days.
12. All suspended Clients must change their passwords upon their next login.

### **Permissible Purpose Guidelines**

Section 604 of the FCRA sets forth the "permissible purposes" (as defined therein) for End User companies to obtain consumer information from a credit-reporting agency:

- a. Intend to use the information in connection with a credit transaction involving the consumer on whom the information is being furnished, or
- b. Intend to use the information for employment purposes, or
- c. Intend to use the information in connection with the underwriting of insurance, or
- d. Intend to use the information in connection with a collection, or
- e. Intend to use the information in connection with a transaction initiated by the consumer, or
- f. Intend to use the information in connection with the written consent of the consumer, or
- g. Intend to use the information in connection with government licensing.

If your product lines are for different permissible purposes as listed above, a separate intended use must be identified each time for each type. If you intend to use a consumer report for employment purposes or in connection with a consumer bankruptcy filing, you must inform us of the intent and complete the appropriate documents to receive the proper inquiry coding required. If you are contacted by us or a consumer whose consumer information you have accessed, you *must* provide us or the consumer with the detailed transaction information.

### **Exception List**

Notwithstanding the above, certain Credit Bureaus and Repositories have identified certain types of companies to which certain consumer information cannot be sold. We have chosen to be even more restrictive and will not sell certain consumer information to:

- Credit or Financial Repair or Counseling (unless for non-profit, housing counseling or registered securities broker).
- Lawyers or Law Firms (unless sole practice is collections or those filing consumer bankruptcies or for employment).
- Private Investigator, Detectives or Law Enforcement (unless sole use is for employment purposes and an individual certification of "permissible purpose," as defined in the FCRA, is provided each time a report is requested).
- Media, News Agencies or Journalists (unless sole use is for employment purposes or the review of a subscriber's credit and an individual certification of "permissible purpose," as defined in the FCRA, is provided each time a report is requested).
- Bail Bonds business or Repossession company (unless business is established, reputable or state licensed).
- Pawn Shop (unless business is reputable and in a secure and safe location).
- Process Server, Skip Tracing, Internet People Locator, Adoption Search, Asset Location Service (not including Collection Agencies), Future Services (time share, Continuity Club, etc.), Check Cashing, Dance Studio, Spiritual, Tattoo, Health Club, Diet Center, Book Club, Adult, Dating, Massage Service.
- Companies: a) not in the traditional financial services industry; b) not routinely needing consumer reports in the ordinary course of business; c) providing reports direct to consumers; d) with questionable reputations or ethical natures or no legitimate need for consumer reports; e) officers or employees involved in credit fraud or other unethical business practices; or f) identified by a Credit Bureau, Repository, ComplyTraq, MicroBilt or other vendor as restricted.

### **FCRA Requirements**

Federal Fair Credit Reporting Act (as amended by the Consumer Credit Reporting Reform Act of 1996).

Although the FCRA primarily regulates the operations of consumer credit reporting agencies, it also affects you as an End User of information. We have included a link to the FCRA below. We suggest that you and your employees become familiar with the following sections in particular:

§ 604	Permissible Purposes of Reports
§ 607	Compliance Procedures
§ 615	Requirement on users of consumer reports
§ 616	Civil liability for willful noncompliance
§ 617	Civil liability for negligent noncompliance
§ 619	Obtaining information under false pretenses
§ 621	Administrative Enforcement

§ 623	Responsibility of Furnishers of Information to Consumer Reporting Agencies
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Each of these sections is of direct consequence to End Users whom obtain reports on consumers.

As directed by the law, credit reports may be issued only if they are to be used for extending credit, review or collection of an account, employment purposes, underwriting insurance or in connection with some other legitimate business transaction initiated by the subject of the report such as tenant screening, in investment, partnership, etc. It is imperative that you identify each request for a report to be used for employment purposes when such report is ordered. Additional state laws may also impact your usage of reports for employment purposes.

We strongly endorse the letter and spirit of the federal Fair Credit Reporting Act. We believe that this law and similar state laws recognize and preserve the delicate balance between the rights of the consumer and the legitimate needs of commerce.

In addition to the federal Fair Credit Reporting Act, other federal and state laws addressing such topics as computer crime and unauthorized access to protected databases have also been enacted. As a prospective End User of consumer reports, we expect that you and your staff will comply with all relevant federal and state statutes and regulations in the locale you operate.

We support legislation that will assure fair and equitable treatment for all consumers and End Users of credit information.

### **Laws, Summaries & Notices**

The Fair Credit Reporting Act (“FCRA”) became effective on April 25, 1971. The FCRA is a group of acts contained in the federal Consumer Credit Protection act, such as the Truth in Lending Act and the Fair Debt Collection Practices Act.

Congress substantively amended the FCRA upon the passage of the Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”). The FACT Act created many new responsibilities for consumer reporting agencies and users of consumer reports. It contained many new consumer disclosure requirements as well as provisions to address identity theft. In addition, it provided free annual consumer report rights for consumers and improved access to consumer report information to help increase the accuracy of data in the consumer reporting system.

The identity theft rights summary includes the identity theft rights granted to consumers by FACTA, including the right to place fraud alerts on their credit reports, to block businesses and Credit Bureaus from reporting information in their credit files that is a result of identity theft, and to obtain from businesses information about accounts or transactions in their name that result from identity theft. The identity theft rights summary will be provided by consumer reporting companies to consumers who contact the agencies because they believe they are victims of fraud or identity theft.

The general consumer rights summary includes, among other things, consumers' right to see their credit files and know when they have been used against them, to correct inaccuracies, and to opt-out of unsolicited offers. The summary also notes that, in addition to identity theft victims, active duty military personnel have additional rights under the FCRA and FACTA. This general summary of rights updates the current summary, which credit reporting companies provide to consumers with their credit reports. The furnishers and user notices explain to businesses their duties under the FCRA.

The FCRA contains significant responsibilities for business entities that are consumer reporting agencies and lesser responsibilities for those that are not. Generally, financial institutions are not consumer reporting agencies.

In addition to the requirements related to financial institutions acting as consumer reporting agencies, FCRA requirements also apply to financial institutions that operate in any of the following capacities:

- Procurers and users of information (for example, as credit grantors, purchasers of dealer paper, or when opening deposit accounts).
- Furnishers and transmitters of information (by reporting information to consumer reporting agencies, other third parties, or to affiliates).
- Marketers of credit or insurance products.
- Employers.

Financial institutions are subject to a number of different requirements under the FCRA. The statute contains some of the requirements, while others are in regulations issued jointly by the FFIEC agencies or in regulations issued by the Federal Reserve Board and/or the Federal Trade Commission.

The Dodd-Frank Act granted rulemaking authority under the FCRA (except for §615(e) (identity theft) and §628 (disposal)) to the Consumer Financial Protection Bureau (“CFPB”) and, with respect to entities under its jurisdiction, granted authority to the CFPB to supervise for and enforce compliance with the provisions of the FCRA and the implementing regulations.

The CFPB structured the examination procedures as a series of modules, grouping similar requirements together. The modules contain general information about each of the requirements:

- Module 1 Obtaining Consumer Reports.
- Module 2 Obtaining Information and Sharing Among Affiliates.
- Module 3 Disclosures to Consumers and Miscellaneous Requirements.
- Module 4 Financial Institutions as Furnishers of Information.
- Module 5 Consumer Alerts and Identity Theft Protections.

To view the relevant summaries, notices, laws and websites, please click below, visit [www.MicroBilt.com](http://www.MicroBilt.com) or contact us to request copies.

FCRA: <http://www.ftc.gov/os/statutes/031224fcra.pdf>

Summaries of Rights and Notices of Duties Under the FCRA and FACT Act: Publication of Final Guidance on Model Disclosures: [Summary of Rights and Notices of Duties Under FCRA and FACTA.pdf](#)

CFPB: <http://www.consumerfinance.gov/>

CFPB Regulations: <http://www.consumerfinance.gov/regulations/>

CFPB and the FCRA: <http://www.consumerfinance.gov/policy-compliance/guidance/supervision-examinations/>

The CFPB required that the standard FCRA notices that refer to the FTC must be updated by Jan. 1, 2013 to reflect the role of the CFPB under the FCRA. Part 1022 of the Code of Federal Regulations:

<https://www.federalregister.gov/articles/2011/12/21/2011-31728/fair-credit-reporting-regulation-v>

Appendix I to Part 1022—Summary of Consumer Identity Theft Rights: [Appendix I.pdf](#)

Appendix K to Part 1022—Summary of Consumer Rights: [Appendix K.pdf](#)

Appendix M to Part 1022—Notice of Furnisher Responsibilities: [Appendix M.pdf](#)

Appendix N to Part 1022—Notice of User Responsibilities: [Appendix N.pdf](#)

GLBA: [GLBA and How To Comply.pdf](#)

DPPA: <http://www.accessreports.com/statutes/DPPA1.htm>

ADA: <http://www.ada.gov/pubs/ada.htm>

ECO: <http://www.fdic.gov/regulations/laws/rules/6500-200.html>

TILA: <https://www.fdic.gov/regulations/compliance/manual/5/V-1.1.pdf>

### **Employment Screening Requirements**

If your End User business intends to use credit reports and information for employment screening purposes, please read carefully.

Certain Credit Bureau products (Experian's Employment Insight, Equifax's Persona Report) may be sold to members who access credit reports and information for employment purposes. These reports differ from the consumer credit profile by suppressing information that is not applicable to an employment decision or may inadvertently violate an equal opportunity law. Suppressed information includes account numbers, year of birth and spouse references. Such Credit Bureau products also notify applicants that their file was accessed if it contains derogatory public record information, such as bankruptcies, liens and judgments. Additionally, inquiries only display on the report provided to the applicant. They do not display on the report provided to a potential employer.

The Consumer Credit Reporting Reform Act of 1996 added to the FCRA a new section 604 (b), governing the use of consumer reports (and other data, including, but not limited to, motor vehicle, criminal and eviction data) for employment purposes.

By way of brief summary, section 604 (b) of the FCRA as amended, essentially mandates the following conditions on users of consumer reports for employment purposes:

1. Before pulling a consumer report, the End User must provide a "clear and conspicuous" written disclosure to the consumer in a document that consists solely of the disclosure, that a consumer report may be obtained for employment purposes, and obtain a written authorization from the consumer to pull his or her report;
2. Before taking any adverse action based in whole or in part on the consumer report, the End User must **first** notify the consumer, provide the consumer a copy of the report, and a written summary of the consumer's rights as prescribed by the FCRA;
3. Once adverse action is taken based on the consumer report, the End User must provide notice to the consumer advising of the decision, and among other things, provide the name and contact information of the consumer reporting agency from which the report was obtained;
4. The End User must certify to the consumer reporting agency/reseller that in addition to complying as above, the report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation; and
5. The consumer reporting agency must provide with the consumer report, a Summary of Consumers Rights.

More specifically as to Adverse Action:



The Fair Credit Reporting Act requires that employers, who make decisions regarding the hiring, promotion, suspension, or termination of an applicant or employee, in whole or in part on the basis of information contained in their consumer report, must send “adverse action” notice to such individuals.

“Adverse Action” is defined as, a denial of employment or any other decision for employment purposes based in whole or in part on a consumer report that adversely affects any current or prospective employee. *FCRA §603(k)(1)(B)(ii) and FCRA §615.*

Employers that take adverse action against an applicant or employee must follow **two** notice requirements of the FCRA. The first is a Pre-Adverse Action Notice, and the second is a final Adverse Action Notice.

The Pre-Adverse Action Notice:

Section 604 of the FCRA requires that employers provide to the consumer, **before** taking any adverse action based on a consumer report, notice to the consumer, a copy of the report, and a summary of consumer rights: “A Summary of Your Rights Under the Fair Credit Reporting Act.” This is referred to as the Pre-Adverse Action Notice, since it must be sent before the adverse action is taken and a final decision is made. In other words, if an employer has a report and believes that the information contained in the report may impact the hiring, promotion or other employment decision, then at that time the employer must send the Pre-Adverse Action Notice. This informs and allows the individual a reasonable opportunity to explain or dispute the details of the adverse information contained in the consumer report.

The final Adverse Action Notice:

The second notice must be sent to the consumer **after** the employer takes adverse action. In this final Adverse Action Notice (the second notice) the employer must notify the consumer of the fact that adverse action has been taken based on a consumer report, and include in that disclosure the following: (1) the name, address, and phone number of the consumer reporting agency that furnished the report; (2) a statement that the consumer reporting agency that supplied the report did not make the adverse action decision, and is unable to provide the consumer with specific reasons for the action; (3) a notice of the consumer's rights to obtain another free copy of his or her report from the consumer reporting agency upon request within 60 days; and (4) a notice that the individual has the right to dispute the accuracy or completeness of any information in the report.” *FCRA §615.*

Unfortunately, the FCRA does not provide specifics as to how much time an employer must wait after sending the Pre-Adverse Action Notice, before sending the (second) final Adverse Action Notice. However, the FTC stated in an opinion letter that employers should keep, “in mind the purpose of the provisions to allow consumers to discuss the report with employers before adverse action is taken.” *FTC Opinion Letter, Lewis, June 11, 1998.* The adverse action rules go to the heart of the consumer protection goals of the FCRA, and give an individual an opportunity to clear up any potential errors on a report. Thus, employers should consider the nature of the job, how the employer does business, and other factors such as holiday and weekend time, and provide the consumer with a reasonable opportunity to review and discuss the report before taking final Adverse Action. Congress has provided that five (5) business days is a reasonable time period to wait after the Pre-Adverse Action Notice before taking final Adverse Action. *H.R.Rep.No. 103-486, at 30 (1994).* To be cautious, we recommend seven (7) business days.

Please visit [www.MicroBilt.com](http://www.MicroBilt.com) to view samples of the Pre-Adverse Action Notice, and the final Adverse Action Notice, or contact us to request copies.

This information is not intended to provide legal advice. Please consult with your own legal counsel for verification of and more detailed information regarding this information and sample notices.

### **Employment Compliance Certification**

In compliance with the federal Fair Credit Reporting Act as amended by the Consumer Credit Reporting Reform Act of 1996, End User, as applicable, hereby certifies to Consumer Reporting Agency that it will comply with the following provisions:

1. End User will ensure that prior to procurement or causing the procurement of a consumer report for employment purposes:
  - a) A clear and conspicuous disclosure has been made in writing to the consumer at any time before the report is procured or caused to be procured, in a document that consists solely of the disclosure, that a consumer report may be obtained for employment purposes; and
  - b) The consumer has authorized in writing the procurement of the report by End User.
2. In using a consumer report for employment purposes, before taking any adverse action based in whole or in part on the report, End User shall **first** provide notice to the consumer to whom the report relates and:
  - a) A copy of the report; and
  - b) A written summary of the consumer’s rights under the FCRA, which can be downloaded from [www.MicroBilt.com](http://www.MicroBilt.com) or supplied upon request.
3. Once adverse action is taken based on the consumer report, End User shall provide notice to the consumer, advising of the decision, and among other things, provide the name and contact information of the consumer reporting agency from which the report was obtained.
4. The information from the consumer report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation.

The requirements herein shall not apply if the report is provided to the employer in connection with suspected misconduct related to employment, or in compliance with federal, state or local laws and regulations, the rules of a self-regulatory

organization (as defined in the Sarbanes-Oxley Act of 2002), it is not obtained for the determining the individual's credit worthiness and it is only provided to the employer, a federal agency, a self regulatory organization or as required by law.

The signature of Client's authorized representative acknowledging acceptance of the above terms and conditions is set forth at the end of the attached Certification.

### **California Civil Code Section 1785.14(a) End User Compliance Certification**

Section 1785.14(a), as amended, states that a consumer credit reporting agency does not have reasonable grounds for believing that a consumer credit report will only be used for a permissible purpose unless all of the following requirements are met:

Section 1785.14(a)(1) states: "If a prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the consumer credit reporting agency shall, with a reasonable degree of certainty, match at least three categories of identifying information within the file maintained by the consumer credit reporting agency on the consumer with the information provided to the consumer credit reporting agency by the retail seller. The categories of identifying information may include, but are not limited to, first and last name, month and date of birth, driver's license number, place of employment, current residence address, previous residence address, or social security number. The categories of information shall not include mother's maiden name."

Section 1785.14(a)(2) states: "If the prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the retail seller must certify, in writing, to the consumer credit reporting agency that it instructs its employees and agents to inspect a photo identification of the consumer at the time the application was submitted in person. This paragraph does not apply to an application for credit submitted by mail."

Section 1785.14(a)(3) states: "If the prospective user intends to extend credit by mail pursuant to a solicitation by mail, the extension of credit shall be mailed to the same address as on the solicitation unless the prospective user verifies any address change by, among other methods, contacting the person to whom the extension of credit will be mailed."

In compliance with Section 1785.14(a) of the California Civil Code, by the signature of End User's authorized representative acknowledging acceptance of the above terms and conditions set forth at the end of the attached Certification, End User hereby certifies to the Consumer Reporting Agency as indicated above, whether it is or is not a retail seller, as defined in Section 1802.3 of the California Civil Code ("Retail Seller") and issues credit to consumers who appear in person on the basis of applications for credit submitted in person ("Point of Sale").

End User also certifies that if it is a Retail Seller who conducts Point of Sale transactions, it will, beginning on or before July 1, 1998, instruct its employees and agents to inspect a photo identification of the consumer at the time an application is submitted in person.

End User also certifies that it will only use the appropriate End User code number designated by the Consumer Reporting Agency for accessing consumer reports for California Point of Sale transactions conducted by Retail Seller.

If End User is not a Retail Seller who issues credit in Point of Sale transactions, it agrees that if it, at any time hereafter, becomes a Retail Seller who extends credit in Point of Sale transactions, it shall provide written notice of such to the Consumer Reporting Agency prior to using credit reports with Point of Sale transactions as a Retail Seller, and shall comply with the requirements of a Retail Seller conducting Point of Sale transactions, as provided in this certification.

### **Vermont FCRA Compliance Certification**

End User certifies that if it orders information services relating to Vermont residents that are credit reports as defined by the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended ("VFCRA"), End User will do so only after it has received prior consumer consent in accordance with VFCRA § 2480e (set forth below), as well as the Vermont Rules (set forth below), and other applicable laws and rules.

#### **Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999)**

##### **§ 2480e. Consumer Consent**

(a) A person shall not obtain the credit report of a consumer unless:

- (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
- (2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.

(b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.

(c) Nothing in this section shall be construed to affect:

- (1) The ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
- (2) The use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

**Vermont Rules \*\*\* Current Through June 1999\*\*\*, Agency 06. Office of the Attorney General, Sub-Agency 031. Consumer Protection Division, Chapter 012. Consumer Fraud – Fair Credit Reporting, Rule CF 112 Fair Credit Reporting, CRV 06-031-012, CF 112.03 (1999), CF 112.03 Consumer Consent**

(a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the Client is required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.

(b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.

(c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

### **Certification**

Client has selected to access and distribute (as to Sales Agents) and use and store (as to End Users) certain consumer products that are governed by the FCRA and Credit Bureau / Repository guidelines. Therefore, Client must read all above sections and certify below that Client is and will remain in compliance.

In whole or in part, ComplyTraQ reserves the right, in its sole discretion, at any time and for any reason, with or without prior written notice, via email, fax, or regular US mail and with no liability to Client, to modify, amend, change, alter, update, add to or delete from the terms and conditions contained in this Application and Client's Agreement for access to consumer credit and other personally identifiable information per Credit Bureau / Repository, vendor, legal, industry, MicroBilt, ComplyTraQ or other mandate and audit Client's compliance therewith as well as the legal requirements applicable thereto, via on-site visits, notifications and/or document requests, with the date of receipt deemed to be the effective date of the notice.

For questions please call: 1-800-849-4960. The signed Certification, along with the fully completed Application, must be sent in their entirety to: ComplyTraQ, Attn: Addendum Administration Dept., Fax: 404-393-9512.

Client's below signature verifying compliance and submission of this Application certifies that:

- It has read and accurately and fully completed the **Application** section;
  - Complete all appropriate sections. Be sure to include principal information.
  - Include business references and a bank reference as required or requested.
  - Read each item listed in the FCRA section and initial choice of use and permissible purpose.
  - Select and attach the chosen items listed in the Bona Fide Business Verification Section. Also attach a copy of a voided business check, a copy of photo id and advertising material or business card.
  - Tenant Screening companies must attach three completed rental applications along with one of the other items listed. If an individual landlord, provide one of the items listed along with a photo id.
  - If operating out of a residence (other than individual landlords), provide one of the items listed.
- It has read, is and will remain in compliance with the **Compliance Assurances** section;
- It has read, is and will remain in compliance with the **Security Requirements** section;
- It has read, is and will remain in compliance with the **Permissible Purpose Guidelines** section;
- It has read, is and will remain in compliance with the **FCRA Requirements** section;
- It has read, is and will remain in compliance with the **Fact Act Summary & Notices** section;
- It has read, is and will remain in compliance with the **Employment Screening Requirements** section;
- It has read, is and will remain in compliance with the **Employment Compliance Certification** section;
- It has read, is and will remain in compliance with the **Summary of Consumers Rights** section;
- It has read, is and will remain in compliance with the **CA Civil Code End User Compliance Certification** section;
- It has read, is and will remain in compliance with the **VT FCRA Compliance Certification** section.

Client certifies that the terms on this and the prior pages have been read, the information is accurate and that the undersigned agrees to all of the above terms and conditions as written on behalf of Client and represents that he / she is authorized to execute on behalf of Client and that facsimile signatures shall be construed as valid, legal and binding marks.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Signature of Owner or Officer

\_\_\_\_\_  
Name Typed or Printed

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date