

FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education

Negative Credit Can Squeeze a Job Search

Washington, D.C. – Bad credit can affect your ability to get more credit. Did you know it also can affect your ability to get or keep a job? Employers often use a credit report when they hire and evaluate employees for promotion, reassignment or retention.

According to the Fair Credit Reporting Act (FCRA), which is enforced by the Federal Trade Commission (FTC) and your state Attorney General, an employer must get your permission to look at your credit report. If you don't get a job because of information in your report, the employer must give you written instructions on how to challenge the accuracy of the information in your report. Accurate negative information can stay on your report for seven years; bankruptcy may be reported for 10 years.

The FTC advises all consumers to check their credit reports once a year to make sure they are accurate and complete. Copies are available from the three major credit reporting agencies: Equifax — 800-685-1111 (www.equifax.com); Experian — 888-EXPERIAN (397-3742) (www.experian.com); and Trans Union — 800-916-8800 (www.transunion.com). Your report may cost up to \$9; in some states, they are free.

According to the FCRA, both the credit reporting agency and the organization that provided the information — such as your bank or credit card company — are responsible for correcting inaccurate or incomplete information in your report. To protect your rights under the law, contact both the credit reporting agency and the information provider to dispute any information.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.