



Medserv

Service Company of the Harris County Medical Society

FAIR CREDIT REPORTING ACT Disclosure and Consent Statement

DISCLOSURE BY YOUR PROSPECTIVE EMPLOYER

Your prospective employer has contracted with Medserv, Incorporated to screen its job applicants. The Fair Credit Reporting Act (FCRA) requires that your prospective employer disclose to you that it may obtain certain reports as part of its background investigation to determine your eligibility for employment. The FCRA ensures (1) that individuals are aware that certain reports about them may be used for employment purposes and agrees to such use, and (2) that individuals are notified promptly if such a report may result in a negative employment decision.

Medserv has been engaged to obtain criminal history searches, education and employment verifications, and reference checks as part of its employee screening process. The education and employment verifications and the reference checks will be made based on the information provided in your application. A criminal history search is called a "consumer report" in the federal law known as the FCRA. Reference checks are known as "investigative consumer reports" because they use personal interviews to obtain the information, and employment and education verifications can be investigative consumer reports as well.

Before taking any adverse action based on any of the reports, Medserv on behalf of your prospective employer will provide you a copy of the report and description of your rights as a consumer under the FCRA.

CONSENT BY APPLICANT

I understand that my prospective employer and/or Medserv on its behalf may obtain consumer reports and investigative consumer reports in connection with screening me for employment, and I authorize them to obtain these reports. These reports may include contacting one or more of my references, verifying my education and employment, and obtaining a criminal history check. By my signature below, I acknowledge that I have received a summary of my rights under the federal Fair Credit Reporting Act.

Signature: _____ Date: _____

Print Name: _____

Please provide us with the following information:

Social Security Number: _____ Date of Birth: _____

Drivers License Number: _____ State: _____

All names/aliases you have used (i.e. maiden, married, nicknames, etc.): _____

All states you have lived in: _____

Do you have documentation showing you are eligible to work in the U.S.? _____

Notice to Users of Consumer Reports

Obligations of Users under the FCRA

The federal Fair Credit Reporting Act (FCRA) requires that a notice be sent to inform users of consumer reports of their legal obligations, State law may impose additional requirements. This first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports, The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. The following is a summary of the responsibilities imposed by the FCRA. The FCRA, 15 U.S.C. 1681 et seq., is set forth in full at the Federal Trade Commission's Internet web site (<http://www.ftc.gov>).

OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report.

Section 604 of the FCRA contains a list of the permissible purposes under the law. These are:

- As ordered by a court or a federal grand jury subpoena. *Section 604(a)(1)*
As authorized by the consumer in writing. *Section 604(a)(2)*
- For the extension of credit, as a result of an application from a consumer, or the review or collection of a consumer's account. *Section 604(a)(3)(A)*
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. *Sections 604(a)(3)(B) and 604(b)*
- For the underwriting of insurance as a result of an application from a consumer. *Section 604(a)(3)(C)*
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. *Section 604(a)(3)(F)(i)*
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. *Section 604(a)(3)(F)(ii)*
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality which is required by law to consider an applicant's financial responsibility or status. *Section 604(a)(3)(D)*
- For portfolio analysis of existing credit obligations by a potential investor or servicer, or current insurer. *Section 604(a)(3)(E)*
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. *Sections 604(a)(4) and 604(a)(5)*

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making unsolicited offers of credit or insurance. The particular obligations of users of this "prescreened" information are described in Section V below.

B. Users Must Provide Certifications

Section 604(f) of the FCRA prohibits any person from obtaining a consumer report from a CRA unless the person has certified to the CRA (by a general or specific certification, as appropriate) the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. Users Must Notify Consumers When Adverse Actions Are Taken

The term "adverse action" is defined very broadly by Section 603 of the FCRA. "Adverse

actions" include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact - such as unfavorably changing; credit or contract terms or conditions, denying or canceling credit or insurance, offering credit on less favorable terms than requested, or denying employment or promotion.

1. Adverse Actions Based on Information Obtained From a CRA

If a user takes any type of adverse action that is based at least in part on information contained in a consumer report, the user is required by Section 615(a) of the FCRA to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.

A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.

A statement setting forth the consumer's right to obtain a free copy of the consumer's file from the CRA if the consumer requests the report within 60 days.

A statement setting forth the consumer's right to dispute directly with the CRA the accuracy or completeness of any information reported by the CPA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies.

If a person denies (or increases the charge for) credit for personal, family, or household purposes that is based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) of the FCRA requires that the user clearly and accurately disclose to the consumer his or her right to obtain disclosure of the nature of the information that was relied upon by making a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer's written request.

3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notification must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. (Information that is obtained directly from an affiliated entity relating solely to its transactions or experience with the consumer, and information from a consumer report obtained from an affiliate are not covered by Section 6 15 (b) (2))

II. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.

Obtain prior written authorization from the consumer.

Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.

Before taking an adverse action, provide a copy of the report to the consumer as well as the summary of the consumer's rights. (The user Should receive this summary from the CRA with each consumer report obtained for employment purposes under Section 604(b)(1)(B) of the FCRA.)

III. OBLIGATIONS OF USERS OF INVESTIGATIVE CONSUMER REPORTS

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 of the FCRA requires the following:

The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and must include the summary of consumer rights required by Section 609 of the FCRA. (The user should be able to obtain a copy of the notice of consumer rights from the CRA that provided the consumer report.)

The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.

Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation that was requested. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

IV. OBLIGATIONS OF USERS OF CONSUMER REPORTS CONTAINING MEDICAL INFORMATION

Section 604(g) of the FCRA prohibits consumer reporting agencies from providing consumer reports that contain medical information for employment purposes, or in connection with credit or insurance transactions, without the specific prior consent of the consumer who is the subject of the report. In the case of medical information being sought for employment purposes, the consumer must explicitly consent to the release of the medical information in addition to authorizing the obtaining of a consumer report ,generally.

V. OBLIGATIONS OF USERS OF "PRESCREENED" LISTS

The FCRA pen-nits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(l), 604(c), 604(e), and 615(d) This practice is known as "prescreening" and

typically involves obtaining a list of consumers from a CRA who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer, (2) make a firm offer of credit or insurance, and (3) maintain such criteria and any requirement for furnishing collateral on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

Information contained in a consumer's CRA file was used in connection with the transaction.

The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.

Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.

The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. This statement must include the address and toll-free telephone number of the appropriate notification system.

Before obtaining a consumer report, the user must also certify that the consumer report is obtained for a permissible purpose.

VI. OBLIGATIONS OF RESELLERS

Section 607(e) of the FCRA requires any person who obtains a consumer report for resale to take the following steps:

Disclose the identity of the end-user to the CRA that originally furnished the report.

Identify to the CRA that originally furnished the report each permissible purpose for which the report will be furnished to the end-user.

Establish and follow reasonable procedures to ensure that reports are resold only for Permissible Purposes, including procedures to obtain: (1) the identity of all end-users; (2) certifications from all users of each purpose for which reports will be used; and (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Before selling the consumer report resellers must make reasonable efforts to verify this information.

VII. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state or federal enforcement actions, as well as private lawsuits, Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619