



INFOLINK RESIDENT SCREENING

*A Helpful Guide to Resident Screening
A Landlord's Most Valuable Tool*

PREPARED BY THE
SAN DIEGO COUNTY MULTI-HOUSING CORPORATION (SDMHC)
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Disclaimer: This document is not intended as legal advice. The information contained in this booklet and accompanying materials is for the use of InfoLink Resident Screening Clients. It is not intended to be a complete guide to the laws and regulations regarding resident screening but to provide you with the basic information you need to comply with state and federal credit reporting requirements. For additional information, you should consult with the appropriate state and federal authorities or contact your attorney.

ABOUT INFOLINK RESIDENT SCREENING

InfoLink Resident Screening is a full-service resident screening and credit reporting service. By using InfoLink Resident Screening owners and managers are provided with a one-stop shop for all their rental property management needs. You can easily access InfoLink Resident Screening in any one of three ways:

- **Online - www.sdinfolink.com**
- **By fax - (866) 239-5832**
- **By phone - (866) 239-5831**



InfoLink Resident Screening...

Permits Access to Credit, eviction and criminal information from national and regional databases and enables better informed credit decisions with accurate, timely, and comprehensive information about applicants.

Helps to Avoid Costly, time-consuming and frustrating evictions by helping to qualify prospective residents. The single most important factor in the selection process is the accuracy of the data relied upon when making decisions.

Provides Instant Access to inexpensive reports helping you to comply with existing legal requirements.

InfoLink Resident Screening Provides...

Easy-to-Read Reports! InfoLink Resident Screening processes your requests immediately and its reports are easier to read than those of other screening service providers.

Easy Payment! Paying for screening services is easy. All your charges for your previous month's activities are billed to you in the form of an itemized statement at the beginning of each month. Other services require you to pay at the time of the screening request.

One-Time Inspections! Other screening services require yearly inspections even when your account is kept up-to-date. With InfoLink Resident Screening if your access method requires an inspection and your screening account remains active there is no need for yearly inspections.

RESIDENT SCREENING-- THE STEP-BY-STEP PROCESS

Step 1 – Marketing Your Vacancy

A vacancy is a great time to evaluate your rent and make any adjustments.

If you are a rental property owner, you are probably a student of your neighborhood. You watch the rental market and the vacancy rates. You scrutinize the trends:

- Are vacant properties sitting for long periods of time?
- Do you see an increase in the number of for rent signs in your community?
- How are the vacancies in your area being advertised?

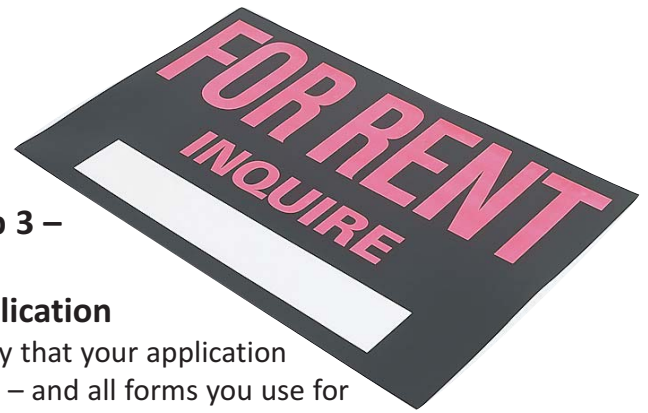
The informed rental owner is always watching the market.

Are you advertising your vacancies online? Many potential residents look online for their future rental homes. If you are not on the Internet, you could be missing that perfect tenant.

Step 2 – Before You Begin

Before you begin accepting applications, two things are very important: **(1) Make sure you are familiar with all the requirements of the state and federal Fair Credit Reporting Acts and other laws** and **(2) you need to establish rental criteria.** You should consider including credit, public records, employment and rental history requirements in your rental criteria. This is an important first step in the credit screening process, as you will continue to use this model for all your resident screening. Consistent screening is key to a successful rental property.

Don't forget to discuss your rental criteria with your applicants. If a willing applicant is aware of what you expect from him/her ahead of time, he/she is more likely to meet those expectations. If the applicant doesn't meet your rental criteria, then he/she will most likely look elsewhere – saving you both time and money.



Step 3 – The Application

Verify that your application form – and all forms you use for that matter – are legally compliant with state laws. If you are unsure, you should contact your attorney or the local apartment association in your area. Rental applications should be filled out by all parties 18 years or older who express interest in the unit you have available. By offering applications to some and excluding others, the landlord risks being accused of discrimination.

It is recommended that you accept rental applications in person. Require a completed rental application from anyone over the age of 18. Treat spouses as co-applicants. Again, be sure to discuss exactly what you expect from your applicant. **Make sure that your applicant signs the box that allows you to run credit and background screening.**

Step 4 – Reviewing the Application

It is extremely important that you review the application with your potential resident in person to make sure he/she understands all of the information you're requesting. Once the applicant has completed the form, make sure that all blanks are filled in, even if it is with "none" or "not applicable." **DO NOT fill in the information for the applicant.** This protects you should some of the information prove to be false – the applicant cannot blame you.

If for some reason the application cannot be filled out in your presence, verify the person's signature with their driver's license (or some other form of identification with a signature) so that you can compare the handwriting. **NOTE:** Do not make and keep a copy of the identification until you have accepted the application.

Step 5 – Screening the Resident

To protect yourself from discrimination claims, it is recommended that you apply the same criteria when screening all applicants – including requesting the

same type of report for each applicant.

Check their identification carefully; is the picture of the actual applicant? Does the signature match the one on your application? Is the date of birth consistent with the completed application? Ask (you cannot require this) to see their social security card and confirm the numbers are the same. Require recent pay stubs to confirm the applicant's income level. If the employer's phone number is on the pay stub, verify it is the same as the one listed on the application. If not, check the phone book. You may call the employer to verify current employment as well as the current landlord to verify tenancy **OR eliminate the extra work for yourself by selecting one of the InfoLink Resident Screening Services packages that does this for you.**

If you charge applicants a fee for the reports, make sure this too is discussed prior to running the screening. Also, you should provide him or her with a receipt for any charges to the applicant for running a report. The fee you charge cannot be greater than the actual expense associated with obtaining the information, including the cost of the report(s) and reasonable charge for time spent gathering the information. **The maximum charge, as set by California law, is currently \$40.64 and is adjusted annually for inflation.**

If you do not obtain a background investigation, you are required to return to the applicant the full screening fee. Also, you may not collect a screening fee if you know that no rental unit is currently available or expected to be available within a reasonable time, unless you obtain written consent from the applicant. If an applicant who has paid a screening fee requests a copy his/her credit report, you must provide it to them. Do not accept credit reports provided to you by the applicant as they can be easily altered to the applicant's benefit. The only way to be sure the applicant's information is correct is to run the report yourself.

Step 6 – After You've Received the Report

Should you decide to reject an applicant based on a negative screening report or take other adverse action such as charging a higher security deposit or requiring a cosigner, you must inform the applicant of the reason for your decision. You are required to provide the applicant with written notification of the

name, address, and telephone number of the credit reporting agency that furnished the information. You also must include in writing a statement that the applicant may request a free copy of the consumer report from the reporting agency within 60 days.

When using InfoLink Resident Screening, users must include the following information on the form:

INFOLINK RESIDENT SCREENING POWERED BY MOCO
P.O. Box 2826
SEATTLE, WA 98111

Disclaimer: Note that the accuracy of reports cannot be guaranteed. Reports may contain inaccuracies as a result of identity theft, transcription errors, similarity in names or other information, or other human error.

Step 7 – Application/Resident Record Retention

Remember, it is mandatory that all applications and associated materials be retained for a minimum of five (5) years – including documentation for applications that did not result in tenancy (as required by the Federal Equal Opportunities and Fair Credit Reporting Acts). The statute of limitations for how long an individual has to file a fair housing complaint ranges from six months to three years and may possibly be extended beyond three years in certain situations (e.g. delayed discovery). Also, because of the confidentiality of information contained in a credit report, during this time period you are responsible for ensuring that the applications and reports are kept in a secure location and reasonable steps taken that unauthorized persons cannot access applicant information. When you dispose of filed applications, you must cross cut shred or otherwise destroy them to deter identification theft.

Failure to properly store and dispose of records could result in a fine up to \$2500 per incident under Section 921 (a)(2)(A) of the Federal Fair Credit and Reporting Act.

HOW TO ACCESS INFOLINK RESIDENT SCREENING SERVICES

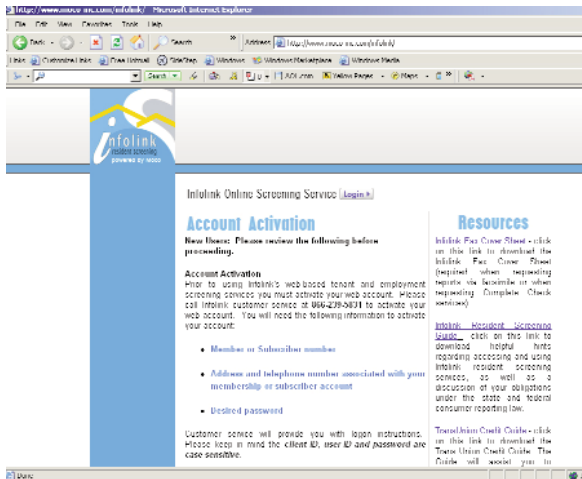
STRICT GUIDELINES HAVE BEEN IMPOSED BY THE FEDERAL GOVERNMENT IN THE FAIR CREDIT REPORTING ACT. The credit bureaus require that InfoLink REsident Screening Services possess specific documentation before end users' accounts can be activated. This also is for your protection. Returning the required documentation in a timely manner will enable your screening account to be activated more quickly for your use.

BY WEB:

New Users: Please review the following before proceeding.

Account Activation

Prior to using InfoLink's Web-based tenant and employment screening services you must activate your Web account. Please call InfoLink customer service at **(866) 239-5831** to activate your Web account.



You will need the following information to activate your account:

- ✓ Your account number
- ✓ Address and telephone number associated with your the account
- ✓ Desired password

Customer service will provide you with logon instructions. *Please keep in mind the client ID, user ID and password are case sensitive.*

Once your account has been activated, logging on is easy. **Simply go to www.sdinfolink.com.** The InfoLink Web-based application submittal is an easy-

to-use, menu-driven process that allows you to pick your screening options by choosing among several report packages. For instructions on how to submit applications and request reports using the Web-based service, visit www.sdinfolink.com.

INSTANT ANSWER:

This option provides you with instant access to credit, civil records, SDN list and criminal background searches. **Please note:** Instant Answer reports are not analyzed for duplicate or false positive information.

BY FAX:

To submit a request via fax for screening services, please use the **“Resident Screening Fax Cover Sheet”** enclosed in this packet. The fax cover sheet is to be used in conjunction with a completed and signed rental or employment application.



Your fax needs to have a dedicated line, or an auto-switch if shared with a voice line.

Fax the completed Fax Cover Sheet and Rental Application to **(866) 239-5832**.

Usually, within two hours (excluding Complete Checks) the final report will be reviewed by an investigator and returned to you, via fax, to the number provided on the Fax Cover Sheet.

If a civil (eviction) or criminal record is **NOT** found then the final report will indicate “No Record Found.”

If a similar name for an eviction is found, then the investigator may require additional time to verify a match to your applicant. *If a match is determined then the following information will be provided.*

- Case Number
- County/Court
- Plaintiff Name
- Address
- Judgment Date (if applicable)
- Judgment Amount (if applicable)

If a criminal record (for Basic Check or Complete Check with Criminal Report) is found, then the following information will be provided. *(Only convictions with final disposition within the last seven years and records with a date of birth match will be reported).*

- Offense
- Date of Offense
- Case Number
- Case Disposition
- County/Court

If you have requested a Complete Check then the following additional information will be provided:

- Rental History Verification
- Employment History Verification
- Report Summary (Credit, Rental, Employment, Income & Public Records)

BY PHONE:

To submit a request via phone for screening services please call **(866) 239-5831**.



InfoLink Resident Screening Services investigators are available Monday through Friday from 8:30 a.m. to 5:30 p.m. to accept your requests for screening services. If all investigators are assisting other members' then you will be forwarded to voice mail. Please leave your name and a phone number at which you can be reached. The investigator will return your call in a timely manner.

Please be prepared to provide the following information:

- ✓ Your account number
- ✓ Confirmation of your zip code and phone number for identification purposes.

Type of Report requested:

- ✓ Mini Check ✓ Pre Employment Check
- ✓ Basic Check ✓ Basic Check With Criminal

Applicant Information:

- ✓ Applicant Full Name
- ✓ Applicant Social Security Number (if applicable)
- ✓ Applicant Date of Birth (Required)
- ✓ Applicant Current (Complete) Address
- ✓ Applicant Employer Name (if applicable)

Please be prepared to verbally confirm permissible

purpose and that you have obtained the applicant's signature to obtain credit information.

The investigator will provide you with the following information:

- Number of Public Records (judgments, tax liens, etc.)

If a Civil (eviction) or Criminal record is **NOT** found, the investigator will respond that the search is clear. If a similar name for an eviction is found, then the investigator may require additional time to verify a match to your applicant. *If a match is determined then the following information will be provided:*

- Case Number
- County/Court
- Plaintiff Name
- Address
- Judgment Date (if applicable)
- Judgment Amount (if applicable)

If a criminal record (for Basic Check with Criminal Report) is found then the investigator will provide the following information. *(Only convictions within the last seven years and records with a date of birth match will be reported).*

- **Offense**
- **Case Number**
- **County/Court**
- **Date of Offense**
- **Case Disposition**

If you would like a report mailed to you there will be an associated fee. Please indicate to the investigator if you would like a report mailed to you.

HOURS OF OPERATION:

Mon-Fri	8:30 a.m. to 5:30 p.m.
Saturday	10:00 a.m. to 4:00 p.m.
Sunday	12:00 p.m. to 4:00 p.m.
Secure Web site	available 24/7/365

Telephone report requests and delivery will be available during normal business hours Monday through Friday only. Screening services are unavailable for national holidays, the day after Christmas and New Years when those days fall on a Thursday.

RESIDENT SCREENING FEDERAL FAIR CREDIT REPORTING ACT (FCRA) REQUIREMENTS

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 a user of information. 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. Responsibilities of Furnishers of Information to Consumer Reporting Agencies*

Each of these sections is of direct consequence to users who 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 such as 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 user of consumer reports, we expect that you and your staff will comply with all relevant federal statutes and the statutes and regulations of the states in which you operate.

We support consumer reporting legislation that will assure fair and equitable treatment for all consumers and users of credit information.

RESIDENT SCREENING

ACCESS SECURITY REQUIREMENTS

We must work together to protect the privacy of consumers. The following measures are designed to reduce unauthorized access of consumer credit reports. In accessing consumer credit services, you agree to follow these measures.

1. You must protect your account number and password so that only key personnel, employed by your company know this sensitive information. Unauthorized persons should never have knowledge of your password. Do not post this information in any manner within your facility. If a person who knows the password leaves your company or no longer needs to have it due to a change in duties, the password should be changed immediately.



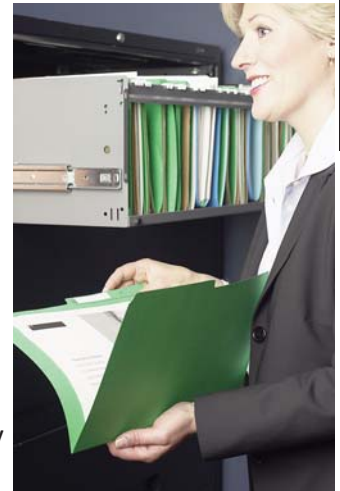
2. Do not discuss your account number and password by telephone with any unknown caller, even if the caller claims to be an employee of your credit provider.
3. Restrict the ability to obtain credit information to a few key personnel.
4. Place all terminal devices used to obtain credit information in a secure location within your facility. You should secure these devices so that unauthorized persons cannot easily access them.
5. After normal business hours, be sure to turn off and lock all devices or systems used to obtain credit information.
6. Secure hard copies and electronic files of consumer reports within your facility so that unauthorized persons cannot easily access them.
7. Cross cut or destroy all hard copy consumer reports when no longer needed.
8. Erase and overwrite or scramble electronic files containing consumer information when no longer

needed and when applicable regulation(s) permit destruction.

9. Make all employees aware that your company can access credit information only for the permissible purposes listed in the Permissible Purpose Information section of your screening agreement. Neither you or your employees may access their own reports, nor should you or your employees access the report of a family member or friend, unless it is in connection with your permissible purpose.

Record Retention: The federal Equal Credit Opportunities Act (ECOA) and Fair Credit Report Act (FCRA) state that a creditor must preserve all written or recorded information connected with an application for **60 months**. In keeping with the ECOA and FCRA, credit reporting agencies require that you retain the credit application and applicable documents for a period of not less than 36 months. When conducting an investigation, particularly following a consumer complaint that your company impermissibly accessed their credit report, the credit reporting agency should contact you and request a copy of the original application signed by the consumer or, if applicable.

“Under Section 921 (a)(2)(A) of the FCRA, any person that violates any of the provisions of the FCRA may be liable for a civil penalty of not more than \$2,500 per violation.”



RESIDENT SCREENING

NOTICE TO USERS OF CONSUMER REPORTS

OBLIGATIONS OF USERS UNDER THE FEDERAL FAIR CREDIT REPORTING ACT (FCRA)

The 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

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)(2)
- ✓ 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 the sections below.

Users Must Provide Certifications

Section 604(f) of the FCRA prohibits any person from obtaining a consumer report from a Credit Reporting Agency (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.

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 the 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 fee 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 CRA.

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 615(b)(2)).

OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

If information from a CRA issued 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).

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 investigations 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 investigations 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.

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.

OBLIGATIONS OF USERS OF “PRESCREENED” LISTS

The FCRA permits 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 “pre-screening” and typically involves obtaining a list of consumers from a CRA who meet certain pre-established criteria. If any person intends to use pre-screened 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 receive 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 notifications system.

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

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.

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*

RESIDENT SCREENING--A SUMMARY OF APPLICANTS' RIGHTS UNDER THE FAIR CREDIT REPORTING ACT

The federal Fair Credit Reporting Act (FCRA) is designed to promote accuracy, fairness, and privacy of information used in the process of granting credit. This information is supplied by public record sources, credit grantors, and others to credit reporting agencies (CRAs) who organize and store that information for distribution to credit grantors, employers, and insurers who are making credit, employment, and insurance decisions about you. The FCRA gives suppliers and users of credit information, and CRAs, specific responsibilities in connection with their respective roles in the credit granting and reporting process. The FCRA also gives people specific rights in dealing with these entities, as summarized below. The complete text of the FCRA, 15 U.S.C. 1681 at seq., can be found at the Federal Trade Commission's Web site (<http://www.ftc.gov>). There may be additional rights under state law. You may contact a state or local consumer protection agency or a state attorney general to learn those rights.

- **Access to an applicant's file is limited.** A person's file may only be accessed by those who have a permissible purpose recognized by the FCRA – usually to consider an application you have submitted to a creditor, insurer, employer, landlord, or other business, or to consider someone for an unsolicited offer of credit.
- **An applicant's consent is required for reports that are provided to employers or that contain medical information.** A CRA may not give a report about someone to your employer, or prospective employers, without your written consent. A CRA may not report medical information about a person to creditors, insurers, or employers without that person's permission.
- **An applicant can find out what is in his/her file.** Upon the applicant's request, a CRA must provide all the information in his/her file, and a list of everyone who has requested it recently. However, the applicant is not entitled to any information concerning "risk scores," "credit scores," or other economic predictors that are in his/her file. There is no charge for the report if a

third party used the information in the file to take unfavorable action toward the applicant and he/she requests the report within 60 days of receiving notice that the information in his/her file was used by a third party unfavorably. An applicant also is entitled to one free report every 12 months upon request if he/she certifies that (1) he/she is unemployed and plans to seek employment within 60 days, (2) he/she is on welfare, or (3) his/her report is inaccurate due to fraud. Otherwise, a CRA may charge the applicant a fee up to eight dollars.

- **The applicant must be told if information in his/her file was a factor considered by a third party who took unfavorable actions toward him/her.** Upon the applicant's request, anyone who considers information from a CRA and who takes unfavorable actions toward that applicant – such as denying an application for credit, insurance, or employment – must give the applicant the name, address, and phone number of the CRA that provided the information. Since the third party, not the CRA, took the unfavorable action toward the applicant, the CRA will not be able to provide the applicant with the reason for the unfavorable action.
- **An applicant may dispute inaccurate information with the CRA.** If the applicant tells a CRA that his/her file contains inaccurate information, the CRA must reinvestigate the items (usually within 30 days) by presenting to its information source all relevant evidence submitted, unless the dispute is frivolous. The source must review the applicant's evidence and report its findings to the CRA. (The source also must advise national CRAs – to which it has provided data – of any error). The CRA must provide the applicant a written report of the investigation, and a copy of his/her report if the investigation results in any change. If the CRA's investigation does not resolve the dispute, the applicant may add a brief statement to his/her file. The CRA must normally include a summary of the dispute statement in future reports. If an item is delet-

ed or a dispute statement is filed, the applicant may ask that anyone who has recently received his/her report be notified of the change.

- **Inaccurate information must be corrected or deleted.** A CRA must remove inaccurate information from its files, usually within 30 days after it is disputed. However the CRA is not required to remove accurate data from your file unless it is outdated (as described below) or cannot be verified. If the dispute results in any change to an applicant’s report, the CRA cannot reinsert into the file a disputed item unless the information source verifies its accuracy and completeness. In addition, the CRA must give the applicant a written notice telling him/her it has reinserted the item. The notice must include the name, address and phone number of the information source.
- **An applicant may dispute inaccurate items with the source of the information.** If an applicant tells the third party who furnished information to a CRA – such as a creditor who reports to a CRA – that he/she disputed an item, it may not then report the information to a CRA without including a notice of the dispute.

In addition, once the applicant has notified the source of the error in writing, the source may not continue to report the information if it is, in fact, an error.

- **Outdated information may not be reported.** In most cases, a CRA may not report negative information that is more than seven years old (10 years for bankruptcies).
- **An applicant may choose to exclude his/her name from CRA lists for unsolicited credit and insurance offers.** Creditors and insurers may use file information as the basis for sending unsolicited offers of credit or insurance. Such offers must include a toll-free telephone number for the person being solicited to call and tell the CRA if he/she wants his/her name and address removed from future lists or offers. If the applicant notifies the CRA through the tollfree number, the CRA must keep him/her off the lists for two years. If the applicant requests, completes and returns the CRA form provided for this purpose, he/she can have his/her name and address removed indefinitely.
- **An applicant may seek damages from violators.** If a CRA, a user or (in some cases) a provider of CRA data violates the FCRA, an applicant may sue that agency in state or federal court. The FCRA gives several different federal agencies authority to enforce the FCRA.

FOR QUESTIONS OR CONCERNS REGARDING:	PLEASE CONTACT:
CRA, creditors and others not listed below	Federal Trade Commission Bureau of Consumer Protection – FCRA Washington, DC 20580
National banks, federal branches/agencies of foreign banks (word “national” or initials “N.A.” appear in or after bank’s name)	Office of the Comptroller of the Currency Compliance Management, Mail Stop 6-6 Washington, DC 20219
Federal Reserve System member banks (except national banks and federal branches/agencies of foreign banks)	Federal Reserve Board Division of Consumer & Community Affairs, Washington, DC 20551
Savings associations and federally chartered savings banks (word “federal” or initials “F.S.B.” appear in federal institution’s name)	Office of Thrift Supervision Consumer Programs, Washington, DC 20552
Federal credit unions (words “Federal Credit Union” appear in institution’s name)	National Credit union Administration 1775 Duke Street Alexandria, VA 22314
Banks that are state-chartered or are not Federal Reserve System members	Federal Deposit Insurance Corporation Division of Compliance & Consumer Affairs Washington, DC 20429
Air, surface or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce	Department of Transportation Office of Financial Management, Washington, DC 20590
Activities subject to the Packers and Stockyards Act, 1921	Department of Agriculture Office of Deputy Administrator – GIPSA Washington, DC 20250

RESIDENT SCREENING--

A SUMMARY OF APPLICANTS' RIGHTS UNDER THE CALIFORNIA CONSUMER REPORTING AGENCY ACT

California Civil Code § 1786.22

You have a right under California law to inspect files maintained on you by an investigative consumer reporting agency pursuant to any of the following procedures, during normal business hours and on reasonable notice:

- 1) You may personally inspect the files if you provide proper identification (e.g., valid driver's license, social security account number, military identification card, credit cards), and may receive a copy of the file for the actual cost of duplication services provided.
- 2) You may make a written request, by certified mail and with proper identification, as described above, for copies to be sent to a specified addressee.
- 3) You may make a written request, with proper identification as described above, for telephone disclosure of a summary of information contained in your files, if any toll charge is prepaid by or charged directly to you.

If you are unable to provide "proper identification" through the types of cards or numbers listed above, the agency may require additional information concerning your employment and personal or family history in order to verify your identity.

The agency must provide trained personnel to explain to you any information that the agency is required to furnish to you from your file. The agency also must provide you with a written explanation of any coded information contained in your files at the time your file is provided to you for inspection. You are permitted by law to be accompanied by one other person of your choosing when inspecting your files. That person must furnish reasonable identification. The agency may require you to provide the agency with a written statement granting permission to the agency to discuss your file in such person's presence. The agency also is not required by law to make available to you the sources of information in your files, although such information would be obtainable through discovery procedures in any court action brought under the Investigative Consumer Reporting Agencies Act.



To Access InfoLink Resident Screening:

Online - www.sdinfolink.com

By fax - (866) 239-5832

By phone - (866) 239-5831

Hours of Operation:

Mon-Fri	8:30 a.m. to 5:30 p.m.	<i>Fax and Phone</i>
Saturday	10:00 a.m. to 4:00 p.m.	<i>Fax Service Only</i>
Sunday	12:00 p.m. to 4:00 p.m.	<i>Fax Service Only</i>
Secure Web site	Available 24/7/365	

Telephone report requests and delivery will be available during normal business hours Monday through Friday only. Please plan ahead, InfoLink is closed on When a holiday falls during the workweek, the hours of InfoLink phone and fax services may be different from the times listed above. For more information please call 888.239.5831.

