

*This agreement is made by and between Verifications Incorporated (VI) and the USER named below:*

**VERIFICATIONS INCORPORATED (VI)**

920 2nd Avenue South, Suite 610  
 Minneapolis, MN 55402  
 Phone: 612-573-3500 / 800-735-3002 / 800-295-8757  
 Fax: 612-573-3602 / 866-230-6600 / 800-888-5001  
 Email: info@verificationsinc.com

[www.verificationsinc.com](http://www.verificationsinc.com)

**USER:**

**Address** \_\_\_\_\_  
 \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Fax:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Website:** \_\_\_\_\_

1. USER desires to use services of Verifications Incorporated (VI) at regular prices as may change from time to time. USER acknowledges that VI is considered a "Consumer Reporting Agency" as defined by the federal **Fair Credit Reporting Act** ("FCRA"), 15 U.S.C. 1681, *et seq.* as amended by the **Consumer Credit Reporting Reform Act of 1996** ("CCRRA"), as further amended by the **Consumer Reporting Employment Clarification Act of 1998** ("CRECA") and therefore must comply with FCRA regulations. Further, USER acknowledges that by using the services of VI, USER also becomes subject to FCRA regulations. Therefore, the USER agrees to order and use Consumer Reports and Investigative Consumer Reports, hereinafter referred to collectively as "Consumer Reports," as provided by VI according to the following:
  - A. USER certifies the Consumer Reports will be ordered only when such reports are intended for use for **employment purposes**. Consumer Reports requested by the USER and provided by VI under the terms of this agreement will be used for no other purpose other than employment. **USER specifically agrees not to resell any or all information contained in said Consumer Reports.** USER agrees to use consumer reports in compliance with FCRA and any other applicable federal or state laws. USER agrees that the information from the reports provided by VI will not be used in violation of any applicable federal or state equal employment opportunity law or regulation.
  - B. USER agrees to notify each applicant in a clear and conspicuous disclosure that a Consumer Report will be obtained. Such disclosure will be made in writing before the consumer report is ordered and the disclosure will be made in a document consisting solely of the disclosure and/or the disclosure and an authorization.
  - C. USER will obtain a signed consent from every person with respect to whom USER requests a Consumer Report from VI and, upon request from VI, USER will forward a copy of such consent to VI. USER agrees that such consent will be obtained and be in the possession of the USER before VI is directed to begin any investigation.
  - D. USER agrees that if adverse employment action is to be taken against the applicant based either in whole or part on information provided by VI in a consumer report, the USER will: **Before** taking such action, (a) Advise the applicant of the intent to take such action, (b) Provide the applicant with a copy of the report, (c) Provide the applicant with a summary of their rights as prepared by the Federal Trade Commission, (d) Provide the applicant with VI's name, address, and toll-free phone number, (e) Inform the applicant that VI did not make the decision to take the adverse action, (g) Notify the applicant of their right to dispute the report directly with VI, and (g) allow a reasonable amount of time for applicant to dispute and re-investigation to occur before taking the adverse action.

*(Continued on following page.)*

- E. USER acknowledges that USER, through this document, has been notified of USER’s responsibilities as a user of consumer reports. USER also acknowledges receipt of "Notice to Users of Consumer Reports: Obligations of Users Under the FCRA" as prepared by the Federal Trade Commission. A copy of this Notice is attached hereto as Exhibit A.
- 2. USER agrees that distribution and review of all reports, whether oral or written, will be limited to those with a legitimate business need for the information. No information from the reports will be revealed to the person reported on or to any other person except as permitted or required by law.
- 3. USER and VI agree to bear their respective responsibilities as defined in the FCRA and any other applicable federal and state laws relating to Consumer Reports.
- 4. USER and VI acknowledge that every Consumer Report sent to a consumer must include A Summary of Your Rights Under the Fair Credit Reporting Act, hereinafter referred to as "Consumer Rights." By initialing below:  
  
 \_\_\_\_\_ USER relieves VI of the responsibility of attaching "Consumer Rights" to each and every Consumer Report sent to USER. USER agrees to include and attach to each and every Consumer Report received from VI a copy of "Consumer Rights" whenever required by the FCRA.
- 5. USER agrees that this agreement constitutes all conditions of service and applies to all reports made by VI to USER regardless of in which office such reports are received. USER further agrees that no changes in these conditions may be made except by written consent of an authorized agent of Verifications Incorporated and an authorized agent of USER.

By: **VERIFICATIONS INCORPORATED**

**USER**

\_\_\_\_\_  
Signature, Authorized Representative

\_\_\_\_\_  
Signature, Authorized Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**NOTE:** Federal Law requires "Consumer Reports" be provided only to legitimate business entities. Therefore, the following information is required.

<i>Business Type (Check One)</i>	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation
<i>Years in Business</i>	<i>Number of Employees</i>	<i>Industry or Type of Business</i>	
<i>Is Company Publicly Traded?</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Stock Exchange</i>	<i>Symbol</i>
<i>If company is not publicly traded, please attach a copy of BUSINESS LICENSE or ARTICLES OF INCORPORATION to this User Certification when returning to Verifications, Inc.</i>			

**Attachment – Exhibit A:** Notice to Users of Consumer Reports: Obligations of Users Under the FCRA, as prepared by the Federal Trade Commission. **Please retain Exhibit A for your records.** Do not return it to Verifications, Inc.

**NOTICE TO USERS OF CONSUMER REPORTS:  
OBLIGATIONS OF USERS UNDER THE FCRA**

The federal Fair Credit Reporting Act (FCRA) requires that this notice be provided 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 FCRA, 15 U.S.C. 1681-1681u, is set forth in full at the Federal Trade Commission's Internet web site (<http://www.ftc.gov>).

**I. 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 instructed 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 required by law to consider an applicant's financial responsibility or status. Section 604(a)(3)(D)
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. 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 consumer 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.

**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 disclosure 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 provided 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 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.

2. **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 experiences with the consumer, and information from a consumer report obtained from an affiliate are not covered by Section 615(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 to be 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, because Section 604(b)(1)(B) of the FCRA requires CRAs to provide a copy of the summary with each consumer report obtained for employment purposes.)

**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.

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This appendix prescribes the content of the required notice.

**V. 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 "prescreening" and typically involves obtaining a list of consumers from a CRA who meet certain pre-established 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 and to grant credit or insurance, and (2) maintain such criteria 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.

**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 source CRA.
- Identify to the source CRA 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. Resellers must make reasonable efforts to verify this information before selling the report.

**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.