

LEGISLATIVE COMMITTEE MINUTES

**HB365**

Bill as  
Introduced

HB 365 - AS INTRODUCED

2015 SESSION

15-0006

06/04

HOUSE BILL **365**

AN ACT prohibiting an employer from using credit history in employment decisions.

SPONSORS: Rep. Cushing, Rock 21; Rep. Rogers, Merr 28; Rep. Converse, Sull 4; Rep. White, Graf 13; Rep. O'Hearne, Sull 3; Rep. Cilley, Straf 4; Rep. Ley, Ches 9; Rep. Goley, Hills 8; Rep. Mangipudi, Hills 35; Rep. P. Brown, Hills 31; Sen. Lasky, Dist 13; Sen. Fuller Clark, Dist 21; Sen. Feltes, Dist 15

COMMITTEE: Labor, Industrial and Rehabilitative Services

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ANALYSIS

This bill establishes the Employee Credit Privacy Protection Act which prohibits employers from using credit history in employment decisions.

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Explanation: Matter added to current law appears in *bold italics*.  
Matter removed from current law appears [~~in brackets and struck through.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Fifteen*

AN ACT prohibiting an employer from using credit history in employment decisions.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 New Subdivision; Employee Credit Privacy Protection Act. Amend RSA 275 by inserting after  
2 section 75 the following new subdivision:

3 Employee Credit Privacy Protection Act

4 275:76 Definitions. In this subdivision:

5 I. "Credit history" means any written or other communication of any information about the  
6 employee's or prospective employee's credit score, credit account balances, payment history, savings  
7 or checking account balances, or savings or checking account numbers by a consumer reporting  
8 agency as defined in RSA 359-B:3, VI.

9 II. "Employer" means an individual or entity that permits one or more individuals to work or  
10 that accepts applications for employment or is an agent of such individual or entity. "Employer"  
11 shall not include:

12 (a) Any bank holding company, financial holding company, bank, savings bank, savings  
13 and loan association, credit union, or trust company, or any subsidiary or affiliate thereof, that is  
14 chartered by any state or the United States.

15 (b) Any state or local government agency which requires use of the employee's or  
16 applicant's credit history or credit report.

17 (c) Any individual or entity that is required by federal law or regulation to obtain an  
18 employee's or applicant's credit history or credit report.

19 III. "Substantially related to the employee's current or potential job" means the information  
20 contained in the credit history is related to the position for which the employee or prospective  
21 employee who is the subject of the report is being evaluated because the position:

22 (a) Is a managerial position which involves setting the direction or control of a business,  
23 division, unit, or agency of a business;

24 (b) Involves access to customers', employees', or the employer's personal or financial  
25 information other than information customarily provided in a retail transaction;

26 (c) Involves a fiduciary responsibility to the employer, including, but not limited to, the  
27 authority to issue payments, collect debts, transfer money, or enter into contracts; or

28 (d) Provides an expense account or corporate debit or credit card.

29 275:77 Use of Credit History Prohibited. No employer, labor organization, or employment  
30 agency shall use or request information in the credit history of a job applicant or employee in  
31 connection with or as a criterion for employment decisions related to hiring, termination, promotion,

1 demotion, discipline, compensation, or the terms, conditions, or privileges of employment unless the  
2 employer is required by state or federal law to use individual credit history for employment  
3 purposes, or the employer has a bona fide purpose for requesting or using information in the credit  
4 history report that is substantially related to the employee's current or potential job and the  
5 employer complies with the notice and consent requirements of the Federal Fair Credit Reporting  
6 Act, 15 U.S.C. section 1681 et seq.

7       275:78 Penalty. Any employer violating any provision of this subdivision shall be subject to a  
8 civil penalty, to be imposed by the labor commissioner in accordance with the procedures established  
9 in RSA 273:11-a. An employer aggrieved by the commissioner's assessment of such penalty may  
10 appeal in accordance with RSA 273:11-c.

11       2 Effective Date. This act shall take effect January 1, 2016.

# Speakers



# Hearing Minutes



HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

PUBLIC HEARING ON HB 365

**BILL TITLE:** prohibiting an employer from using credit history in employment decisions.

**DATE:** January 28, 2015

**LOB ROOM:** 307      **Time Public Hearing Called to Order:** 1:30 p.m.

**Time Adjourned:**

(please circle if present)

**Committee Members:** Reps. ~~Infantino~~, Simmons, Pellegrino, Murphy, Rideout, Hill, Seaworth, Avellani, Doucette, Prudhomme-O'Brien, L. Turcotte, Zaricki, Ley, White, C. Rice, Converse, Cahill, DiSilvestro, O'Neil and Schuett.

**Bill Sponsors:** Rep. Cushing, Rock 21; Rep. Rogers, Merr 28; Rep. Converse, Sull 4; Rep. White, Graf 13; Rep. O'Hearne, Sull 3; Rep. Cilley, Straf 4; Rep. Ley, Ches 9; Rep Goley, Hills 8; Rep. Mangipudi, Hills 35; Rep. P. Brown, Hills 31; Sen. Lasky, Dist 13; Sen. Fuller Clark, Dist 21; Sen. Feltes, Dist 15

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**Rep. Robert Cushing** - sponsor. Identical to the language that has twice passed the house. Increasing practice for employers to ask applicants to sign off on permission. Currently 60%. Credit reports are unreliable, and applicants may be unaware of what is reported on them. Reasons may be different for different employers. This language would apply only to reports from consumer credit reporting agencies.

\***Mark MacKenzie AFL-CIO** - Written testimony. "Strongly" support. 1000s are long-term underemployed or unemployed in NH. Credit problems may be a result of previous employer's problems. There is no demonstrated correlation between credit history and employee viability. Bias against women. 10 States have this legislation.

Rep. Laurie Sanborn, also certified HR. Opposes the bill. This is just one factor that an employer uses to evaluate new hires, but it can be a relevant one. This is another regulation on Business.

Respectfully submitted,

  
Rep. Brian Seaworth  
Clerk

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

PUBLIC HEARING ON HB 365

**BILL TITLE:** prohibiting an employer from using credit history in employment decisions.

**DATE:** 1/28/15

**LOB ROOM:** 307

**Time Public Hearing Called to Order:** 1:30 pm

**Time Adjourned:** 2:10 pm

(please circle if present)

**Committee Members:** Reps. Infantine, Simmons, Pellegrino, Murphy, Rideout, Hill, Seaworth, Avellani, Déoucette, Prudhomme, O'Brien, L. Turcotte, Zaricki, Ley, White, C. Rice, Converse, Cahill, DiSilvestro, O'Neil and Schuett.

**Bill Sponsors:** Rep. Cushing, Rock 21; Rep. Rogers, Merr 28; Rep. Converse, Sull 4; Rep. White, Graf 13; Rep. O'Hearne, Sull 3; Rep. Cilley, Straf 4; Rep. Ley, Ches 9; Rep Goley, Hills 8; Rep. Mangipudi, Hills 35; Rep. P. Brown, Hills 31; Sen. Lasky, Dist 13; Sen. Fuller Clark, Dist 21; Sen. Feltes, Dist 15

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

1:30 PM HB365 prohibiting an employer from using credit history in employment decisions.

Called to Order: 1:40 PM Adjourned: 2:10 PM

Rep. Robert Cushing sponsor

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Credit reports are unreliable, and applicants may be unaware of what is reported on them.

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This language would apply only to reports from consumer credit reporting agencies.

Mark MacKenzie AFL-CIO

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10 States have this legislation.

Rep. Sanborn also certified HR

Oppose

This is just one factor that an employer uses to evaluate new hires, but it can be a relevant one.

This is another regulation on Business.

# Testimony

New Hampshire AFL-CIO

## Testimony in support of House Bill 365, prohibiting an employer from using credit history in employment decisions

*Presented to New Hampshire House Committee on Labor, Industrial and Rehabilitative Services  
Wednesday, January 28, 2015*

To the Honorable Chairman William Infantine and members of the committee:

**As the foremost voice for worker rights and working families in the state of New Hampshire, New Hampshire AFL-CIO supports the passage of House Bill 365.** This legislation will protect the personal credit history privacy of hundreds of thousands rank-and-file working people in New Hampshire, and eliminates an unnecessary barrier to good job opportunities for New Hampshire's unemployed and under-employed.

By carving out generous exceptions for employers with legal obligations or bona fide reasons for using credit check information in employment evaluations, we believe that House Bill 365 offers a fair and reasonable approach to addressing the best interests of New Hampshire businesses while protecting the personal credit privacy of job applicants and employees.

**Here's what we know about the use of personal credit history reports in pre-employment screenings and employment decisions:**

We don't know exactly how many New Hampshire employers always or routinely use credit history background checks in hiring and employment decisions, or how many qualified job applicants in New Hampshire have been denied employment because of negative information in a credit history report.

**We do know that the use of credit history background checks as an employment screening tool is commonplace.** A 2012 national employer survey by the Society for Human Resource Management found that 47% of employers routinely use credit history checks in evaluating job candidates – although most employers who use credit background checks report that other job qualifications are significantly more important to hiring decisions than credit history information.<sup>1</sup>

**We know that the "big three" commercial credit reporting agencies (Experian, Transunion and Equifax) actively market personal credit history reports to businesses as a valid and important employment screening tool to prevent theft and embezzlement. We also know that scientifically-conducted studies prove there is no correlation between a person's credit history and their reliability, trustworthiness and performance on the job.**

Credit history reports are designed as a tool for lenders to assess the default risk of would-be borrowers. There is no compelling evidence, however, that credit history information is predictive of future job performance. When university researchers compared the personal credit histories of a group of 178 financial services employees to their actual job performance—including a subset of employees who had been terminated for misconduct—they found no relationship between having a blemished credit history and poor performance or higher rates of employee fraud. In fact, the one correlation researchers did find was that employees with a past history of late credit card payments worked harder.<sup>2</sup>

**We also know that employment policy experts and the U.S. Equal Employment Opportunity Commission have red-flagged the use of credit history information in employment decisions as a potentially discriminatory practice.**

Because women and minorities are more likely to suffer financial setbacks related to their lower average earnings, higher unemployment rates, and higher rates of medical debt, they are disproportionately likely to be screened out of employment opportunities on the basis of a blemished credit history.<sup>3</sup> In 2014, the EEOC released an advisory fact sheet cautioning employers that the use of credit history information in hiring decisions must be equally applied for all job applicants, and can't be used as basis to eliminate qualified candidates of one race, gender or age if it is not fairly applied to screen out other candidates with equally unfavorable credit histories.<sup>4</sup> Human resource specialists also advise against using credit background information in hiring decisions for non-management and financial positions. In a recent interview, Mike Aitken, a national policy expert with the Society for Human Resource Management, recommended that credit checks should only be considered for candidates who are applying for roles that require handling large amounts of money or assets, such as a chief financial officer.<sup>5</sup>

**Furthermore, we know credit history reports may contain errors that job candidates are not aware of until an employer rejects their application on the basis of weak credit information, and that credit report errors can take months to resolve.**

Although employers are required to notify job candidates before implementing a decision not to hire them based in any part on information from a credit report, a 2012 national survey of low- and middle-income job applicants suggest employer compliance with this rule is difficult to monitor or enforce. As a result, job applicants may never realize that they weren't hired because of information in their credit report and further may not realize that their credit report contains errors. In addition, the process of resolving credit reporting errors can be intensely complicated and time consuming.<sup>3</sup>

**Finally, we know this is the wrong time for state policy makers to ignore unfair and non-essential business practices that create barriers to employment.**

Although the state’s slow economic recovery is finally gaining steam, today nearly 30,000 New Hampshire residents are unemployed<sup>6</sup> and an additional 46,000 are classified as underemployed or underutilized, including workers who have dropped out of the labor force because they can’t find decent jobs, plus thousands of New Hampshire workers who are employed part-time because they can’t find full-time jobs.<sup>7</sup>

To date, 10 states have already enacted legislation restricting the use of personal credit history information in employment decisions:

| State      | Date Enacted | State       | Date Enacted |
|------------|--------------|-------------|--------------|
| Washington | 2007         | Connecticut | 2011         |
| Hawaii     | 2009         | Maryland    | 2011         |
| Illinois   | 2010         | Vermont     | 2012         |
| Oregon     | 2010         | Colorado    | 2013         |
| California | 2011         | Nevada      | 2013         |

Source: National Conference of State Legislatures, September 2014

Passing legislation to prevent employers from accessing personal credit history information that has no predictive value as a routine employment screening tool will remove unnecessary barriers to employment for thousands of hard-pressed Granite State job seekers, and it’s the smart thing and the right thing to do for New Hampshire.

Please vote House Bill 365 “OUGHT TO PASS.”

Respectfully submitted by

Mark S. MacKenzie, President  
New Hampshire AFL-CIO  
161 Londonderry Turnpike  
Hooksett, NH 03104  
Phone: (603) 623-7302

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Resources cited:

1. Society of Human Resource Management, *The Use of Credit Background Checks in Hiring Decisions* – July 2012: <http://www.shrm.org/research/surveyfindings/articles/pages/creditbackgroundchecks.aspx>
2. Shawn Fremstad, *Discrediting Workers: How Credit Reports are Distorting the Job Market, Prolonging Unemployment, and Denying Equal Opportunity to Workers*, Demos, 2010  
[http://www.demos.org/sites/default/files/publications/Discrediting\\_Workers\\_Demos.pdf](http://www.demos.org/sites/default/files/publications/Discrediting_Workers_Demos.pdf)
3. Amy Traub, *Discredited: credit checks keep qualified workers out of jobs*, Demos, 2013  
<http://www.demos.org/discredited-how-employment-credit-checks-keep-qualified-workers-out-job>
4. EEOC, *Background Checks: What Employers Need to Know*  
[http://www.eeoc.gov/eeoc/publications/background\\_checks\\_employers.cfm](http://www.eeoc.gov/eeoc/publications/background_checks_employers.cfm)
5. Chad Brooks, *Choosing a Background Check Service: A Buying Guide for Businesses*, BusinessNewsDaily.com, January 8, 2015:  
<http://www.businessnewsdaily.com/7636-choosing-a-background-check-service.html>
6. NH Employment Security, current unemployment statistics press release, January 21, 2015
7. NH Economic & Labor Market Information, Alternative Measures of Labor Underutilization through 3<sup>rd</sup> Quarter 2014

Attachments:

Executive Summary, *Discredited: credit checks keep qualified workers out of jobs*, Amy Traub, 2013

Excerpt, *Choosing a Background Check Service: A Buying Guide for Businesses*, BusinessNewsDaily.com, January 8, 2015



demos.org

# DISCREDITED

HOW EMPLOYMENT CREDIT CHECKS  
KEEP QUALIFIED WORKERS  
OUT OF A JOB

Amy Traub

# Executive Summary

**T**oday, it is common for employers to look at job applicants' personal credit history before making a hiring decision. A wide range of positions, from high-level financial posts to jobs doing maintenance work, offering telephone tech support, working as a delivery driver or selling frozen yogurt, may require a credit check. Yet despite their prevalence, little is known about what credit checks actually reveal to employers, what the consequences are for job applicants, or employment credit checks' overall impact on our society. This report uses new data from Demos' 2012 National Survey on Credit Card Debt in Low- and Middle- Income Households to address these questions. Overall, we find substantial evidence that employment credit checks constitute an illegitimate barrier to employment.

## KEY FINDINGS:

Among low- and middle-income households carrying credit card debt:

- **EMPLOYMENT CREDIT CHECKS ARE COMMON.** Among survey respondents who are unemployed, 1 in 4 says that a potential employer has requested to check their credit report as part of a job application.
- **PEOPLE ARE DENIED JOBS BECAUSE OF CREDIT CHECKS.** 1 in 10 survey respondents who are unemployed have been informed that they would not be hired for a job because of the information in their credit report. Among job applicants with blemished credit histories, 1 in 7 has been advised that they were not being hired because of their credit.
- **POOR CREDIT IS ASSOCIATED WITH HOUSEHOLD UNEMPLOYMENT, LACK OF HEALTH COVERAGE, AND MEDICAL DEBT.** These factors reflect the poor economy and personal misfortune and have little relationship with how well a job applicant would perform at work.
- **PEOPLE OF COLOR ARE DISPROPORTIONATELY LIKELY TO REPORT POOR CREDIT.** Our findings are consistent with previous research concluding that African American and Latino households have worse credit, on average, than white households. As a result, employment credit checks may disproportionately screen people of color out of jobs, leading to discriminatory hiring.
- **CREDIT REPORTING ERRORS ARE COMMONLY CITED AS A CONTRIBUTOR TO POOR CREDIT.** About 1 in 8 survey respondents who say they have poor credit cite "errors on my credit report" as a reason for their poor credit history. The finding is consistent with other research on the prevalence of errors in credit reports.

We conclude that employment credit checks illegitimately obstruct access to employment, often for the very job applicants who need work the most.

# Choosing a Background Check Service: A Buying Guide for Businesses

by Chad Brooks, BusinessNewsDaily Senior Writer | January 08, 2015

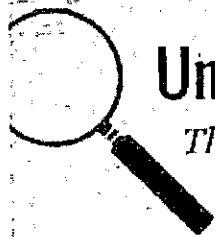


*Looking for a background check service? Here's everything you need to know about how to choose one. If you're in a hurry, just scroll down to see our best picks and read our staff reviews of the ones we would choose if we were you. You can also see a full list of background check service vendors and a breakdown of how we chose our best picks [here](#).*

It's better to be safe than sorry when hiring new employees: You probably have a lot riding on the success of your business, so bringing in the wrong person can have some pretty grave consequences. Although most organizations may be able to tolerate the consequences of hiring an underqualified candidate or someone who is a bad cultural fit, they might not be able to survive the ramifications of welcoming in an employee who is dangerous or dishonest.

To help ensure new hires don't have any skeletons in their closets that could negatively affect an employer, many businesses use background check services as part of the hiring process. In fact, according to the Society for Human Resource Management, nearly 70 percent of employers conduct criminal background checks on all of their job candidates, and 47 percent conduct credit checks.

But choosing the right background check service can be a challenge. Many are inexpensive but are not technically qualified to do employee background checks. It's important to know what you're getting into before you choose one. We researched several and came up with our picks for the best business background check services.



# Understanding Background Checks

*There are two kinds background check firms and it's important to understand the difference.*

## Full service firms

- Conduct background check searches on your behalf
- Provide you with a comprehensive report of their findings
- Generally take several days
- Comply with Federal Fair Credit Reporting Act (FCRA) guidelines and are legal for employee background check purposes.

## Online background check websites

- DIY online search
- Instant results
- Usually less comprehensive
- Less expensive
- Most don't comply with FCRA guidelines and should not be used for employee background checks



## Do you need to conduct a background check?

Businesses that don't use background checks when hiring new employees are putting themselves at risk, said Lester Rosen, founder and CEO of Employment Screening Resources. When a new employee who hasn't been properly vetted is hired, employers are basically welcoming a stranger into their business, he said.

"That stranger has access to your customers, your cash, your IT — everything," Rosen told Business News Daily. "It would make as much sense to do that as it would to walk down the street and give the keys to [your] front door to a total stranger just because when you talk to that stranger, they look good or sound good."

Rosen said conducting background checks doesn't mean you are assuming everyone who applies for a job at your business is a bad person.

"The idea is that, as they used to say in politics, 'You want to trust, but verify,'" Rosen said. "You want to hire based on information, as well as instinct."

Rosen told us that even though there is a cost associated with conducting background checks, it is a lot cheaper than hiring an employee who steals or hurts somebody.

"Most of the time, most of the people pass the background check," Rosen said. "But if you get someone who has a problem, the employer will be very happy they dodged the bullet and didn't bring someone into the workplace who is dangerous, unfit, dishonest or unqualified."

### **What are you looking for in a background check?**

When you are conducting background checks on job candidates, there are several things you should look for, including the following:

- **Criminal history:** The first, and probably most important, thing to look for is whether the applicant has a criminal background that would put your business in danger. When it comes to criminal records, employers want to look for convictions of serious crimes that would affect the candidate's ability to do the job, Rosen told us. Just having a criminal record, under new federal laws, isn't enough of a reason to disqualify the candidate from consideration, he said.

We questioned Mark Briggs, of the Arizona-based Briggs Law Group, on the new federal laws, and he said that in order to disqualify a candidate from consideration because of a criminal history, employers must have a clear connection for why someone's criminal record makes him or her unfit for the job for which they are applying.

"For example, having five speeding tickets in the past two years may be a valid reason to not hire a delivery driver, but their misdemeanor vandalism conviction 10 years ago probably is not," Briggs said. "If the employer has inappropriately relied on something like an arrest report to deny an applicant a job, they can be in big trouble."

- **Education and past work verification:** Confirming that applicants have been truthful about their previous employers and where they went to school is a big part of the background check process, said Mike Aitken, vice president of government affairs for the Society for Human Resource Management. This will not only help verify whether the candidate has the right skills and background for the job, but will also tell you if the candidate has a penchant for lying.

"It can be a red flag to the employer if the person is being less than honest," Aitken told us.

- **Credit checks:** Credit is another area that some employers check during a background screening. Aitken said credit checks can provide an overall financial picture of the candidate but should only be considered for candidates who are applying for roles in which they would handle large amounts of money or assets, such as a chief financial officer.

"They aren't trying to play 'gotcha' and say, 'They fell behind once or twice on their credit card payment or have an outstanding student loan debt,'" Aitken said. "It is to check their overall ability to meet their financial obligations."

Other things Rosen told us you may want to examine in a background check include the candidate's sex offender status, motor vehicle records, if they will be in a position that requires large amounts of driving, and Social Security traces to show past addresses of the candidate and if any aliases were used.

One background check area you need to be careful with, however, relates to social media profiles. Briggs told us that although employers might be tempted to check out a candidate's Facebook or

Instagram page in order to learn more about his or her judgment and character, they could be opening themselves up to lawsuits.

“An employer might learn from a person’s Facebook page that they belong to a particular religious group or have a disability that is not visually apparent,” Briggs said. “Knowing that information can open up an employer to liability, because they are not allowed to ask about those things in an application or interview for a job, and once you know something, you can be accused of considering that information illegally when making the hiring decision.”

### **Types of background checks**

When we started researching background check services, we found that there are two very distinct types: online background check websites that allow you to conduct searches on your own, and pre-employment background check firms that do all of the investigations for you. There are a number of differences between the two types, including the background information provided, the cost and the potential legal concerns.

### **Online background check websites**

We found that online background check websites were among the easiest and cheapest to use. All you need to do is sign up online and type in the name of the person you are searching for. You are then instantly provided with a variety of details, including criminal history, on each person. Depending on how much of the information you want to look at, you could be charged anywhere from \$10 to \$50 per background check. The information these websites provide include the following:

- Misdemeanor and felony convictions
- Sex offenses
- Details on arrests and plea deals
- Bankruptcies
- Civil legal judgments
- Address history
- Marriage records
- Social Security number verification
- Social network profiles

If all you are after is a criminal record of a potential employee, you may be inclined to think this is the best route to take. However, these online background check services do come with a risk: The vast majority of these websites specifically say they are not to be used as part of the employment screening process because the websites are not compliant with the Fair Credit Reporting Act, which spells out the federal laws pertaining to employee background screening.

Sean Bigley, an attorney whose law practice focuses entirely on background investigation issues, said businesses that use these websites for pre-employment background checks should do so at their own risk.

“Employment laws vary by state, but there are several states (notably, California) that limit or bar employers from asking about a job applicant’s criminal history,” Bigley told Business News Daily. “Given the wealth of information available on these websites, I can also foresee claims of age or race discrimination.”

He added that many do-it-yourself Internet background search engines produce reports that are filled with duplicate, inaccurate and irrelevant information, which can be worse than having no background check at all.

“It is worth noting that much of the information on these websites is wildly inaccurate, thereby limiting the utility of the process anyway,” Bigley said.

### **Employment background check firms**

We found that pre-employment background check firms offer a much more comprehensive service. Unlike the website options, these background checks take time to complete; it isn't as simple as typing a name into a website and immediately seeing all the information you are looking for. After providing the name of the job candidate you are investigating, the firm does all of the work for you. Its representatives check for criminal convictions and verify past employment and education, as well as any other details you request. The specific details employment background check services can screen for include the following:

- Misdemeanor and felony criminal records at both the county, state and national levels
- Sex offender status
- Social Security number trace and validation
- Employment verification
- Education verification
- Reference checks
- Credit checks
- Civil record checks
- Motor vehicle records check
- Military records verification
- Workers' compensation history
- Address history

Employment background check firms provide not only this additional information, but also the assurance that the details are being given to you in a legally compliant manner. We discovered that these firms are bound by the Fair Credit Reporting Act, which, among other things, mandates that employers get written authorization from job applicants before conducting a background check and let the candidate know if anything harmful was found in the search after it's completed.

However, we found that employment background check firms are more expensive and time-consuming than online background check websites. Employment background check services typically charge between \$50 and \$100 per search and take between two and three days to complete the search process. The experts we spoke with said these are the most important questions to ask when choosing an employment screening firm:

- Does it have the ability to find all of the information your business needs to make your hiring decisions?
- Does the service comply and understand the Fair Credit Reporting Act?
- Are the costs reasonable?
- Does the service provide you with the necessary authorization forms for job candidates to fill out?

- How long does it take to get results?
- Does it provide clear, accurate and complete written reports?
- Is the firm accredited by the National Association of Professional Background Screeners?

The key is to find an employee background check firm that follows the law when conducting the searches, in case something during the hiring process goes awry, Rosen said. "You have to make sure you dot your i's and cross your t's, because it is heavily legally regulated," he told us.

Briggs said using a firm that doesn't follow the law can cause you some serious grief. "The two biggest negative consequences are being sued by a job applicant or employee, and being investigated and possibly fined by a government agency, such as the Equal Employment Opportunity Commission or National Labor Relations Board," Briggs said. "Defending against a government investigation or lawsuit is time-consuming and expensive."

*For a summary of our best background check service and website picks and to review our methodology for choosing them, visit our best picks page [here](#).*



# Voting Sheets

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on HB 365

**BILL TITLE:** prohibiting an employer from using credit history in employment decisions.

**DATE:** March 3, 2015

**LOB ROOM:** 307

**Amendments:**

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Hill

Seconded by Rep. Rideout

Vote: 11-8 (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE: NO**

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. Brian Seaworth, Clerk

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on HB 365

BILL TITLE: prohibiting an employer from using credit history in employment decisions.

DATE: 3/3/15

LOB ROOM: 307

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL Interim Study (Please circle one.)

Moved by Rep. HILL

Seconded by Rep. RIDEOUT

Vote: (Please attach record of roll call vote.) 11-8

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Brian Seaworth, Clerk



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/8/2015 1:44:58 PM  
Roll Call Committee Registers  
Report

2015 SESSION

**LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES**

Bill #: 365 Title: PROHIBITING AN EMPLOYER FROM USING CREDIT HISTORY...  
 PH Date: 1 / 29 / 15 Exec Session Date: 3 / 3 / 15  
 Motion: ITL Amendment #: \_\_\_\_\_

| MEMBER                          | YEAS      | NAYS     |
|---------------------------------|-----------|----------|
| Infantine, William J., Chairman | 11        |          |
| Simmons, Tammy A., V Chairman   | 1         |          |
| Pellegrino, Anthony J.          |           | 1        |
| Murphy, Keith                   | 2         |          |
| Rideout, Leon H.                | 3         |          |
| Hill, Gregory                   | 4         |          |
| Seaworth, Brian , Clerk         | 5         |          |
| Avellani, Lino M.               | 6         |          |
| Doucette, Fred                  | 7         |          |
| Prudhomme-O'Brien, Katherine    | 8         |          |
| Turcotte, Leonard P.            | 9         |          |
| Zaricki, Nick                   | 10        |          |
| Ley, Douglas A.                 |           | 2        |
| White, Andrew A.                |           | 3        |
| Rice, Harold (Chip) L.          |           |          |
| Converse, Larry                 |           | 4        |
| Cahill, Michael D.              |           | 5        |
| DiSilvestro, Linda A.           |           | 6        |
| O'Neil, William J.              |           | 7        |
| Schuett, Dianne E.              |           | 8        |
| <b>TOTAL VOTE:</b>              | <b>11</b> | <b>8</b> |

# Committee Report

**REGULAR CALENDAR**

**March 4, 2015**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Majority of the Committee on LABOR,  
INDUSTRIAL AND REHABILITATIVE SERVICES to  
which was referred HB365,**

**AN ACT prohibiting an employer from using credit  
history in employment decisions. Having considered  
the same, report the same with the following**

**Resolution: RESOLVED, That it is INEXPEDIENT TO  
LEGISLATE.**

**Rep. Gregory Hill**

**FOR THE MAJORITY OF THE COMMITTEE**

**MAJORITY  
COMMITTEE REPORT**

Committee: **LABOR, INDUSTRIAL AND REHABILITATIVE  
SERVICES**

Bill Number: **HB365**

Title: **prohibiting an employer from using credit  
history in employment decisions.**

Date: **March 4, 2015**

Consent Calendar: **NO**

Recommendation: **INEXPEDIENT TO LEGISLATE**

**STATEMENT OF INTENT**

This bill seeks to eliminate the opportunity for employers to use credit history in evaluating prospective employees. The National Federation of Independent Business (NFIB) correctly argues that small employers need "every tool they can use to make smart hiring decisions", however, the starkness of that truth is not restricted to small business. The majority, while sympathetic to prospective employees caught in a "spiral" of job loss leading to foreclosure and bankruptcy that appears symptomatic of bad economic times in NH, nevertheless feel that most employers who seek "good" employees will go the extra step to ascertain the cause of any credit problems. While there may be a great many reasons for credit issues, there are at least as many occupations where credit history is required for security clearances and concerns. At what point does restricting an employer's "due diligence" opportunities lead to reducing their desire to grow their business for fear of making the wrong decision? It is for all these reasons the committee recommends an ITL on HB 365.

Vote 11-8

Rep. Gregory Hill  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File

REGULAR CALENDAR

LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

**HB365**, prohibiting an employer from using credit history in employment decisions.

**INEXPEDIENT TO LEGISLATE.**

Rep. Gregory Hill for the **Majority** of LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES.

This bill seeks to eliminate the opportunity for employers to use credit history in evaluating prospective employees. The National Federation of Independent Business (NFIB) correctly argues that small employers need "every tool they can use to make smart hiring decisions", however, the starkness of that truth is not restricted to small business. The majority, while sympathetic to prospective employees caught in a "spiral" of job loss leading to foreclosure and bankruptcy that appears symptomatic of bad economic times in NH, nevertheless feel that most employers who seek "good" employees will go the extra step to ascertain the cause of any credit problems. While there may be a great many reasons for credit issues, there are at least as many occupations where credit history is required for security clearances and concerns. At what point does restricting an employer's "due diligence" opportunities lead to reducing their desire to grow their business for fear of making the wrong decision? It is for all these reasons the committee recommends an ITL on HB 365. **Vote 11-8.**

Original: House Clerk

Cc: Committee Bill File



COMMITTEE REPORT

HILL  
email

COMMITTEE: \_\_\_\_\_

BILL NUMBER: 365

TITLE: \_\_\_\_\_

DATE: 3-3-15 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

|                        |
|------------------------|
| Amendment No.<br>_____ |
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STATEMENT OF INTENT:

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COMMITTEE VOTE: 11-8

RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep. \_\_\_\_\_

For the Committee

HB 365

Majority

ITL

**MAJORITY:** This bill seeks to eliminate the opportunity for employers to use credit history in evaluating prospective employees. The National Federation of Independent Business (NFIB) correctly argues that small employers need "every tool they can use to make smart hiring decisions", however, the starkness of that truth is not restricted to small business. The majority, while sympathetic to prospective employees caught in a "spiral" of job loss leading to foreclosure and bankruptcy that appears symptomatic of bad economic times in NH, nevertheless feel that most employers who seek "good" employees will go the extra step to ascertain the cause of any credit problems. While there may be a great many reasons for credit issues, there are at least as many occupations where credit history is required for security clearances and concerns. At what point does restricting an employer's "due diligence" opportunities lead to reducing their desire to grow their business for fear of making the wrong decision? It is for all these reasons the committee recommends an ITL on HB 365.

Greg Hill

**REGULAR CALENDAR**

**March 4, 2015**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Minority of the Committee on LABOR,  
INDUSTRIAL AND REHABILITATIVE SERVICES to  
which was referred HB365,**

**AN ACT prohibiting an employer from using credit  
history in employment decisions. Having considered  
the same, and being unable to agree with the Majority,  
report with the recommendation that the bill OUGHT  
TO PASS.**

**Rep. Andrew A. White**

**FOR THE MINORITY OF THE COMMITTEE**

**MINORITY  
COMMITTEE REPORT**

Committee: **LABOR, INDUSTRIAL AND REHABILITATIVE  
SERVICES**

Bill Number: **HB365**

Title: **prohibiting an employer from using credit  
history in employment decisions.**

Date: **March 4, 2015**

Consent Calendar: **NO**

Recommendation: **OUGHT TO PASS**

**STATEMENT OF INTENT**

The minority strongly believes that private, personal information should stay private unless absolutely necessary. This bill would prevent employers who do not need to inquire into an applicant's credit history from obtaining credit information, while expressly allowing those inquiries in cases where it is necessary for the job being sought. This bill seeks to break the cycle of employees being unable to find work due to their poor credit history, because they cannot fix their credit history without a good job. The reasons for poor credit histories are many, however we do know that women tend to be disproportionately affected by negative credit, often due to divorce. The minority of the committee believes that removing barriers to employment is essential and that people who want to work should be able to work without unnecessary intrusion into their private lives.

Rep. Andrew A. White  
FOR THE MINORITY

Original: House Clerk  
Cc: Committee Bill File

REGULAR CALENDAR

LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

**HB365**, prohibiting an employer from using credit history in employment decisions. **OUGHT TO PASS.**

Rep. Andrew A. White for the **Minority** of LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES. The minority strongly believes that private, personal information should stay private unless absolutely necessary. This bill would prevent employers who do not need to inquire into an applicant's credit history from obtaining credit information, while expressly allowing those inquiries in cases where it is necessary for the job being sought. This bill seeks to break the cycle of employees being unable to find work due to their poor credit history, because they cannot fix their credit history without a good job. The reasons for poor credit histories are many, however we do know that women tend to be disproportionately affected by negative credit, often due to divorce. The minority of the committee believes that removing barriers to employment is essential and that people who want to work should be able to work without unnecessary intrusion into their private lives.

Original: House Clerk  
Cc: Committee Bill File

MINORITY REPORT

COMMITTEE: Labor

BILL NUMBER: 365

TITLE: Prohibiting an employer from using credit history in employment decisions

DATE: 3-3-15 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

Amendment No.  
\_\_\_\_\_

STATEMENT OF INTENT:

See A Hand

COMMITTEE VOTE: 11-8

• Copy to Committee Bill File

RESPECTFULLY SUBMITTED,

Rep. Andrew A. White  
 For the Minority.  
 Andrew A. White

HB 365

Minority

OTP

**MINORITY:** The minority strongly believes that private, personal information should stay private unless absolutely necessary. This bill would prevent employers who do not need to inquire into an applicant's credit history from obtaining credit information, while expressly allowing those inquiries in cases where it is necessary for the job being sought. This bill seeks to break the cycle of employees being unable to find work due to their poor credit history, because they cannot fix their credit history without a good job. The reasons for poor credit histories are many, however we do know that women tend to be disproportionately affected by negative credit, often due to divorce. The minority of the committee believes that removing barriers to employment is essential and that people who want to work should be able to work without unnecessary intrusion into their private lives.

Andy White

**Ebbs, Heather**

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**From:** Larivee, Kathy  
**Sent:** Wednesday, March 18, 2015 10:43 AM  
**To:** Ebbs, Heather  
**Subject:** HB365-Majority.doc

edited report

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**REGULAR CALENDAR**

**March 4, 2015**

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| <p><b>HOUSE OF REPRESENTATIVES</b><br/><b>REPORT OF COMMITTEE</b></p> |
|---|

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AN ACT prohibiting an employer from using credit history in employment decisions. Having considered the same, report the same with the following Resolution:  
**RESOLVED, That it is INEXPEDIENT TO LEGISLATE.**

**Rep. Gregory Hill**  
**FOR THE MAJORITY OF THE COMMITTEE**



**MAJORITY  
COMMITTEE REPORT**

Committee: **LABOR, INDUSTRIAL AND REHABILITATIVE  
SERVICES**  
Bill Number: **HB365**  
Title: **prohibiting an employer from using credit  
history in employment decisions.**  
Date: **March 4, 2015**  
Consent Calendar: **NO**  
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Vote 11-8

Rep. Gregory Hill  
FOR THE MAJORITY

## REGULAR CALENDAR

## LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

**HB 365**, prohibiting an employer from using credit history in employment decisions. **INEXPEDIENT TO LEGISLATE.**

Rep. Gregory Hill for the **Majority** of Labor, Industrial and Rehabilitative Services. This bill seeks to eliminate the opportunity for employers to use credit history in evaluating prospective employees. The National Federation of Independent Business (NFIB) correctly argues that small employers need "every tool they can use to make smart hiring decisions," however, the starkness of that truth is not restricted to small business. The majority, while sympathetic to prospective employees caught in a "spiral" of job loss leading to foreclosure and bankruptcy that appears symptomatic of bad economic times in NH, nevertheless feel that most employers who seek "good" employees will go the extra step to ascertain the cause of any credit problems. While there may be a great many reasons for credit issues, there are at least as many occupations where credit history is required for security clearances and concerns. At what point does restricting an employer's "due diligence" opportunities lead to reducing their desire to grow their business for fear of making the wrong decision? It is for all these reasons the committee recommends an ITL on HB 365. **Vote 11-8.**