



Taking Adverse Action in Response to a Background Screen

The term “adverse action” refers to any denial of employment or approval of a volunteer that adversely affects any current or prospective employee or volunteer. When considering taking adverse action, including denying or terminating employment or volunteer approval, based in whole or in part on a consumer report (in this case a background screening report), the Fair Credit Reporting Act (FCRA) has specific requirements employers/organizations must follow. Please note that the term “employer” below applies to ISU Extension & Outreach for both the employee and volunteer background screening process. The process is outlined as follows:

1. Pre-Adverse Action

- If you intend to take adverse action based on consumer report information (e.g., criminal records, credit history, public record information) provided by First Advantage, you must first notify the individual.
- With the pre-adverse action letter, the employer must provide the individual with a copy of the [Summary of Your Rights under the Fair Credit Reporting Act](#) disclosure and a copy of the consumer report (background screening report) provided by First Advantage.
- The letter should include First Advantage’s contact information and a notice that the potential volunteer or employee may dispute the accuracy or completeness of information in their report.

2. Waiting Period

- Employers must then wait a “reasonable period” of time to allow the potential volunteer or employee to dispute any information in the report. The Federal Trade Commission has opined that 5 business days is generally a reasonable period of time.

3. Adverse Action

- After the waiting period ends and if the potential volunteer or employee has not advised you of any discrepancies or otherwise explained the information, you may take adverse action.
- The FCRA requires that individuals who are the subject of such adverse action, which is based on information in the consumer report, be provided with an adverse action letter. This letter must include specific language, such as
 - i. First Advantage’s name, toll-free phone number, and address
 - ii. a statement that First Advantage “did not make the decision to take the adverse action and is unable to provide the consumer the specific reasons why the adverse action was taken”
 - iii. a statement that the consumer “has a right to obtain a free copy of a consumer report about them from First Advantage within 60 days of receipt of the adverse action letter”
 - iv. a statement that the consumer may “dispute with First Advantage the accuracy or completeness of any information in the consumer report”

Sample adverse action templates are provided on the following pages. These templates address the adverse action process as required pursuant to the FCRA.

Pre-Adverse Action Notification

(to be put on Extension and Outreach letterhead, alternately may be emailed. Save a copy of the dated letter/email in your file)

DATE

Applicant Name

Address

City, State, Zip

Dear **APPLICANT**:

A decision is currently pending concerning your application **for employment/as a volunteer** with Iowa State University Extension and Outreach - _____ County. Enclosed is a copy of the background screening report we obtained in conjunction with your **employment/volunteer** application, as well as a copy of the federal notice, "A Summary of Your Rights under the Fair Credit Reporting Act," which describes your rights under the law.

We may take adverse action related to your **employment/volunteering** with us based on information in the enclosed consumer report and we ask that you carefully review it. If there are any errors or incomplete information in the consumer report, please let us know within 5 business days of the date of receipt of this letter.

The consumer report was provided by:

First Advantage

P.O. Box 105292 Atlanta, GA 30348

(800) 845-6004

Sincerely,

<<Name>>

Enclosed: Background Screening Report

A Summary of Your Rights under the Fair Credit Reporting Act

Adverse Action Notification

(to be put on Extension and Outreach letterhead; save a copy of the dated letter/email in your file)

DATE

Applicant Name

Address

City, State, Zip

Dear APPLICANT:

We regret to inform you that we are unable to consider you further for an **employment opportunity/volunteer role** with Iowa State University Extension and Outreach - _____ County. This decision was made, in part, from information we received in the background screening report you authorized from First Advantage, our screening vendor. First Advantage played no part in our decision to take the adverse action and is unable to provide you with the specific reasons why the adverse action was taken.

In accordance with the Fair Credit Reporting Act (FCRA) (15 U.S.C. § 1681 *et seq.*), you were previously sent a copy of this report and a copy of the federal notice, *A Summary of Your Rights Under the Fair Credit Reporting Act*.

Under the FCRA you are entitled to obtain a free copy of your background screening report by contacting our background screening vendor directly within sixty (60) days of receipt of this letter. You also have the right to dispute the accuracy or completeness of any information in the report provided by First Advantage by contacting them at the following address:

First Advantage Attn: Consumer Center
P.O. Box 105292 Atlanta, GA 30348
(800) 845-6004

Thank you for your interest in **employment/volunteering** with our _____ County Extension and Outreach.

Sincerely,

<<Name>>