

## **NOTICE REGARDING CREDIT REPORT PURSUANT TO HAWAII LAW**

House Bill 31 SD1 CD1 was passed by the Hawaiian legislature – over the Governor’s veto – and put limits on the use of employment credit history or credit reports unless it “directly related to a bona fide occupational qualification” or falls under another exception. Effective July 1, 2009, the law amended the Hawaiian Fair Employment Practices Act by making it an unlawful discriminatory practice for any employer to refuse to hire or employ, continue employment or to bar or discharge from employment, or otherwise to discriminate against any individual in compensation or in the terms, conditions, or privileges of employment of any individual because of the individual’s credit history or credit report, unless the information in the individual’s credit history or credit report directly relates to a bona fide occupational qualification.

The law also indicated that in terms of hiring in the first place, the employer can only inquire into the credit history or credit report on a prospective employee only after there has been a conditional job offer, and only if the information is directly related to a bona fide occupational qualification. The law makes exceptions for employers that are expressly permitted to inquire into credit history or a credit report by federal or state law, financial institutions that are insured by a federal agency or to managerial or supervisory employees. The law sets out a specific definition of what constitutes a “Managerial” or “Supervisory” employee.