

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

Effective July 1, 2012, Vermont Act No. 154 (S. 95) prohibits employers in the state, subject to various exceptions, from using or inquiring into credit reports or credit histories of job applicants and employees in the employment context and further prohibits discriminating against individuals based on their credit information.

Vermont Act No. 154 (S. 95) pertains to “credit history” that includes any credit information obtained from any third party, not only information contained in a credit report. The Act sets forth exemptions based on the type of employers at issue and the position or responsibilities of applicants or employees. Employers are exempt and may obtain and use credit information if they meet one or more of these conditions:

- The information is required by state or federal law or regulation.
- The position of employment involves access to confidential financial information.
- The employer is a financial institution or credit union as defined by state law.
- The position of employment is that of a law enforcement officer, emergency medical personnel, or a firefighter as defined by state law.
- The position of employment requires a financial fiduciary responsibility to the employer or a client of the employer, including the authority to issue payments, collect debts, transfer money, or enter into contracts.
- The employer can demonstrate that the information is a valid and reliable predictor of employee performance in the specific position of employment.
- The position of employment involves access to an employer’s payroll information.

However, even exempted employers that seek to obtain or act upon the credit information of an applicant or employee are prohibited by the Act from using credit report or credit history as the sole factor in making any employment decision. In addition, the Act requires employers to first obtain the written consent of the employee or applicant to the disclosure of the credit information and must also disclose in writing its reasons for accessing the report. If an employer intends to take an adverse employment action based on any contents of the credit report, the employer must notify the applicant or employee in writing of its reasons for doing so and also offer the subject an opportunity to contest the accuracy of the credit report or credit history.