

## House Resolution 1105

By: Representatives Waites of the 60<sup>th</sup>, Sharper of the 177<sup>th</sup>, Anderson of the 92<sup>nd</sup>, Jones of the 53<sup>rd</sup>, Dawkins-Haigler of the 91<sup>st</sup>, and others

## A RESOLUTION

1 Seeking the reduction of credit-based barriers in hiring and employment; and for other  
2 purposes.

3 WHEREAS, vulnerable populations have historically been impacted by arbitrary factors that  
4 limit and/or prohibit the ability to prosper; and

5 WHEREAS, the House of Representatives supports efforts to re-engage constituents in the  
6 workforce and facilitate greater job opportunities; and

7 WHEREAS, the House of Representatives opposes any unlawful or discriminatory hiring  
8 practices that may negatively or unjustly impact a person's ability to secure employment and  
9 opposes legislation that could be perceived as culturally biased; and

10 WHEREAS, federal law allows employment credit checks under the Fair Credit Reporting  
11 Act, which permits employers to request credit reports on job applicants and existing  
12 employees; and

13 WHEREAS, credit reports were designed as a means for lenders to evaluate whether a  
14 potential borrower would be a good credit risk and not as an employment screening tool; and

15 WHEREAS, those that would be most adversely impacted would be individuals in  
16 low-income and middle-income households with credit card debt associated with households  
17 experiencing job loss, lacking health coverage, or having medical debt; and

18 WHEREAS, civil rights organizations like the NAACP, the National Council of La Raza, the  
19 Leadership Conference on Civil and Human Rights, and the Lawyers Committee for Civil  
20 Rights under Law opposed employment credit checks largely due to their potentially racially  
21 discriminatory impact; and

22 WHEREAS, a new Civil Rights agenda must include consumer protection from arbitrary  
23 factors that limit their ability to prosper in a global economy; and

24 WHEREAS, one of the factors many employers examine when determining whether to offer  
25 an applicant employment is the person's credit score; and

26 WHEREAS, many employers state a person's credit score is indicative to some degree of his  
27 or her trustworthiness despite substantial data suggesting that there is no relationship between  
28 these two factors; and

29 WHEREAS, a 2012 study by the Federal Trade Commission found that 42 million  
30 Americans have errors on their credit reports; and

31 WHEREAS, these errors can have an adverse impact on a consumer's credit score; and

32 WHEREAS, 45 bills related to the use of credit information in employment decisions were  
33 introduced or pending in 25 states and the District of Columbia during the 2013 legislative  
34 session; and

35 WHEREAS, nine states have passed legislation restricting the use of credit checks in  
36 employment and dozens of other cities and states have introduced bills to do so; and

37 WHEREAS, in 2013, legislation was introduced in Congress to amend the Fair Credit  
38 Reporting Act to prohibit the use of employment credit checks.

39 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that  
40 the members of this body understand the importance of fair and just hiring practices and the  
41 negative impact credit rates, credit scores, or consumer credit history may have, especially  
42 on persons from certain socioeconomic or cultural backgrounds.

43 BE IT FURTHER RESOLVED that the House of Representatives discourages the use of  
44 credit scores and other similar types of information in determining a job applicant's  
45 employability or to deny employment.

46 BE IT FURTHER RESOLVED that the House of Representatives requests that Congress  
47 make it an unlawful and discriminatory hiring practice for employers to use a person's credit

48 rating, credit score, or consumer credit history to render decisions regarding one's  
49 employment.

50 BE IT FURTHER RESOLVED that this body applauds the passage of similar legislation in  
51 California, Colorado, Connecticut, Hawaii, Illinois, Maryland, Oregon, Vermont, and  
52 Washington.

53 BE IT FURTHER RESOLVED that the House of Representatives supports limited  
54 reasonable exceptions to laws prohibiting the use of credit information in employment by  
55 recognizing that credit information is sometimes necessary in certain circumstances and for  
56 certain kinds of jobs and clearances.

57 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized  
58 and directed to transmit an appropriate copy of this resolution to the President of the United  
59 States, the Vice President of the United States, members of the United States House of  
60 Representatives and United States Senate, and other federal and state government officials  
61 as appropriate.