

June 17, 2003

Opening Statement by Congressman Paul E. Gillmor
House Financial Services Committee
Subcommittee on Financial Institutions and Consumer Credit Hearing entitled, "The Role of FCRA in employee background checks and the collection of medical information"

Thank you, Mr. Chairman, for holding this important hearing on the Fair Credit Reporting Act (FCRA) and its role in employee background checks and the collection of medical information. I continue to believe that ensuring a uniform national standard for consumer protections governing credit transactions is one of the most important tasks this committee will face in the 108th Congress.

As we are all now aware, on January 1, 2004 these standards as established in the FCRA will expire and states will again have the ability to enact differing regulations.

Congress enacted the FCRA in 1970, to bring the consumer credit reporting industry under Federal regulation and to create a uniform system of rights governing credit reporting transaction. This mandate has been incredibly successful and allowed for the creation of the sophisticated system we have today. It has greatly expanded consumer access to credit and allowing individual states to enact their own standards would undoubtedly risk its collapse.

The 1996 amendments to the FCRA established a national consumer protection standard for employee background checks detailing the following requirements:

1. a consumer consent before a prospective employer may obtain a consumer report;
2. an employer provide a copy of such report to the consumer;
3. a description of a consumer's rights be provided to the consumer before taking an adverse action based on such report.

The FCRA also prohibits consumer reporting agencies from producing reports containing medical information without the consumer's consent.

Today, I look forward to a thorough discussion of the issues that remain concerning the FCRA's application in these areas. Thank you again, Mr. Chairman, for continuing our dialogue on this issue and I look forward to swift committee action.