



AB 22 Restrictions on Credit Reports

With the passage of AB 22, effective 1/1/12 employers are severely restricted in their ability to legally obtain a credit report for any form of employment reason.

Under the law, an employer or prospective employer may not use a credit report for employment purposes unless the position for which the person is seeking employment or promotion is sought in any of the following areas:

1. A managerial position, as defined by the executive exemption of wage order 4;
2. A position with the state Department of Justice;
3. That of a sworn peace officer or other law enforcement position;
4. A position for which the information contained in the report is required by law to be disclosed or obtained;
5. A position that involves regular access, for any purpose other than the routine solicitation and processing of credit card applications in a retail establishment, to all of the following types of information of any person:
 - a. Bank or credit card information
 - b. Social security number
 - c. Date of birth
6. A position in which the person is, or would be, any of the following:
 - a. A named signatory on the bank account or credit card account of the employer.
 - b. Authorized to transfer money on behalf of the employer.
 - c. Authorized to enter into financial contracts on behalf of the employer.
7. A position that involves access to confidential and proprietary as described in the law;
8. A position that involves regular access to cash totaling ten thousand dollars or more of the employer, customer, or client during the workday.

Credit reports may be obtained for employees or prospective employees of a financial institution subject to Section 6801-6809 of Federal Code, such as a bank or credit union.