

H.R. 3614, Restricting Credit Checks for Employment Decisions Act

As ordered reported by the House Committee on Financial Services on July 11, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	1	1
Revenues	0	0	0
Deficit Effect	0	1	1
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

H.R. 3614 would allow consumer reporting agencies (CRAs) to provide consumer credit reports to employers for use in making employment decisions about current or prospective employees, only if such a report is required by a federal, state, or local law or regulation. Reports used in connection with a national security investigation also would be allowed. The bill also would prohibit employers from directly or indirectly requiring a current or prospective employee to submit credit information as a condition of employment. The Consumer Financial Protection Bureau (CFPB) would issue rules to implement the bill's requirements.

Using information from the CFPB, CBO estimates that the agency would need four additional employees at an annual cost of \$200,000 per employee to issue rules in the first year after enactment. Thus, CBO estimates that enacting H.R. 3614 would cost \$1 million over the 2019-2029 period. The CFPB is permanently authorized to receive whatever amounts it needs from the Federal Reserve to carry out its operations; it may spend those amounts without appropriation.

H.R. 3614 contains private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost of the mandates would be below the threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).



The bill would impose a mandate on CRAs by prohibiting them from issuing consumer credit reports for employees or job candidates to current or prospective employers. The cost of the mandate would include the value of forgone income from the sale of consumer reports to employers. Using information from industry sources, CBO expects the loss in revenue would be roughly \$40 million annually.

H.R. 3614 also would impose a mandate on employers by limiting the circumstances when job candidates and employees could be asked for their credit history as a condition of employment. The bill would allow employers to request an employee's (or potential employee's) consumer report only for national security clearances or when otherwise required by state, local, or federal law. The bill would require employers in those circumstances to disclose to the affected employee information about the request and the outcome of the consumer report. That disclosure requirement would be a mandate as defined in UMRA. The incremental cost of the mandate would be small because the mandated entities already collect or possess the information required to be disclosed under the bill.

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.