

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2015 (FIRST) REGULAR SESSION

Bill No. 44-33 (CORA)

Introduced by:

J.V. Espaldon 

**AN ACT TO ADD A NEW (h) to § 5201 of 22 GCA RELATIVE
TO THE USE OF AN INDIVIDUAL'S CREDIT HISTORY IN
THE EMPLOYMENT PROCESS.**

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1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds consumer
3 credit scores and credit reports often exclude relevant information or include inaccurate information.
4 A 2011 study conducted by the Policy and Economic Research Council suggests that more than
5 twenty million Americans have material errors on their credit reports. According to researchers at
6 the Center for Economic Justice and the National Consumer Law Center, there is evidence that racial
7 and ethnic disparities exist in, and are perpetuated by, consumer credit scoring and credit reporting.
8 In its 2011 report "Discrediting America", the nonpartisan public policy research and advocacy
9 organization Demos concluded that consumer credit scores and credit reports are being used more
10 often and in more contexts than ever before, including by employers, utility companies, and insurers.
11 Despite a lack of evidence showing that consumer credit history correlates to an individual's job
12 performance or likelihood to commit fraud, the number of employers relying on consumer credit
13 information to evaluate employees or potential employees has increased dramatically. The National
14 Conference for State Legislatures reports forty-six bills in 26 states and the District of Columbia
15 were introduced or pending in the 2013 legislative session relating to the use the credit information
16 in employment decisions. Out of the total 46 bills, 42 address restrictions on the use of credit
17 information in employment decisions.

1 It is the intent of *I Liheslaturan Guåhan* to limit an employer’s use of an individual’s credit
2 history *unless* a particular job or licensed activity requires such an examination prior to, or during,
3 employment.

4 **Section 2. A new (h) is added to §5201 of 22 GCA to read:**

5 “(h) For any employer to use the circumstances of an individual’s credit history as a
6 reason for denial of employment, or as a reason for termination of employment, *unless* the
7 circumstances are substantially related to the requirements of a particular job or licensed activity. An
8 employer may request a credit history background check as part of the application process where it is
9 shown to be directly related to the position sought by the applicant under at least one of the
10 following circumstances: 1) the position requires bonding or other security under state or federal law
11 for an individual holding the position; 2) the position is managerial and involves setting the direction
12 or control of the business; 3) the position meets criteria in specified federal or state administrative
13 rules to establish the circumstances when a credit history is a bona fide occupational requirement; 4)
14 the duties of the position involve access to customers’, employees’, or the employer’s personal or
15 financial information other than information customarily provided in a retail transaction; 5) the
16 duties of the position involve a fiduciary responsibility to the employer; or 6) the position includes
17 and expense account. Any employer who chooses to use an individual’s credit history as a part of the
18 hiring process, or an individual’s credit history as part of the retention process, *shall* disclose this
19 fact to the individual.”