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CONSUMER LAW  
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State PIRGs

July 7, 2009

The Honorable Steve Cohen  
1005 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Cohen:

The National Consumer Law Center (on behalf of our low-income clients), Consumer Action, and U.S. Public Interest Research Group write in support of Equal Employment for All Act. This bill will help American families struggling to find work by prohibiting the use of credit reports for employment purposes unless it is substantially job related.

An increasing number of employers have been using credit reports (specifically, consumer reports bearing on the consumer's creditworthiness, credit standing, or credit capacity) as part of their hiring process. However, unless the job position involves significant financial responsibility, the use of a credit check for employment raises the obvious problem that a person's credit history has little to do with their qualifications for a job.

Especially in this dire economy, the financial problems reflected on a negative credit report often stem from circumstances outside of the person's control, such as a layoff or medical problems. A negative credit report may also be due to inaccuracies. Studies have found that up to 70 percent of credit reports contain some kind of mistake, with about one quarter serious enough for the person to be denied credit (or employment). In addition, growing numbers of Americans have their credit reports horribly damaged from identity theft, predatory loans, or other abusive practices.

The use of credit reports for employment purposes also has a disparate impact on people of color and low-income workers. Study after study has found that these populations as a group have more impaired credit reports (as measured by lower credit scores) than the general population.

For these reasons, we support Equal Employment for All Act.

Sincerely,

Chi Chi Wu  
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National Consumer Law Center

Ruth Susswein  
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