Running a Credit Check: Personal vs. Employment

Who runs them

- Personal
- Employment

Benefits

- Personal

  An individual may choose to run a credit check on themselves to make sure their information is accurate, up-to-date, and complete. It is an important step to mitigate identity theft risk by highlighting financial information. Usually individuals are most interested in their current credit score.
- Employment

  An employer may choose to run employment credit checks to reduce the risk of negligent hiring lawsuits, theft or embezzlement. Credit checks are commonly used for candidates with large financial responsibility or senior executive positions. Usually employers are interested in a long term assessment of a candidate's credit history.

Regulation

- Personal

  An individual can access their credit information at any time.
- Employment

  An employer must follow all applicable state laws and the Fair Credit Reporting Act (FCRA), including they request a candidate's consent before running a credit check. They must also provide the candidate an opportunity to explain or dispute any information before any adverse action is taken.

Information provided

- Personal

  An individual will have access to all credit information available including their credit score. Credit scores and credit reports are not the same thing. The credit report is a detailed report of your credit activity and history. The credit score is a value derived by a credit bureau that is often used for financial loan consideration.
- Employment

  An employer will not see a candidate's credit score, bank account balances, or loan payment amounts. An employer will see credit history, past employment, insurance, and legal activity. This can include bankruptcies and missed credit payments. The FCRA and state regulations dictate how far back and what specific information an employer will see.