

HANDLING EMPLOYER CREDIT CHECKS

By Joellyn Wittenstein Schwerdlin, Certified Career Management Coach
A-1 Quality Resumes

It has become a well-known fact that many employers are conducting credit checks as a method for screening job applicants. While there's no hard proof that "a good credit rating" = "a good employee," hiring managers somehow believe that a credit report conveys a candid snapshot of person's character, based on their capability to handle fiscal responsibility. Nevertheless, many well-meaning job-seeking candidates have difficulty maintaining good credit, if they've been fired or laid off, and suffering financial hardship due to loss of income, possibly reflecting many late payments on their credit reports. Unless the information is reported in error, most derogatory entries remain on a credit record for 7-10 years.

While derogatory entries can't be easily erased, there are proactive strategies that job-seeking candidates can use on their own behalf, for damage control. According to Michael McAuliffe, President of Family Credit Counseling (Rockford, IL), recommends: "If you're job-hunting, you can take advantage of the 300-word consumer disclosure statement you are entitled to write on you credit report, kept by major reporting agencies [TransUnion; Equifax; Experian®], to explain your situation." [Quoted from the article: "Money problems enough to make you sick," Janet Kidd Steward. *The Chicago Tribune*, Section 5, February 20, 2005, p. 6]. Heidi Berardi, one of the agency's representatives, suggests how to do this:

1) Get a copy of your credit report, so that you know exactly what is in it. Depending upon what state you reside in, you can get free credit reports from all three reporting agencies once a year. Go to: <http://www.AnnualCreditReport.com> to find out when free credit reports are available in your area. Otherwise, the cost to purchase one is nominal. However, you are entitled to a free credit report, if you can show proof of unemployment or denial of employment. Under these circumstances, requesting your own credit report will not affect your credit score.

2) Prepare a cover letter, addressed to the reporting agency (the address can be found at the end of the credit report) explaining that you are providing a consumer statement that you want added to your credit report. A sample statement can read something like this: "Nine months ago I lost my job. My unemployment check barely covers necessities; consequently, I've fallen behind in some of my bills. I am working hard to correct this, by actively seeking employment, working a part-time job, and making budget cuts. Plus, I have contacted all my creditors and have been able to negotiate reduced payments and payment moratoriums. I hope to be employed full-time very soon and plan to resume regular payments on or before that time." Along with the consumer statement, note any discrepant information on your credit report that should be removed or corrected.

3) Attach the letter to a copy of your credit report and mail to the reporting agency. I would strongly recommend sending this via certified mail, with a return receipt, so you'll have a tracking number and proof of delivery. Credit reporting agencies receive volumes of mail – so you don't want to take a chance of your statement getting lost in the shuffle. Your consumer statement should be reflected on your credit report within 30 days.

Honesty is the best policy!

Be upfront with potential employers about your credit situation, if you haven't had a chance to submit your consumer statement. Doing so shows them that you are proactive, honest, and on top of your financial affairs. It is also important to note that companies cannot check your credit without your permission.

Joellyn Wittenstein Schwerdlin is a Certified Career Management Coach, Certified Job & Career Transition Coach, and Certified Professional Résumé Writer. During her 15+ years in business, she has successfully coached many senior managers and executives to fulfilling careers across multiple industries. She can be reach by phone, at 847.285.1145 and via email: Joellyn@a-1qualityresumes.com.