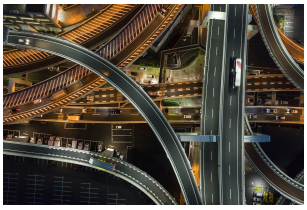

Credit Bureau Pulls in Employment: State Law Limitations and Their Effect on Motor Vehicle Records

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Effective April 18, 2026, New York State employers will be restricted from obtaining or using a "consumer credit history" for hiring and personnel decisions, just as New York City employers have been for a number of years. The state-wide changes are a result of S03072, which New York Governor Kathy Hochul signed on December 19, 2025, amending New York State's Fair Credit Reporting Act.

Under the amendment, unless the employer (or the position being filled) falls within one of a few very narrow exceptions, an employer may not obtain or use an individual's "consumer credit history." As defined, that phrase includes: (1) a consumer credit report; (2) credit score; or (3) information an employer obtains directly from the individual regarding (a) details about credit accounts, including the individual's number of credit accounts, late or missed payments, charged-off debts, items in collections, credit limit or prior credit report inquiries; or (b) bankruptcies, judgments or liens.

The amendment to the Fair Credit Reporting Act mirrors New York City's Stop Credit Discrimination in Employment Act (SCDEA) and places New York among a growing group of states and municipalities that restrict employer use of credit information. The amended statute makes New York the 11th state to enact such consumer credit-history restrictions.

See the chart below summarizing jurisdictions with laws similar to New York's statute.

States & Cities with Credit-History Restrictions

Jurisdiction	Summary of Restriction	Citation
New York (State)	Prohibits employers from requesting or using consumer credit history; effective April 18, 2026	S03072 (2025) (amends N.Y. Gen. Bus. L. §§380-a and 380-b)

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Jurisdiction	Summary of Restriction	Citation
New York City	Broad ban on use of credit history in employment; narrow exemptions	NYC SCDEA (2015) (codified in N.Y.C. Admin. Code §§ 8-102, -107(24))
California	Restricts employer use of credit reports except for specific job categories	Cal. Lab. Code §1024.5
Colorado	Limits use of consumer credit information; exemptions apply	Colo. Rev. Stat. §8 2 126
Connecticut	Restricts use of credit reports unless job meets exemption	Conn. Gen. Stat. §31 51tt
Hawaii	Prohibits most employer credit checks	Haw. Rev. Stat. §378 2.7
Illinois	Restricts use of credit history; exemptions for certain roles	820 ILCS 70
Maryland	Limits employer use of credit reports	Md. Code, Lab. & Empl. §3 711
Nevada	Prohibits use of credit reports for most employment decisions	Nev. Rev. Stat. §613.570
Oregon	Restricts employer use of credit history	Or. Rev. Stat. §659A.320
Vermont	Limits use of credit information	21 V.S.A. §495i
Washington	Restricts use of credit reports unless substantially job related	Wash. Rev. Code §19.182.020
District of Columbia	Broad ban on credit checks	DC Code §2 1402.11
Chicago, IL	Local ordinance restricting credit checks	Chicago Mun. Code §6-10-053

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Jurisdiction	Summary of Restriction	Citation
Cook County, IL	County level restrictions	Cook County Human Rights Ord.
Madison, WI	Local ban on credit checks	Madison Gen. Ord. §39.03
Philadelphia, PA	Prohibits most employer credit checks	Phila. Code §9 1106

NY Law's Impact on MVR Pulls and the FCRA

Although New York State's newly amended statute limits the use of "consumer credit history" in employment decisions it will not affect a commercial motor carrier's ability to pull and use motor vehicle records (MVRs) to assess job applicants at hiring and periodically thereafter.

Because MVRs are not credit reports, the statutory amendment will not apply directly to MVRs. Moreover, federal laws—specifically those enforced by the Federal Motor Carrier Safety Administration (FMCSA)—require carriers to obtain an MVR when a driver is hired, to pull an updated MVR every 12 months thereafter, and to maintain these records in the Driver Qualification File (DQF) in accordance with 49 CFR 391.51. Because these obligations are tied directly to federal safety compliance and monitoring of commercial drivers, New York's new credit history restrictions could not interfere with a carrier's ability to meet FMCSA requirements.

However, MVRs remain "consumer reports" under the federal Fair Credit Reporting Act (FCRA) at 15 U.S.C. § 1681a(d)(1). The FCRA defines "consumer report" broadly to include any background information provided by a consumer reporting agency that bears on a person's character, general reputation, personal characteristics, or mode of living—criteria that clearly encompass a driver's safety record, violations, suspensions, and accident history. Because employers typically obtain MVRs through third-party background screening companies that qualify as consumer reporting agencies, any MVR used for hiring or employment decisions triggers full FCRA compliance, including stand-alone disclosures, written authorization, permissible-purpose certification, and adverse-action procedures.

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So, while New York's new law does not impede a carrier's ability to pull MVRs, commercial carriers must continue treating MVRs as consumer reports under federal law. Moreover, New York City employers must also comply with the timing requirements of NYC's Fair Chance Act, separating review of credit reports (if permitted) and other non-criminal background check information from criminal background checks. NYC's Fair Chance Act guidance states that employers should consider all non-criminal background check information prior to a conditional offer being extended, providing that: "Because it is often impracticable to separate criminal and non-criminal information contained in a driving abstract, employers must not review driving abstracts until after a conditional offer has been extended."

Best Practices to Avoid Violations

1. Make it clear you do NOT obtain consumer credit reports.

Communicate in your hiring materials, consent forms, and policies that your company does **not** request or use consumer credit reports for any employment decision, unless the employer (or the position being filled) falls within a legal exception. This avoids confusion in jurisdictions where credit checks are restricted or prohibited.

2. Avoid using credit history, credit scores, or financial account data in any employment decision.

Ensure human resources, recruiting teams, and others understand that **credit-related information is off-limits** unless a legal exemption under the state or local law applies. This includes credit scores, debt information, bankruptcies, or any financial account details.

3. Obtain authorization forms and indicate authorization ONLY applies to MVRs.

Create and use a disclosure that informs the applicant of the information that will or will not be used for employment purposes,

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and make sure it contains an authorization/consent to use the information. Your disclosure and authorization/consent language should explicitly state that it covers **MVRs only**, not credit reports. This distinction is essential in states and cities with strict credit check bans.

4. Emphasize that MVR checks are required under federal FMCSA regulations.

Make sure applicants understand that MVRs are pulled **because federal law requires them**, not because the company is evaluating the applicant's financial background. Ensuring that applicants understand the reason for using MVRs helps avoid misunderstandings and reinforces adherence with state and federal laws.

5. Reassure applicants that no credit-related information will be requested, reviewed, or considered.

In materials, state plainly that your company does **not** seek nor evaluate any credit-related information at any stage of the hiring or employment process, unless same is permitted under the applicable law. This protects your company in jurisdictions where even *requesting* credit information is prohibited.

6. Audit your background screening vendor regularly.

Confirm that vendors who conduct background screening on applicants do not supply credit history for New York applicants unless permitted; that their MVR retrieval and reporting process remains fully FCRA-compliant; and that they understand and are prepared for New York State's effective date (**April 18, 2026**) for the new credit-history restrictions. If applicable, confirm that vendors comply with the staged background check process for New York City employers and employees. Finally, conduct periodic reviews of your background screening provider to ensure they are aligned with both federal and state requirements. These practices could protect your company from inadvertent violations and help you maintain a legally sound hiring process.

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Key Takeaways

New York State's new law adds another layer of complexity to the patchwork of state and local credit-history restrictions. Fortunately for commercial carriers, the use of MVRs remains permissible in New York because they are not considered "consumer credit history" under the new statute. However, federal FCRA rules still apply, meaning carriers must continue treating MVRs as consumer reports and follow all associated disclosure, authorization, and adverse-action requirements.

By updating authorizations and consents to pull MVR forms, training staff, and maintaining strict FCRA compliance, commercial carriers can continue their essential safety-driven MVR screening practices while staying fully compliant with both state and federal law.

If your organization has questions about how New York's amended statute interacts with FMCSA requirements, the federal FCRA, or the growing patchwork of state and local credit-history restrictions, FBT Gibbons is ready to help. We regularly advise motor carriers, logistics companies, and transportation employers on compliance strategies, policy updates, background-screening practices, and risk mitigation in this evolving area of law.

Readers are encouraged to contact the authors for guidance tailored to their operations, assistance updating disclosure and authorization forms, or support in developing compliant, multi-state hiring and safety programs.

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