

New Law Limits Employer Use of Credit Information

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On October 8, 2019 Governor Wanda Vázquez Garced signed Act 150-2019, a law that now limits employer use of credit information in recruitment and any other employment practices.

Act 150-2019 prohibits employers or potential employers from: (i) denying or depriving an individual from receiving benefits or compensation, refusing to hire, to promote, or discriminating against an employee or job applicant based upon a credit history or report; (ii) verifying or investigating the credit history of an employee or job applicant; or (iii) requesting or obtaining from a credit agency a credit report of an employee or job applicant.

Certain positions, outlined in the law, are exempt from this statutory prohibition on credit checks. Notwithstanding, the employer may obtain a credit report from employees or job applicants for the exempt positions if the employee or job applicant provides his/her written consent. Violations of the statute are punishable by monetary fines.

Puerto Rico employers should revise their hiring procedures and their credit and background check policies to comply with this new law.

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