

# HABITAT FOR HUMANITY OF CATAWBA VALLEY

## CRIMINAL BACKGROUND CHECK POLICY

### 1.0 PURPOSE

As a ministry, Habitat for Humanity of Catawba Valley (HFHCV) values the safety of children, our employees, volunteers and the families we serve. HFHCV also wishes to ensure that its operations are free from money laundering, terrorist financing, and fraud concerns. We want to take prudent measures to protect our human and material resources.

### 2.0 POLICY

HFHCV requires that the following criminal background checks, sex offender registry checks, OFAC Sanction List searches, and fraud concern searches be conducted for all potential homebuyers, employees, board members, and key volunteers. In particular, HFHCV will require these checks for those who may have unsupervised contact with a child, the elderly, or persons with disabilities. Additionally, employees working in loan origination will be required to pass further screenings as required by HFHI, the NC Safe Act, and the Truth in Lending Act. HFHCV reserves the right to recheck criminal backgrounds at any time during the home buying process, or course of employment and/or service.

#### **Potential Homebuyers:**

- Sex Offender registry;
- Criminal background check;
- OFAC Sanction List check

#### **Board Members**

- Sex Offender registry;
- Criminal background check;
- OFAC Sanction List check

**Employees:** Defined as anyone receiving direct compensation from HFHCV, regardless of their classification (full time, part time, temporary). Independent contractors will not be counted as employees for the purposes of this document.

- Sex Offender registry;
- Criminal background check;
- OFAC Sanction List check;
- Drivers record check for those individuals who will drive company owned vehicles as part of their employment

**Key Volunteers:** Individuals involved in making financial recommendations or decisions for the affiliate. Volunteers who may have individual contact with vulnerable populations such as children, elderly, or persons with disabilities.

- Sex Offender registry;
- Criminal background check;
- OFAC Sanction List check

Individuals who regularly volunteer once per week or average sixteen (16) hours total per month.

- Sex Offender registry

**Loan Origination Employees:** Also known as Qualified Loan Originators (QLOs).

Defined as someone who, in expectation of direct compensation or other monetary gain, performs any of the following activities: takes an application, offers, arranges, assists a consumer in obtaining or applying to obtain, negotiates, or otherwise obtains or makes an extension of consumer credit for another person. It does not include someone who carries out purely administrative or clerical tasks in the performance of these activities. The QLO Policy will dictate which checks are conducted on these employees. The checks will include but are not limited to:

- A criminal background check, including a sex offender registry check and OFAC Sanction list search;
- A credit report; and
- From the loan originator themselves, information related to any administrative, civil or criminal determinations by any government jurisdiction.

Any person who does not consent to a criminal background check will not be permitted to become a homebuyer, work, and/or volunteer with HFHCV.

## 2.1 DISQUALIFICATION CRITERIA

A previous conviction may disqualify an applicant from homeownership, employment, or volunteer service with HFHCV. However, in accordance with federal and state laws, a previous conviction is not an absolute bar to homeownership or employment, and it is not the mere fact of conviction that matters. In determining eligibility, HFHCV, in its sole discretion may consider several factors, including, without limitation, the:

- nature, duties and responsibilities of the position;
- nature of the conviction and whether children were involved;
- time elapsed since the offense; extent to which the offense may affect the person's fitness or ability to perform the duties or responsibilities of the position;
- age of the candidate when the illegal activity occurred;

- number of convictions (if more than one);
- any information produced by the person or produced on the person’s behalf demonstrating rehabilitation and good conduct;
- whether hiring, transferring, promoting or partnering with the applicant, and/or candidate would pose a risk to the organization;
- whether the state’s public policy encourages employment of persons who have been convicted of crimes;
- whether the state’s public policy encourages homeownership of persons who have been convicted of crimes;
- the nature of the build, e.g., proximity of houses, mixed use communities, etc.; and/or
- any other factor the affiliate deems relevant to the decision.

Any individual found on the OFAC Sanction List will be disqualified from any involvement with HFHCV. No exception to this policy is allowed.

## 2.2 EXAMPLES OF DISQUALIFICATION WARRANTED

If a person withholds information or falsifies information pertaining to previous convictions, the person may be disqualified from further consideration.

The following list provides some examples in which HFHCV may, in its sole discretion, determine an individual to be ineligible for homeownership, employment and/or service:

- embezzlement or fraud conviction of a **Development** Director applicant;
- stalking conviction against a supervisory candidate or candidate with access to personal information such as an Executive Director or Human Resources personnel;
- murder and/or assault conviction against a candidate with access to dangerous instruments, i.e., construction manager; and/or
- burglary conviction of a **potential homebuyer**.

This list is not exhaustive and is for illustrative purposes only. HFHCV reserves the right to weigh disqualification criteria on a case-by-case basis and to make selection decisions at its sole discretion. Disqualification may extend to any **potential homebuyer or household member** and to any position with HFHCV and associated entities.

## 2.3 EMPLOYMENT OFFER CONTINGENT ON CRIMINAL BACKGROUND CHECK

In the employment context, HFHCV may extend an offer of employment to an applicant that is contingent on the completion of the criminal background check. However, the applicant may not start work before the criminal background check and the final employment and/or service eligibility decision has been made by HFHCV personnel or Board of Directors.

## 3.0 PROCEDURE

HFHCV will make good faith efforts to comply with the following procedures when conducting criminal background checks **for employment, volunteer, or potential homebuyer purposes**:

- check all states in which the person has resided for the last ten (10) years;

- ensure all recruitment information, **open employment announcements** and job descriptions state the position requires a criminal background check;
- seek prior written approval in accordance with applicable laws, and in particular where third party vendors are retained, to conduct criminal background checks;
- initiate criminal background checks prior to the hire **of individuals**. Additionally, a **criminal background check and OFAC Sanction List search will be reinitiated prior to the transfer, promotion, or reassignment of individuals to a position with increased fiscal responsibility to the affiliate**, including reclassification;
- notify the individual under consideration that an offer for any personnel action (employment, transfer, promotion, or reassignment of individuals, including reclassification, or change of duties) or **homebuyer** status is conditioned on successful completion of the criminal background check, and that falsification of information submitted may be cause for corrective action, up to and including dismissal and/or elimination from the homeownership program;
- review criminal background checks that reveal convictions and determine within a reasonable time whether such convictions disqualify individuals from positions and/or **homebuyer status**;
- provide an opportunity for applicant to contest the accuracy of the information when a background check results in information which will cause HFHCV to decline to hire, promote or determine eligibility for homeownership. In cases where HFHCV contacts the references directly, there is no obligation to reveal either the information leading to the decision or its source. HFHCV is not obligated to wait for applicant to contest results;
- limit the people who see the criminal background check to those who need to know.

#### **4.0 DENIAL OF APPLICATIONS, TERMINATION OR REASSIGNMENT**

Based on any or all of the criteria outlined in this policy, HFHCV may, in its sole discretion, decide that a **potential homebuyer** will be denied homeownership, an employee will be terminated, a volunteer will be dismissed or an applicant will not be hired. In the employment or volunteer context, HFHCV, in its sole discretion, may also choose to reassign a former convict to a job involving less exposure to risk. In doing so, HFHCV may in its sole discretion, consider:

- type and location of the job – whether it would give the offender access to potential victims;
- the types of co-workers and subordinates in the workplace;
- whether the job would involve travel;
- work hours;
- degree of supervision; and/or
- amount of access to technology, i.e., the Internet.

## GLOSSARY

AML	Anti-Money Laundering
BSA	Bank Secrecy Act
CIP	Customer Identification Program
EFT	Electronic Funds Transfer
FACTA	Fair and Accurate Credit Transactions Act
FinCEN	Financial Crimes Enforcement Network (U.S. Treasury Dept.)
FFIEC	Federal Financial Institutions Examination Council
FTC	Federal Trade Commission
HIDTA	High Intensity Drug Trafficking Area
HIFCA	High Intensity Financial Crimes Area
NCDOR	North Carolina Department of Revenue
NCHFA	North Carolina Housing Finance Agency
OECD	Organization for Economic Cooperation and Development
OFAC	Office of Foreign Assets Control (U.S. Treasury Dept.)
QLO	Qualified Loan Originator
RMLO	Residential Mortgage Lenders and Originators
SAR	Suspicious Activity Report
SDN	Specifically Designated Nationals and Blocked Persons List