

<b>The Use of Credit Information in Employment Screening by State<sup>1</sup></b>				
<i>State</i>	<i>Prohibition</i>	<i>Exceptions</i>	<i>Penalties</i>	<i>Status</i>
Alabama	No pending/passed legislation.	N/A	N/A	N/A
Alaska	No pending/passed legislation.	N/A	N/A	N/A
Arizona	No pending/passed legislation.	N/A	N/A	N/A
Arkansas	No pending/passed legislation.	N/A	N/A	N/A
<b>California</b>	An employer or prospective employer shall not use a consumer credit report for employment purposes, unless an exception is present.	The prohibition does not apply if the position is a managerial position, a position for which the information contained in the report is required by law to be disclosed or obtained, certain access to bank or credit card information, social security number, and date of birth of any one person, authority to transfer money or enter into financial contracts, access to confidential or	Not specified.	Law <sup>2</sup>

<sup>1</sup> This chart includes recently passed and pending legislation regarding the use of credit information for employment purposes. As of the date of this publication, only 10 states have passed such legislation, indicated in bold in this chart and listed as “Law” in the status column. Many other states have considered similar legislation, listed as “Pending,” in the status column. Pending legislation is included to illustrate legislation a state may have considered, but until passed by the legislature, these bills may be amended or additional bills may be introduced. This chart provides a brief summary of the prohibitions, exceptions, and penalties in each state’s legislation, but does not provide a comprehensive review due to space limitations. Certain terms in this chart, such as “employer,” “financial institution,” and “managerial position,” have specific definitions that may vary state to state. Employers should carefully review these laws before considering the use of credit information in employment screening to ensure compliance. Employers should also review state-specific Fair Credit Reporting Act statutes, as some states require action in addition to the federal requirements at 15 U.S.C. § 1681 *et seq.*

<sup>2</sup> CAL. LAB. CODE § 1024.5.

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		proprietary information, or regular access to cash totaling \$10,000 or more of the employer, a customer, or client. Does not apply to companies subject to the Gramm-Leach-Bliley Act if the company is subject to compliance oversight by a state or federal regulatory agency.		
<b>Colorado</b>	An employer shall not use consumer credit information for employment purposes. If an employer relies on consumer credit information, employer must disclose this fact to the applicant or employee.	<p>The prohibition does not apply if: (1) the employer is a bank or financial institution; (2) the report is required by law; or (3) the credit information is substantially related to the employee's current job or a potential job and the employer provides a written disclosure to the employee explaining its <i>bona fide</i> purpose for requesting or using the information in the credit report.</p> <p>If an employer relies on consumer credit information to take adverse action, the employer must disclose this fact and the particular information relied upon to the employee or applicant.</p>	Civil penalties awarded to a prevailing party by the Division of Labor not to exceed \$2,500	Law <sup>3</sup>

<sup>3</sup> COL. REV. STAT. ANN. 8-2-126.

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		<p>“Substantially related” means the information contained in the credit report is related to the position for which the employee is being evaluated because the position:</p> <ol style="list-style-type: none"> <li>1. Constitutes executive or management personnel or officers or employees who constitute professional staff to executive and management personnel, and the position involves one or more of the following: (a) setting the direction or control of a business, division, unit, or agency of a business; (b) a fiduciary responsibility to the employer; (c) access to customer, employee, or the employer’s personal or financial information, other than information customarily provided in a retail transaction; (d) the authority to issue payments, collect debts, or enter contracts; or</li> <li>2. Involves contracts with defense, intelligence, national security, or</li> </ol>		

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		space agencies of the federal government.		
<b>Connecticut</b>	An employer may not require an employee or applicant to consent to a request for a credit report as a condition of employment.	The prohibition does not apply to financial institutions, if the report is required by law, if the employer reasonably believes that the employee has engaged in specific activity that constitutes a violation of the law related to the employee's employment, or if the report is substantially related to the job or the employer has a <i>bona fide</i> purpose for requesting or using information in the credit report that is substantially job-related and is disclosed in writing to the employee or applicant. Jobs for which a credit report is substantially related include managerial jobs, jobs with access to personal or financial information not customarily provided in a retail transaction, jobs with fiduciary responsibility, jobs with an expense account or corporate credit card, access to confidential or proprietary information, or access to nonfinancial assets valued at \$2,005 or more.	\$300 penalty for each violation.	Law <sup>4</sup>

<sup>4</sup> CONN. GEN. STAT. § 31-51tt.

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<b>Delaware</b>	A public employer may not inquire into the credit history or credit score of an applicant in the initial stages of the application up to and including the first interview	A public employer may inquire into or consider an applicant's credit history or credit score after it has been determined the applicant is otherwise qualified and the applicant has completed the first interview.	Not specified	Law <sup>5</sup>
District of Columbia	An employer may not make an inquiry about or require an applicant to disclose or reveal his or her credit history.	The prohibition does not apply where a federal or District law or regulation requires the consideration of an applicant's credit history for the purposes of employment.  After extending a conditional offer of employment, an employer may only withdraw the offer to an applicant or take adverse action against an applicant for a legitimate business reason.	A fine of up to \$ 1,000 for employers that employ 11 to 30 employees; a fine of up to \$ 2,500 for employers that employ 31 to 99 employees; or a fine of up to \$ 5,000 for employers that employ 100 or more employees.	Pending <sup>6</sup>
Florida	No pending/passed legislation.	N/A	N/A	N/A

<sup>5</sup> DEL. CODE §711(g) (Effective Nov. 4, 2014).

<sup>6</sup> B21-0244 (2015).

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Georgia	No employer may (1) request or require that an employee or prospective employee consent to or provide the results of a credit check as a condition of employment; (2) obtain a credit check or cause a credit check to be obtained that pertains to an employee or prospective employee; or (3) fail or refuse to hire, bar, discharge from employment, or otherwise discriminate against an employee or prospective employee because of information contained in a credit check unless the information contained in such credit check is a bona fide occupational qualification or such credit check is otherwise required by law.	<p>The prohibition does not apply if the information in the credit history or credit report directly relates to a <i>bona fide</i> occupational qualification or if the credit report is required by law.</p> <p>The prohibition also does not apply to: (1) employers which are federally insured banks or credit unions; or (2) employers which are required by state or federal law to use individual credit history for employment purposes.</p>	<p>First offense is a misdemeanor punishable by a fine between \$500–\$1000. Subsequent offenses are misdemeanors of a high and aggravated nature punishable by a fine between \$1000–\$2500. Employer may also be subject to damages, injunctive relief, and reasonable attorney’s fees and court costs.</p>	Pending <sup>7</sup>
Hawaii	It shall be an unlawful	Inquiry into and consideration of a	Affirmative	Law <sup>8</sup>

<sup>7</sup> H.B. 163 (2015).

<sup>8</sup> HAW. REV. STAT. § 378-2(8), 378-2.7.

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	discriminatory practice for any employer to refuse to hire or employ or to bar or discharge from employment, or otherwise to discriminate against any individual in compensation, terms, conditions, or privileges of employment because of the individual's credit history or credit report.	prospective employee's credit history or credit report may take place only after the prospective employee has received a conditional offer of employment, which may be withdrawn if information in the credit history or credit report is directly related to a <i>bona fide</i> occupational qualification. This prohibition does not apply if the employer is expressly permitted or required to inquire into an individual's credit history for employment purposes pursuant to federal or state law, or to managerial or supervisory employees, or certain financial institutions.	action, including, but not limited to, hiring, reinstatement, or upgrading of employees with or without backpay, and costs, including attorney's fees.	
Idaho	No pending/passed legislation.	N/A	N/A	N/A
Illinois	An employer shall not: fail or refuse to hire or recruit, discharge, or otherwise discriminate against an individual with respect to employment, compensation, or a term, condition, or privilege of employment because of the	The prohibition does not apply if satisfactory credit history is a <i>bona fide</i> occupational requirement of a particular position, which requires that one of the following circumstances is present: state or federal law requires bonding or other security covering an individual holding the position, the duties of the position include	Injunctive relief, damages, or both, including costs and attorney's fees to prevailing plaintiff.	Law <sup>9</sup>

<sup>9</sup> 820 ILL. COMP. STAT. § 70/1 *et seq.*

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	individual's credit history or credit report; inquire about an applicant's or employee's credit history; or order or obtain an applicant's or employee's credit report from a consumer reporting agency. The law also prohibits retaliation for filing a complaint, supporting an investigation, or opposing a violation under the Act.	custody of or unsupervised access to cash or marketable assets valued at \$2,500 or more, the duties of the position include signatory power over business assets of \$100 or more per transaction, the position is a managerial position which involves setting the direction or control of the business, the position involves access to personal or confidential information, trade secrets, or State or national security information, the position meets criteria established by the U.S. Department of Labor of the Illinois Department of Labor, or the employee's or applicant's credit history is otherwise required by or exempt under federal or State law.		
Indiana	No pending/passed legislation.	N/A	N/A	N/A
Iowa	No pending/passed legislation.	N/A	N/A	N/A
Kansas	No pending/passed legislation.	N/A	N/A	N/A
Kentucky	No pending/passed legislation.	N/A	N/A	N/A
Louisiana	No pending/passed legislation.	N/A	N/A	N/A
Maine	No pending/passed legislation.	N/A	N/A	N/A

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<b>Maryland</b>	An employer may not use an applicant's or employee's credit report or credit history in determining whether to deny employment to the applicant, discharge the employee, or determine compensation or the terms, conditions, or privileges of employment.	The prohibition does not apply to an employer that is required under federal or state law to inquire into an applicant's or employee's credit report or credit history, certain financial institutions, credit unions, and investment advisors. Additionally, the prohibition does not apply if the employer has a <i>bona fide</i> purpose for requesting or using the information that is substantially job-related and disclosed in writing to the applicant or employee. Examples of this type of position include managerial positions, positions with access to personal information not customarily provided in a retail transaction, positions with fiduciary responsibility, positions with an expense account or corporate credit card, or positions with access to confidential or proprietary information.	Up to \$500 for an initial violation; up to \$2,500 for a repeat violation.	Law <sup>10</sup>
Massachusetts	No person, including an employer, prospective employer, employment agency,	This prohibition shall not apply if an employer is required by federal or state law to use a consumer report for employment	None specified.	Pending <sup>11</sup>

<sup>10</sup> MD. CODE ANN., LAB. & EMPL. § 3-711.

<sup>11</sup> H.B. 1736 (2015); S.B. 123 (2015).

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	employment screener or licensing agency, shall (1) use a consumer report in connection with or as a criterion for an employment purpose, including decisions related to hiring, termination, promotion, demotion, discipline, compensation, or the terms, conditions or privileges of employment; (2) request or procure a consumer report for the purposes described in clause (1); (3) ask an employee or applicant about his or her consumer report or about any information contained therein regarding credit worthiness, credit standing or credit capacity. The bill also prohibits retaliation.	purposes. If an employer obtains, uses, or seeks to obtain a consumer report pursuant to federal or state law, the employer shall (1) obtain the employee's or applicant's written consent, in a document consisting solely of the consent, each time the employer seeks to obtain the employee's or applicant's consumer report; (2) disclose in writing to the employee or applicant the employer's reasons for accessing the consumer report, and if the employer intends to take an adverse employment action in whole or in part based on the report, disclose the reasons for the action, including which information in the report the employer is basing the decision on, in writing at least 14 days prior to taking the action, along with a copy of the report and the notice of consumer rights required by section 1681G(c)(1) of chapter 15 of the United States Code. The employer shall provide the employee or applicant, in a private discussion, the opportunity to dispute the relevance of the information upon which the employer based the adverse employment		

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		action, and shall consider any such dispute before making a final decision; (3) if the employee or applicant provides oral or written notice to the employer during the 14 day period set forth in subparagraph (2) that he or she has disputed the accuracy of the consumer report with a consumer reporting agency, the employer shall not take an adverse employment action until the resolution of the dispute under section 58 of this chapter or Section 1681i(a) of chapter 15 of the United States Code, and shall consider the results of any such resolution; (4) ensure that none of the costs associated with obtaining a consumer report are paid by or passed on to the employee or applicant.		
Michigan	An employer shall not fail or refuse to hire or to recruit an individual for employment because of the individual's credit history or inquire about a job applicant's or potential job applicant's credit history. The	The prohibition does not apply if a good credit history is an established <i>bona fide</i> occupational requirement for the position, including an employee of certain financial institutions, credit unions, casino, or an employee of an insurer if the employee is working in a fiduciary capacity.	Injunctive relief, damages, or both, including costs and attorney's fees for prevailing plaintiff.	Pending <sup>12</sup>

<sup>12</sup> H.B. 4652 (2015).

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	bill also prohibits retaliation.			
Minnesota	No pending/passed legislation.	N/A	N/A	N/A
Mississippi	No pending/passed legislation.	N/A	N/A	N/A
Missouri	An employer shall not require an employee or prospective employee to consent to a request for a credit report that contains information about the employee's or prospective employee's credit score, credit account balances, payment history, savings or checking account balances, or savings or checking account numbers as a condition of employment.	The prohibition does not apply if the employer is a financial institution, or the report is required by law.	Not specified.	Pending <sup>13</sup>
Montana	No pending/passed legislation.	N/A	N/A	N/A
Nebraska	No pending/passed legislation.	N/A	N/A	N/A
<b>Nevada</b>	Employers may not (a) directly or indirectly require, request, suggest or cause any employee or prospective	This prohibition does not apply if: (1) the employer is required or authorized by law to use a credit report; (2) the employer reasonably believes the employee or	Liability is imposed for any legal and equitable relief	Law <sup>14</sup>

<sup>13</sup> H.B. 105 (2015).

<sup>14</sup> NEV. REV. STAT. §613.520 *et seq.* (2013)

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	employee to submit a consumer credit report or other credit information as a condition of employment; (b) use, accept, refer to or inquire concerning a consumer credit report or credit information; (c) discharge, discipline, or discriminate against any individual who refuses or declines to submit a credit report; or retaliate against any individual who files a complaint or exercises his/her rights under this statute	<p>applicant engaged in activity violating law; or (3) the information contained in the report is reasonably related to the position which the employee or prospective employee is being evaluated for; the information in a credit report is deemed reasonably related if the duties of the position involve:</p> <ol style="list-style-type: none"> <li>1. The care, custody and handling of, or responsibility for, money, financial assets, corporate credit/debit cards, or other assets;</li> <li>2. Access to trade secrets or other proprietary or confidential information;</li> <li>3. The direct exercise of law enforcement authority as an employee of a state or local law enforcement agency;</li> <li>4. The care, custody, and handling of, or responsibility for, the personal information of another;</li> <li>5. Access to the personal financial information of another person;</li> <li>6. Employment with a financial</li> </ol>	as deemed appropriate also an administrative penalty of no more than \$9,000 for each violation may be imposed	

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		institution that is chartered under state or federal law; 7. Employment with a licensed gambling establishment		
New Hampshire	No pending/passed legislation.	N/A	N/A	N/A
New Jersey	No employer may require a current or prospective employee to provide consent to the creation of a credit report that contains information about the current or prospective employee's credit score, credit account balances, payment history, savings or checking account balances, or savings or checking account numbers.	The prohibition does not apply if the employer is required by law to obtain a credit report, or the employer reasonably believes that the employee has engaged in specific activity that is financial in nature and constitutes a violation of the law. Additionally, the prohibition does not apply if credit history is a <i>bona fide</i> occupational qualification of a position, including a position that: is a managerial position; involves access to financial information not customarily provided in a retail transaction; involves a fiduciary responsibility to the employer; provides an expense account for travel; or is a law enforcement officer.	Injunctive relief, damages, or both, including costs and attorney's fees, and additional civil penalties.	Pending <sup>15</sup>
New Mexico	An employer shall not fail or	The prohibition does not apply if good credit	Injunctive relief	Pending <sup>16</sup>

<sup>15</sup> S.B. 524 (2014).

<sup>16</sup> S.B. 145 (2015).

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	refuse to recruit, or interview a prospective employee with respect to employment based on that person's credit information.	information is an established <i>bona fide</i> occupational requirement of a particular position. Information is not a <i>bona fide</i> occupational requirement unless the position: requires Federal Deposit Insurance Corporation clearance; is at a financial service institution; requires United States security clearance; or requires a fiduciary responsibility to the employer, including the authority to issue payments, collect debts, transfer money, or enter contracts.	or damages or both	
New York	No employer, employment agency, licensing agency or agent shall use information in a consumer credit report of a job applicant or employee in connection with or as a criterion for employment decisions related to hiring, termination, promotion, demotion, discipline, compensation, or the terms, conditions or privileges of employment. No employer shall	The prohibition does not apply if the employer is required by state or federal law to consider an applicant's financial responsibility or status.	Injunctive relief, the actual damages or \$3,500 (whichever is greater), or both, including costs and attorney's fees, and additional civil penalties up to \$2,000 for each	Pending <sup>17</sup>

<sup>17</sup> A.B. 2372 (2015).

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	request the job applicant's or employee's credit history for such purpose, nor refuse to hire a job applicant on the ground that he/she refuses to give consent for the employer to obtain a credit report.		violation.  If the court finds the employer willfully or knowingly violated this law, it may increase the damages award to an amount not to exceed three times the actual damages, up to \$10,000.	
North Carolina	No employer shall refuse to hire, discharge from employment, or discriminate against an individual in compensation or the terms, conditions, and privileges of employment because of the individual's credit history or	The prohibition does not apply if: (1) the information in the individual's credit history or credit report directly relates to a <i>bona fide</i> occupational qualification; (2) the employer is expressly permitted by state or federal law to inquire into an individual's credit history for employment purposes; or (3) the	None specified	Pending <sup>18</sup>

<sup>18</sup> S.B. 502 (2015)

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<b>The Use of Credit Information in Employment Screening by State<sup>1</sup></b>				
<i>State</i>	<i>Prohibition</i>	<i>Exceptions</i>	<i>Penalties</i>	<i>Status</i>
	credit report.	<p>employer is a financial institution in which deposits are insured by a federal agency having jurisdiction over the financial institution.</p> <p>The inquiry into and consideration of a prospective employee's credit history or credit report may take place lawfully only after the prospective employee has received a conditional offer of employment.</p>		
North Dakota	No pending/passed legislation.	N/A	N/A	N/A
Ohio	Amends Ohio's Civil Rights Law; It is considered a discriminatory practice to use a person's credit rating or score or consumer credit history as a factor in making decisions regarding that person's employment	N/A	None specified	Pending <sup>19</sup>
Oklahoma	No pending/passed legislation.	N/A	N/A	N/A
<b>Oregon</b>	It is an unlawful employment practice for an employer to	The prohibition does not apply to: employers that are federally insured banks	Injunctive relief, damages, or	Law <sup>20</sup>

<sup>19</sup> S.B. 65 (2015).

<sup>20</sup> OR. REV. STAT. § 659A.320.

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	obtain or use for employment purposes information contained in the credit history of an applicant for employment or an employee, or to refuse to hire, discharge, demote, suspend, retaliate or otherwise discriminate against an applicant or an employee with regard to promotion, compensation, or the terms, conditions or privileges of employment based on information in the credit history of the applicant or employee.	or credit unions; employers that are required by state or federal law to use individual credit history for employment purposes; public safety officers; or positions for which the information is substantially job-related and the employer's reasons for the use of such information are disclosed to the employee or prospective employee in writing.	both, including costs and attorney's fees to prevailing party.	
Pennsylvania	No employer or potential employers shall procure a consumer report or investigative consumer report, or cause either to be procured, for purposes of employment or making an adverse employment action if any information contained in the report bears on the employee's or	The prohibition does not apply if the information is required by law or if the consumer applies for or currently holds (1) employment that requires national security, Commonwealth security, or FDIC clearance; (2) employment with the Commonwealth or a local government agency that requires the use of a consumer report; (3) a supervisory, managerial, professional or executive	Subject to enforcement and penalties under the Pennsylvania Human Relations Act	Pending <sup>21</sup>

<sup>21</sup> SB. 46 (2015).

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<i>State</i>	<i>Prohibition</i>	<i>Exceptions</i>	<i>Penalties</i>	<i>Status</i>
	potential employee's credit worthiness, credit standing, or credit capacity	position at a financial institution.		
Rhode Island	No pending/passed legislation.	N/A	N/A	N/A
South Carolina	No pending/passed legislation.	N/A	N/A	N/A
South Dakota	No pending/passed legislation.	N/A	N/A	N/A
Tennessee	No pending/passed legislation.	N/A	N/A	N/A
Texas	An employer may not consider the credit report or credit information of an applicant who is a "recently returned veteran." A "recently returned veteran" means a veteran who was honorably discharged within two years of the date of an employment application.	N/A	Not specified.	Pending <sup>22</sup>
Utah	No pending/passed legislation.	N/A	N/A	N/A
<b>Vermont</b>	An employer shall not: fail or refuse to hire or recruit,	The prohibition does not apply if: the information is required by state or federal	Injunctive relief, damages, or	Law <sup>23</sup>

<sup>22</sup> H.B. 1515 (2015)

<sup>23</sup> VT. STAT. ANN. Tit. 21 § 495i.

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	discharge, or otherwise discriminate against an individual with respect to employment, compensation, or a term, condition, or privilege of employment because of the individual's credit report or credit history; or inquire about an applicant or employee's credit report or credit history. The law also protects employees or applicants from retaliation.	law or regulation; the position of employment involves access to confidential financial information; the employer is a certain financial institution or credit union; the position is that of law enforcement officer, emergency medical personnel, or firefighter; the position requires a financial fiduciary responsibility; the employer can demonstrate that the information is a valid and reliable predictor of employee performance in the specific position of employment; or the position of employment involves access to an employer's payroll information. Even if the prohibition does not apply, an employer may not use the information as the sole factor in decisions regarding employment, compensation, or a term, condition, or privilege of employment. An employer seeking to obtain or act upon an employee's or applicant's credit report or credit history shall: obtain the employee's or applicant's written consent each time the employer seeks to obtain the employee's or applicant's credit report; disclose in writing	both, including costs and attorney's fees.	

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		to the employee or applicant the employer's reasons for accessing the credit report; ensure that none of the costs associated with obtaining an employee's or applicant's credit report or credit history are passed on to the employee or applicant; and ensure that the information is kept confidential.		
Virginia	No pending/passed legislation.	N/A	N/A	N/A
<b>Washington</b>	A person may not procure a consumer report for employment purposes where any information contained in the report bears on the consumer's creditworthiness, credit standing, or credit capacity.	The prohibition does not apply if the information is substantially job related and the employer's reasons for the use of such information are disclosed to the consumer in writing, or required by law.	Knowing and willfully obtaining information under false pretenses is subject to a fine of up to \$5,000 or imprisonment for up to one year, or both.	Law <sup>24</sup>
West Virginia	No pending/passed legislation.	N/A	N/A	N/A
Wisconsin	No pending/passed legislation.	N/A	N/A	N/A
Wyoming	No pending/passed legislation.	N/A	N/A	N/A

<sup>24</sup> WASH. REV. CODE § 19.182.020.

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