

New York Expands Protections Against Credit-Based Employment Discrimination

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Pursuant to changes signed into law by Governor Hochul on December 19, 2025, employers in New York state will no longer be able to use an applicant's or employee's personal credit history when making employment decisions, with limited exceptions.

The amendments to the New York State Fair Credit Reporting Act ("NY FCRA") (Gen. Bus. Law § 380, *et seq.*) go into effect on April 18, 2026. The updated law makes it an unlawful discriminatory practice for employers, labor organizations, and employment agencies or agents to request or use the consumer credit history of an applicant or existing employee for employment purposes including hiring, compensation, or terms and conditions of employment. The NY FCRA defines credit history expansively to include credit standing, credit capacity, or payment history obtained through a credit check or credit score. Impacted applicants and employees may bring a private cause of action for actual damages and reasonable attorneys' fees.

The updated law has exceptions pertaining to specific jobs, including some types of law enforcement positions, certain appointed positions, positions involving security clearance or access to intelligence information, and certain types of fiduciaries. These categories are defined narrowly and on a case-by-case basis. For a full list of exceptions, please visit <https://www.nysenate.gov/legislation/laws/GBS/380-B>.

This update brings New York state into alignment with New York City, where the similar Stop Credit Discrimination in Employment Act ("SCDEA") went into effect on September 3, 2015. New York joins other states and territories with similar laws on the books including California, Colorado, Connecticut, Hawaii, Illinois, Maryland, Nevada, Oregon, Vermont, Washington, and Washington, D.C. However, this change matters for employers around the country, because the NY FCRA applies to all New York residents, even those who apply for positions in other states. Employers – particularly those located in adjacent states or with remote workers – should be aware of the April 18, 2026 enforcement date and update their policies and practices accordingly.