



WAMB Position Paper

PRESCREENING / “TRIGGER LISTS”

WAMB POSITION

WAMB supports a competitive mortgage market and encourages consumers to be educated and shop around to find the best loan product. WAMB is concerned with the sale of prescreened lists (i.e. trigger lists) by the credit bureaus. We oppose the sale of these lists to third party lead generators who resell the data to originators who then make unsolicited offers of mortgage credit to consumers. WAMB believes that access to prescreened lists by lead generators who can not make a firm offer of credit or insurance is a violation of the Fair Credit Reporting Act (FCRA).

WAMB believes the sale of such sensitive personal information to companies that have no, or at best a tenuous relationship with the consumer, directly increases the chance that a consumer could fall victim to identity theft or be exposed to deceitful bait-and-switch schemes. WAMB is also concerned by the sale and use of prescreened lists to market mortgage products to consumers through telemarketing. Therefore, WAMB has worked diligently through legislative means to help in correcting this issue and educating the public on the use of trigger leads when going through the loan process.

ISSUES / BACKGROUND

- Prescreening is a tool used by many financial institutions to solicit pre-identified, potential consumer groups.
- Prescreening allows the three major credit bureaus (Equifax, Experian or TransUnion) to compile lists of consumers and their personal information, within 24 hours, based on a set of specific criteria developed and provided by a financial institution.
- Prescreening is permissible under FSRA so long as a firm offer is present in the initial solicitation and the creditors follow specified rules, such as using pre-set criteria that does not change once the prescreening occurs.
- Prescreened lists of consumers whose credit reports were pulled for a mortgage inquiry are sold to lenders or to third party lead generators within hours. WAMB opposes the use of prescreened lists by lenders—due to the complexity of the loan process - but strongly opposes the use of these lists by lead generators.
- FCRA requires users of prescreened lists to provide a “clear and conspicuous” written notice to consumers informing them of their right to opt-out of prescreened offers by going to <https://www.optoutprescreen.com> or calling 888-567-8688.

STATUS

WAMB supports Wisconsin Assembly Bill 502 and Wisconsin Senate Bill 275, which would both limit the use of trigger leads in Wisconsin. Both bills would require the solicitor to, within the first sentence of the conversation, identify exactly who they are working for. The bills would also involve the Department of Agriculture, Trade and Consumer Protection in allowing them to regulate the solicitations and provide stiff penalties for anyone violating the use of these leads.

Click here to access AB 502—<http://www.legis.state.wi.us/2007/data/AB-502.pdf>

Click here to access SB 275—<http://www.legis.state.wi.us/2007/data/SB-275.pdf>