



Established in 1973, NAMB is the only national trade association representing the mortgage professional industry. With members in all 50 states, NAMB promotes the industry through programs and services such as education, professional certification and government affairs representation. NAMB members subscribe to a code of ethics and best lending practices that foster integrity, professionalism and confidentiality when working with consumers.

Legislative Changes needed to Ban Trigger Leads

Issue

When a consumer applies for a mortgage or refinance, mortgage originators are unable to prevent the inclusion of their borrowers' personal information on "trigger lists" sold by credit bureaus. Consumers get called and, in most cases, confuse the borrower; and in the worst case fraudulently trick the borrower. Many times, the borrower believes the mortgage originator sold their name on the internet.

Solution

NAMB seeks to ban or limit trigger leads by adding appropriate legislative language to HR4028 and S1982 - The PROTECT Act 2017. Passage of S.2362 Control Your Personal Credit Information Act, would also help to give consumers control over if, and when, their credit information is sold to marketing firms.

Background

NAMB believes that the fact a consumer applying for a mortgage should not be public information. In the era of dark web information being sold and numerous leaks and breaches of databases, the consumer needs to be given more control over their data.

NAMB believes contacting the consumer during the complex mortgage process could be harmful and confusing and opens up the possibility of fraud and unfair and deceptive activity.

Under the Fair Credit Reporting Act (FCRA), credit reporting agencies are permitted by law to resell your information to prospective creditors without your permission, as long as the prospective creditor is prepared to make you a "firm offer of credit"

For mortgages, trigger lists are traditionally used by creditors to monitor existing customers for signs of financial distress or to protect their interest in a pool of mortgages. NAMB believes this is a legitimate purpose and should continue.

Despite this provision in the FCRA, trigger lists for mortgage lenders may be illegal because the marketer is not in a position to make a firm offer of credit. Unlike pre-screened offers for credit cards, mortgages are complex transactions involving appraisal of the property involved, verification of income and/or assets, and proof of insurance. A trigger list subscriber who purchases your name, address, and FICO score range may not actually be prepared to offer you a mortgage. In addition, many trigger lists subscribers are lead generation companies who buy lists and then attempt to resell the information piecemeal to lenders and insurance companies. These lead generation companies are simply resellers of information and not in a position to make a "firm offer of credit" as required by the FCRA.

Mortgage trigger leads should be removed from the marketplace.