

## The National Association of Mortgage Brokers Advocates for Immediate Legislative Changes to Ban or Limit Trigger Leads

*Industry practice is harmful for consumers' private information while applying for loans*

Washington, DC – April 4, 2019– The National Association of Mortgage Brokers (NAMB) is continuing its advocacy work to ban or limit trigger leads by urging its membership base and the public to demand their local law makers ban or limit trigger leads by adding appropriate legislative language to credit bureau legislation currently under consideration in Congress.

Triggers Leads are mortgage leads of hard inquirers on a consumer's credit that are populated daily by the nation's credit bureaus. It is critical to have criteria in place to protect consumers when they apply 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 are often confused by 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 which is both a deterrent and improper for the industry.

NAMB encourages consumers and its constituents to contact the Federal Trade Commission who manages the Fair Credit Reporting Act (FCRA) to have their voices heard. 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 a name, address, and FICO score range may not actually be prepared to offer the consumer 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.

"For many years, NAMB has been working diligently against this often-harmful practice of handling consumer's private information through trigger leads. We believe this is a negligent practice for our industry and consumers therefore we are calling on our members, the public and furthermore congress to align themselves this initiative which protects people as they look to acquire property," said Rick Bettencourt, Board President of NAMB. "We promise to work tirelessly with law makers, our members, state associations and communities across the nation until this language is updated and consumers' rights are further protected against this unethical practice."

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.

**ABOUT NAMB:** The National Association of Mortgage Brokers is the voice of the mortgage industry representing the interests of mortgage professionals and homebuyers since 1973. NAMB members include small business owners, loan originators, account executives, and other industry professionals. NAMB provides mortgage professionals with education opportunities and offers rigorous certification programs to recognize members with the highest levels of professional knowledge and education. As the leading national trade association for this industry, NAMB is affiliated with State Associations throughout the country and represents the interests of more than 910,000\* licensed and registered Mortgage Loan Originators and 39,000\* licensed mortgage broker and mortgage lender businesses. NAMB's active lobbying and advocacy efforts frequently focus on national and state issues. The Association hosts several meetings throughout the year. <https://www.namb.org/>