

February 8, 2024

The Honorable Jack Reed
United States Senate
Washington, D.C. 20510

The Honorable Bill Hagerty
United States Senate
Washington, D.C. 20510

The Honorable John Rose
United States House of Representatives
Washington, D.C. 20515

Re: S.3502 and H.R.7297, the Homebuyers Privacy Protection Act

Dear Senator Reed, Senator Hagerty, and Representative Rose:

The American Bankers Association (ABA)¹ supports S. 3502 and H.R. 7297, the Homebuyers Privacy Protection Act, bipartisan legislation to eliminate abusive mortgage “trigger leads,” and limit prescreened credit offers to consumers who consent or who have a preexisting relationship with a financial institution.

In recent years, bank customers have experienced a sharp increase in the volume of trigger leads – unwanted call, text, email, and mail solicitations from lenders the customer has no relationship with and may never have heard of. When a consumer applies for credit and consents to a credit check, the bank pulls their credit report to evaluate their application. This “triggers” the credit reporting agency to identify that the consumer is shopping for credit and to sell their information to other lenders who do not have a relationship with the bank or customer, and who then contact the consumer to market prescreened credit offers.

Individuals who apply for a mortgage may receive dozens or even hundreds of trigger lead solicitations. One bank had a customer report receiving 249 phone calls and 53 text messages over nine days. Another reported receiving 276 calls within a 24-hour period. Unfortunately, these are not isolated incidents. Some solicitations may be confusing, or even designed to deceive the customer into believing they came from the bank to whom the customer originally applied for the loan.

While receiving a limited number of prescreened credit offers can help consumers shop for mortgages, receiving hundreds of calls, texts, and other communications merely causes confusion and disruption. This can damage banks’ relationships with their customers, who often mistakenly believe it was their bank that sold their information. In reality, banks carefully safeguard their customers’ privacy and it is consumer reporting agencies who sell trigger leads.

¹ The American Bankers Association is the voice of the nation’s \$23.4 trillion banking industry, which is composed of small, regional, and large banks that together employ approximately 2.1 million people, safeguard \$18.6 trillion in deposits and extend \$12.3 trillion in loans.

Nonetheless, this misperception can erode customers' trust in their banks and in the financial system.

We believe legislation is needed to restrict abusive trigger leads, while appropriately preserving financial institutions' ability to offer prescreened credit to existing customers and to individuals who have expressly consented to receive offers from that lender. This would protect bank customers from a deluge of unsolicited communications, while permitting them to learn about competing offers from institutions they know and trust.

We encourage Congress to advance these proposals for prompt consideration and action. We would be pleased to meet with you and your staff to discuss these critical policies.

Sincerely,



Kirsten Sutton
Executive Vice President
American Bankers Association