



DEPARTMENT OF
**SAVINGS AND
MORTGAGE LENDING**
HECTOR RETTA, COMMISSIONER

Trigger Leads

Definition of Trigger Lead

- "Trigger lead" means information concerning a consumer's credit worthiness (consumer report) compiled by a credit reporting agency (consumer reporting agency), obtained in accordance with the federal Fair Credit Reporting Act (15 U.S.C. §1681b(c)(1)(B)) that is not initiated by the consumer but, instead, is triggered by an inquiry to a consumer reporting agency in response to an application for credit initiated by the consumer in a separate transaction.
- The term does not include a consumer report obtained by a mortgage company licensed by SML or a mortgage banker registered with SML in response to an application for credit made by a consumer with that mortgage company or mortgage banker or that is otherwise authorized by the consumer.

- See 7 Tex. Admin. Code §§ 55.2(19), 56.2(23), and 57.2(21)

Trigger Lead

If a trigger lead is used by a mortgage company, mortgage banker, or a sponsored originator, the initial communication (advertisement or solicitation) to the consumer must include:

- the originator's name and NMLS ID;
- name of the mortgage company/mortgage banker and its NMLS ID;
- a brief explanation of how the originator or his or her sponsoring mortgage company or mortgage banker obtained the consumer's contact information to make the communication (i.e., an explanation of trigger leads);
- a statement that the originator and his or her sponsoring mortgage company/mortgage banker is not affiliated with the creditor to which the consumer made the credit application that resulted in the trigger lead;
- an explanation that the purpose of the communication is to solicit new business for the mortgage company or mortgage banker; and
- a firm offer of credit compliant with the Fair Credit Reporting Act and [Regulation V, 12 C.F.R. § 1022.54](#).

Firm Offer of Credit

- A “firm offer of credit” is an offer of credit or insurance that “will be honored if the consumer is determined, based on information in a consumer report on the consumer, to meet the specific criteria used to select the consumer for the offer.”
- Short and long notices are required by [Regulation V, 12 C.F.R. §1022.54\(c\)](#)
- Model forms for Firm Offers of Credit or Insurance found in [Appendix D to Part 1022](#)

Opt-Out of Firm Offers of Credit

- A consumer can opt-out of trigger leads and other prescreen offers for free for a five-year pause or a permanent opt-out by:
 - Calling the toll-free number 888-5-OPT-OUT (888-567-8688)
 - Emailing: OptOutPrescreen.com
- It may take five days for the opt-out to become effective.

Fraudulent, Misleading, or Deceptive Practices Trigger Leads

§56.202 Fraudulent, Misleading, or Deceptive Practices / §57.202 Fraudulent, Misleading, or Deceptive Practices

- It is a misleading or deceptive practice for an originator, mortgage company or mortgage banker to:
 - fail to provide the required information in the initial communication to the consumer for a trigger lead (see slide 50);
 - contact a consumer who has opted out of prescreened offers of credit; or
 - fail to make a firm offer of credit in the initial communication with the consumer.
- It is an improper practice to solicit by phone a consumer who has placed his or her contact information on the national do-not-call registry maintained by the Federal Trade Commission.