

1 A RESOLUTION urging the United States Congress to amend the Fair Credit
2 Reporting Act to prohibit the practice of consumer reporting agencies selling or otherwise
3 furnishing trigger leads relating to a consumer without the consumer's prior consent.

4 WHEREAS, the federal Fair Credit Reporting Act permits credit reporting agencies
5 to sell a consumer's information to lenders and data brokers for the purposes of
6 "prescreening" to make a firm offer of credit, 15 U.S.C. sec. 1681b(c); and

7 WHEREAS, this practice provides notice to the lenders and data brokers that a
8 consumer is seeking to engage in a credit transaction or loan with another lender, which
9 is known as a "trigger lead"; and

10 WHEREAS, the federal law allows these trigger leads to be furnished without the
11 consumer's knowledge or approval; and

12 WHEREAS, consumers who engage in a credit transaction, especially when
13 applying for a mortgage loan, receive a barrage of unsolicited emails, text messages, and
14 phone calls from the lenders and data brokers that are frequently incessant,
15 overwhelming, and confusing; and

16 WHEREAS, these unsolicited calls, texts, and emails have increased sharply in
17 recent years, resulting in consumers receiving dozens or even hundreds of trigger lead
18 solicitations; and

19 WHEREAS, these unsolicited calls, texts, and emails often confuse the consumer
20 into thinking that their financial institution is making the solicitation or has sold their
21 information without their consent; and

22 WHEREAS, the practice of consumer reporting agencies selling trigger leads has
23 become abusive and exploitive and is eroding the trust that consumers have in their
24 financial institutions and in the financial system; and

25 WHEREAS, according to November 30, 2023, testimony before the United States
26 Senate Committee on Banking, Housing, and Urban Affairs by the Director of the
27 Consumer Financial Protection Bureau, more companies are obtaining and weaponizing

1 consumer data; and

2 WHEREAS, while the federal law allows consumers to opt out of receiving
3 prescreened offers or other solicitations, the consumer is not notified of this option until
4 after the consumer receives a written offer of credit from the soliciting lender, and
5 furthermore, the notification is not required in cases of phone solicitations and offers; and

6 WHEREAS, in order to opt out under the federal law, consumers are required to
7 provide personal information over the phone or enter the information onto a website,
8 which includes their name, address, Social Security number, and date of birth; and

9 WHEREAS, multiple bills have been filed in the United States Congress, including
10 "Protecting Consumers from Abusive Mortgage Leads Act," the "Trigger Leads
11 Abatement Act of 2023," and the "Homebuyers Privacy Protection Act," seeking to
12 amend the federal Fair Credit Reporting Act to address and abate this practice; and

13 WHEREAS, numerous financial trade and other organizations, including the
14 American Bankers Association, the Independent Community Bankers Association, the
15 Mortgage Bankers Association, the National Association of Mortgage Brokers, the
16 Consumer Federation of America, and the Center for Responsible Lending, have urged
17 Congress to support and enact legislation that curbs the practice; and

18 WHEREAS, it is imperative that the United States Congress act to protect the data
19 privacy of consumers by prohibiting the selling or furnishing of consumer information
20 without the consumer's prior consent;

21 NOW, THEREFORE,

22 ***Be it resolved by the House of Representatives of the General Assembly of the***
23 ***Commonwealth of Kentucky:***

24 ➔Section 1. The General Assembly urges the United States Congress to amend
25 the Fair Credit Reporting Act to prohibit the practice of consumer reporting agencies
26 selling or otherwise furnishing trigger leads relating to a consumer without the
27 consumer's prior consent.

1 ➔Section 2. The Clerk of the House of Representatives is directed to transmit a
2 copy of this Resolution to the President of the United States, the Speaker of the United
3 States House of Representatives, the Minority Leader of the United States House of
4 Representatives, the Majority Leader of the United States Senate, the Minority Leader of
5 the United States Senate, each member of the Kentucky Congressional delegation, and
6 the Governor of the Commonwealth.