

CHAPTER 25

PRESCREENED TRIGGER LEAD USE BY FINANCIAL INSTITUTIONS — UNFAIR OR DECEPTIVE PRACTICES PROHIBITED — PENALTIES

H.F. 857

AN ACT relating to solicitation by a financial institution using prescreened trigger lead information from a consumer report.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. **NEW SECTION. 525.1 Financial institutions — unfair practices.**

1. As used in [this section](#), unless the context otherwise requires:

a. “Consumer report” means the same as defined in the federal Fair Credit Reporting Act, 15 U.S.C. §1681a.

b. “Financial institution” means the same as defined in [section 527.2](#), and includes a mortgage broker licensed under [chapter 535B](#), a lender of mortgage loans or consumer loans, and any other person that engages in the business of lending money in the state.

c. (1) “Mortgage trigger lead” means a consumer report obtained pursuant to the federal Fair Credit Reporting Act, 15 U.S.C. §1681b, where the issuance of the consumer report is triggered by an inquiry made with a consumer reporting agency in response to an application for credit secured by real property.

(2) “Mortgage trigger lead” does not include a consumer report on an applicant obtained by a financial institution with which the applicant has initially applied for credit, or a financial institution that holds or services an existing extension of credit of the applicant who is the subject of the consumer report.

2. A financial institution shall not use an unfair or deceptive practice when using prescreened mortgage trigger lead information derived from a consumer report to solicit a consumer who has applied for a loan with a different financial institution. A financial institution shall be deemed to have engaged in an unfair or deceptive practice if the financial institution does any of the following:

a. In an initial phase of a solicitation from a lender or loan broker, the financial institution fails to clearly and conspicuously state that the financial institution is not affiliated with the financial institution with which the consumer initially applied.

b. In an initial solicitation, the financial institution fails to conform to state and federal law relating to prescreened solicitations using consumer reports, including but not limited to the requirement to make a firm offer of credit to the consumer.

c. The financial institution uses information regarding a consumer who has opted out of prescreened offers of credit or who has placed the consumer’s contact information on a federal do-not-call registry.

d. The financial institution solicits a consumer with an offer of certain rates, terms, or costs, but subsequently changes the rates, terms, or costs to the detriment of the consumer.

3. A violation of [this section](#) shall constitute an unlawful practice under [section 714.16](#).

Sec. 2. [Section 714.16, subsection 2](#), Code 2025, is amended by adding the following new paragraph:

NEW PARAGRAPH. r. It shall be an unlawful practice for a financial institution to violate [section 525.1](#).

Approved April 18, 2025