

**Senate Study Bill 1145 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY CHAIRPERSON  
BOUSSELOT)

**A BILL FOR**

1 An Act relating to solicitation by a financial institution using  
2 prescreened trigger lead information from a consumer report.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

3 1. As used in this section, unless the context otherwise  
4 requires:

5 a. "*Consumer report*" means the same as defined in the federal  
6 Fair Credit Reporting Act, 15 U.S.C. §1681a.

7 b. "*Financial institution*" means the same as defined in  
8 section 527.2, and includes a mortgage broker licensed under  
9 chapter 535B, a lender of mortgage loans or consumer loans, and  
10 any other person that engages in the business of lending money in  
11 the state.

12 c. (1) "*Mortgage trigger lead*" means a consumer report  
13 obtained pursuant to the federal Fair Credit Reporting Act,  
14 15 U.S.C. §1681b, where the issuance of the consumer report is  
15 triggered by an inquiry made with a consumer reporting agency in  
16 response to an application for credit.

17 (2) "*Mortgage trigger lead*" does not include a consumer  
18 report on an applicant obtained by a financial institution  
19 with which the applicant has initially applied for credit,  
20 or a financial institution that holds or services an existing  
21 extension of credit of the applicant who is the subject of the  
22 consumer report.

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

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

35 b. In an initial solicitation, the financial institution

1 fails to conform to state and federal law relating to prescreened  
2 solicitations using consumer reports, including but not limited  
3 to the requirement to make a firm offer of credit to the  
4 consumer.

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

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

12 3. A violation of this section shall constitute an unlawful  
13 practice under section 714.16.

14 Sec. 2. Section 714.16, subsection 2, Code 2025, is amended  
15 by adding the following new paragraph:

16 NEW PARAGRAPH. r. It shall be an unlawful practice for a  
17 financial institution to violate section 525.1.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with  
20 the explanation's substance by the members of the general assembly.

21 This bill relates to solicitation by a financial institution  
22 using prescreened trigger lead information from a consumer  
23 report.

24 Under the bill, a financial institution shall not use an  
25 unfair or deceptive practice when using prescreened mortgage  
26 trigger lead information derived from a consumer report to  
27 solicit a consumer who has applied for a loan with a  
28 different financial institution. "Consumer report", "financial  
29 institution", and "mortgage trigger lead" are defined in the  
30 bill.

31 A financial institution is engaged in an unfair or deceptive  
32 practice when in an initial phase of a solicitation from a  
33 lender or loan broker, the financial institution fails to clearly  
34 and conspicuously state that the financial institution is not  
35 affiliated with the financial institution with which the consumer

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1 initially applied; fails to conform to state and federal law  
2 relating to prescreened solicitations using consumer reports,  
3 including but not limited to the requirement to make a firm  
4 offer of credit to the consumer; uses information regarding a  
5 consumer who has opted out of prescreened offers of credit or  
6 who has placed the consumer's contact information on a federal  
7 do-not-call registry; or solicits a consumer with an offer of  
8 certain rates, terms, or costs, but subsequently changes the  
9 rates, terms, or costs to the detriment of the consumer.

10 A financial institution that violates the bill is engaged in  
11 an unlawful practice under Code section 714.16.

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