

STATE OF IOWA
KIM REYNOLDS
GOVERNOR

April 18, 2025

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

House File 857, an Act relating to solicitation by a financial institution using prescreened trigger lead information from a consumer report.

The above House File is hereby approved on this date.

Sincerely,

A handwritten signature in black ink, reading "Kim Reynolds". The signature is stylized and cursive.

Kim Reynolds
Governor of Iowa

cc: Secretary of the Senate
Clerk of the House



House File 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.

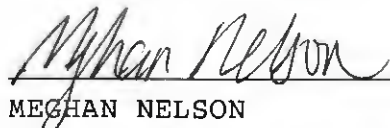


PAT GRASSLEY
Speaker of the House



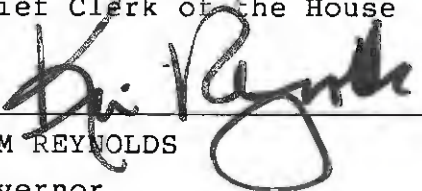
AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 857, Ninety-first General Assembly.



MEGHAN NELSON
Chief Clerk of the House

Approved April 18th, 2025



KIM REYNOLDS
Governor