



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2007 Wisconsin Act 76**  
[2007 Assembly Bill 502]

**Restrictions on Use of “Trigger Leads” by Lending Institutions**

**2007 Wisconsin Act 76** regulates a practice in the lending industry called “trigger leads.” Generally, the situation in which a trigger lead occurs is where a customer applies for a loan with a lending institution. The lending institution generally requests a credit report pertaining to the customer from a credit reporting agency. A trigger lead occurs when the credit reporting agency notifies lending institutions other than the institution to which the customer applied that the customer is seeking a loan, and the customer subsequently receives unsolicited loan offers.

Act 76 prohibits a lending institution from using unfair or deceptive practices in soliciting a customer where the information received by the lending institution comes from a trigger lead. Unfair or deceptive practices are defined in the Act to include:

1. Failure to state in the initial phase of the solicitation that the person soliciting is not the lender and is not affiliated with the lender to which the consumer has applied for an extension of credit.
2. Failure in the initial solicitation to comply with any applicable requirement under 15 U.S.C. s. 1681b (a), (c), (e), and (f), 1681e (a), and 1681m (d).
3. Knowingly or negligently utilizing information regarding consumers who have elected to be excluded from prescreened consumer reports or who have registered their telephone numbers on the federal or state nonsolicitation directories.
4. Soliciting consumers with offers of certain rates, terms, and costs, with intent to subsequently raise the rates or change the terms to the consumers’ detriment.
5. Making false or misleading statements in connection with a credit transaction that is not initiated by the consumer.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

With respect to some credit reports that are not regulated under federal law, Act 76 prohibits any person from furnishing a trigger lead to a nonaffiliated third party unless there is a reasonable belief that the third party will not use the trigger lead to solicit the consumer.

The Act does not apply where information from a credit reporting agency or financial data provider with respect to a person is provided to a lender with respect to which that person has a current loan outstanding with that lender. In addition, the Act provides that a “trigger lead” has not occurred if the consumer has authorized a consumer reporting agency or personal financial data provider to provide the information to third parties.

Any person who violates the provisions of the Act may be required to forfeit not less than \$100 nor more than \$1,000 for each violation. In addition, any person who is aggrieved by a violation of the Act may bring a civil action for damages. In any such action, a violator shall be liable for twice the amount of actual damages caused by the violation or \$500, whichever is greater, and the costs of the action, including reasonable attorneys’ fees. A court may also award any equitable relief that the court determines is appropriate.

***Effective Date:*** Act 76 took effect on March 27, 2008.

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