



Tired of Receiving Unwanted Credit Card Offers?

From the Office of Minnesota Attorney General Lori Swanson

Have you received unwanted offers in the mail stating that you have been “preapproved” for credit or insurance? Ever wonder how those companies get your name or how to stop them from contacting you?

Unfortunately, federal law allows national credit bureaus to sell so-called “prescreened lists” to creditors and insurance companies, who then use the information to make unsolicited offers to consumers. The solicitation often uses just enough personal information to make the consumer believe that the sender knows something about the consumer’s credit rating and ability to repay a loan. But such solicitations are made without regard to any real assessment of whether the consumer can afford the “new” loan or whether the loan’s terms are favorable.

Keep reading to learn how to “opt out” of receiving such offers and having your information sold by the credit bureaus.

How Does Prescreening Work?

It helps to understand how prescreening works. The federal Fair Credit Reporting Act (FCRA) allows companies to request the identity of consumers so that it can send them unsolicited offers. In the prescreening request, the creditor or insurance company asks the credit bureaus, like Equifax, Experian, and TransUnion, to sell it a list of consumers who satisfy specific credit criteria so that the company can send those consumers a “firm offer.”

One of the most common uses of prescreening involves a credit card company extending a preapproved credit card offer based on the consumer meeting a minimum credit score. Such offers may also involve other credit products such as home equity lines of credit, “live check” loans (*i.e.*, sending a check made payable to the consumer), student loans, and automobile loans.

A consumer may also receive unsolicited loan offers shortly after he or she applies for a loan. This happens because when you apply for a mortgage, the lender

typically obtains a copy of your credit report. This results in an “inquiry” on your credit report from a mortgage lender, which signals to other mortgage lenders that you may be in the market for a loan. Based on this information, you may receive unsolicited letters from competing mortgage lenders indicating that you have been preapproved for a loan.

FCRA requires that all prescreened credit and insurance offers include a “clear and conspicuous” statement that provides the following notice:

- (a) that information contained in the consumer’s credit report was used in connection with the unsolicited offer;
- (b) that the consumer received the unsolicited offer because he or she satisfied the criteria for credit worthiness or insurability used to generate the marketing list;
- (c) if applicable, that the credit or insurance may not be extended if, after the consumer responds, he or she does not meet the criteria used or does not furnish any requested collateral;
- (d) that the consumer has the right to prohibit further use of information contained in his or her credit report from being used in connection with any future unsolicited offers for credit or insurance; and
- (e) how to opt out from receiving future unrequested prescreened offers.

Federal law allows credit bureaus to provide the following information to creditors and insurers:

- (a) the name and address of the consumer;
- (b) an identifier that is not unique to the consumer and that is used by the person solely for the purpose of verifying the identity of the consumer; and

- (c) other information pertaining to a consumer that does not identify the relationship or experience of the consumer with respect to a particular creditor or other entity.

How to Stop Prescreened Offers

FCRA allows consumers the right to “opt out” of receiving prescreened offers of credit and insurance for either five years or permanently by using a toll-free number or making the request in writing.

To opt out by phone:

To opt out by telephone, consumers may call (888) 5-OPTOUT ((888) 567-8688). You will be asked to provide certain personal information, including your home telephone number, name, Social Security number, and date of birth. Federal law provides that the information you provide is confidential and may only be used to process your request.

To opt out online:

Consumers may also opt out of prescreened offers online at www.optoutprescreen.com. When registering online, consumers do *not* have to provide their Social Security number or date of birth (although the online service encourages supplying such information to assist processing the request). Requests to opt out made by telephone or online are effective as to the four major credit reporting agencies and expire five years after notification.

To opt out in writing:

Consumers may also opt out of prescreened offers by writing to the individual consumer reporting agencies at the following addresses:

Equifax
Options
P.O. Box 740123
Atlanta, GA 30374

Experian
Opt Out
P.O. Box 919
Allen, TX 75013

Innovis Consumer
Assistance
P.O. Box 1640
Pittsburgh, PA 15230

TransUnion
Name Removal Option
P.O. Box 505
Woodlyn, PA 19094

When mailing your written request, you should include the following information:

- (a) complete name,
- (b) full address,
- (c) previous address (if you’ve moved in the last six months),
- (d) Social Security number,
- (e) date of birth, and
- (f) signature.

Permanent opt out:

Consumers may also permanently opt out from receiving prescreened offers by mailing in a signed Permanent Opt-Out Election form, which is available online at www.optoutprescreen.com. You may also send a written request to each consumer reporting agency for its Permanent Opt-Out Election form at the above-addresses.

Opt-out requests must be processed within five business days, although it may take up to 60 days before the consumer stops receiving prescreened offers.

If you have questions, contact the Minnesota Attorney General’s Office as follows:

Office of Minnesota Attorney General

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