

# TRIGGER PRODUCTS

## Good for business, great for consumers

BY DAVID WOODRUFF

**T**rigger products are good for business and great for consumers? Says who, you may ask. These days, there's a lot of discussion – even controversy – around the topic of trigger products as part of prescreen lists. And no wonder. While the practice and use of prescreen lists have been around for years, trigger products are somewhat new in the lending industry, leaving mortgage professionals wondering whether they are friend, or foe.

For years, financial institutions have weighed in on the benefits of prescreen lists to help them fine tune their lead prospecting – and with great success. It's no surprise that the lending industry has turned its affections to this tried and true method for minimizing marketing expenses and maximizing efficiencies.

### **So what is a trigger and what's all the fuss?**

A trigger is simply a mortgage inquiry on the consumer's credit report, which is then sold to mortgage professionals by the three national credit bureaus: Experian®, TransUnion® and Equifax®. Knowing a consumer is actively shopping for a loan helps lenders make the right offer to the right audience, at the right time. It's standard practice in the industry and, more importantly, it's legal (Fair Credit Reporting Act, 15 U.S.C. 1681 et seq.).

Still, some argue that such products allow competitors to "steal" away customers. Even more alarming, some worry that less than ethical businesses use these products as part of a "bait and switch" tactic. Sadly,

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there's likely truth in these scenarios since we all know there will always be someone "out there" trying to take advantage of uninformed consumers.

But this is about what trigger products do for the rest of us: dedicated, ethical mortgage professionals who want to give our customers the best rates – and the best service – available. Thankfully, trigger products help us do just that. Here's how:

- **Increases your response rate:** Naturally, the more qualified your target market is the greater your response rate will be.
- **Promotes responsible lending practices:** Trigger products create a highly competitive environment, which promotes visibility, which in turn motivates ethical lending professionals to consistently offer the best rates and service available.
- **Saves money and time:** Marketing to a qualified audience minimizes your marketing expenses by letting you focus on

interested consumers only. This saves you money, and saves your customers' time.

- **Timely offers:** Targeted, qualified offers allow you to give your customers what they want, when they want it. That couldn't make a homebuyer happier!

You want to book more loans. Your customers want the best deal.

Trigger products are a win-win solution for mortgage professionals and consumers alike. Because of their timeliness, triggers shape our industry and help us to remain competitive – and book more qualified loans. Consumers benefit from healthy competition as it expands their product awareness and helps them make informed lending decisions. This means that consumers can shop in confidence within a market that, by its very nature, is somewhat intimidating.

Opting out could mean LESS than you think. So the next time you hear someone get on the bandwagon about getting their clients to opt out of prescreen lists, remember this: if they do, they'll be opting out of their right to shop around for the best deal. And here's a twist: they'll also be opting YOU out of an opportunity to sell them mortgage loan products in the future.

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