



July 9, 2024

Junk Calls (Abusive Trigger Lead Solicitations)

The Honorable Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Dear Director Chopra:

The Community Home Lenders of America (CHLA)¹ has noted with interest and support the Bureau's focus on the rising costs and lack of competition in third party mortgage loan service provider fees – which the Bureau has characterized as “**junk fees.**”

CHLA writes today to continue our long-time request for the CFPB to focus on abuses with respect to trigger lead solicitations for mortgage loans – which CHLA considers “**junk calls.**”

CHLA first wrote a **Letter** in November 2022 to highlight anti-consumer abuses deployed in conjunction with abusive trigger lead solicitations, and identified a number of egregious examples in that letter. While these continue unabated, we do not see the need to offer additional examples of abuses in this letter.

CHLA's November 2022 letter cited a common violation with respect to junk call trigger lead solicitations – that they do not comply with the legal requirement that they be a “*firm offer of credit.*”

We write now to identify three specific practices that CHLA Members believe may be taking place, which are abusive, anti-consumer, and potentially illegal.

First, CHLA is concerned that **some mortgage brokers – which do not have the mortgage banking capability of closing a loan - are making trigger lead solicitations.** We do not see how it is possible for a mortgage broker to meet the “firm offer of credit” requirement in such situations.

Second, CHLA Members have been made aware of **junk call trigger lead solicitations that either misrepresent (or falsely imply) that they are calling on behalf of the existing mortgage lender with which the borrower is already working.** This is unethical, anti-consumer, and potentially illegal.

Third, CHLA Members believe that in some cases **individual loan officers are making trigger lead solicitations without the consent of the firm for which they work.** This is problematic, since the employing lender is not able to properly supervise the language and practices used by such loan originators.

¹ CHLA is the only national trade association focused exclusively on small and mid-sized independent mortgage banks (IMBs).

CHLA appreciates that it is challenging to investigate and monitor such abusive actions, since the use of trigger lead solicitations is, unfortunately, widespread and involves a large volume of calls, texts, and emails on the part of each participant.

However, we note that the CFPB has established a Consumer Complaint Portal, where consumers can submit complaints about anti-consumer and illegal practices.

Therefore, CHLA requests that the CFPB:

- (1) Encourage consumers to submit complaints regarding abusive trigger lead solicitations, clearly identifying what practices are not permissible;**
- (2) Identify mortgage brokers or lenders that frequently engage in impermissible actions;**
- (3) Take such actions against brokers or lenders as are appropriate to stop such practices.**

Thank you for consideration of these comments and recommendations.

Sincerely

COMMUNITY HOME LENDERS OF AMERICA