



05/09/2007

Mortgage Shopping May Invite the Uninvited

Have you ever wondered how all those companies out there get a hold of your information? You may have found that when you have shopped around for a mortgage loan, or even if you just applied with one lender, you suddenly start receiving tons of home loan offers from companies you did not apply with and from companies you have never heard of. Your email box and mail box fill up with these offers and the telephone is constantly ringing with sales pitches from lenders. How does this happen and what can you do about it?

According to the Federal Trade Commission (FTC), these lenders get your contact information from the major credit bureaus and other consumer reporting agencies. They obviously collect a lot of information about you in order to calculate your credit score. They also keep track of certain actions taken on your account. They then turn around and sell this information to interested parties. (This is a legally-sound practice as long as the credit offers made by the list buyers meet certain requirements.)

So, in the case of unsolicited mortgage offers, the credit bureaus keep track of all those who have a recent mortgage loan inquiry on their reports. This means that you actively requested a home loan, during which process a lender pulled a copy of your credit history. This credit inquiry is flagged by the credit bureaus as a sign that you are probably in the market for a new home loan. They will bundle your information with many others who have a similar inquiries, and those list are sold to mortgage lenders eager to compete for your business.

The next question is what can you do about it? Well, one answer is to take advantage of all the competing bids. If you truly are ready to find a good home loan, you may benefit by having all those lenders come to you with their best deals. Of course, you should be sure to check out the background of any company you considering borrowing from. Some lenders are more reputable than others! Still, you may find you can snag the best deal by surveying the various offers and making the lenders compete for the privilege of lending to you.

If, however, you are not interested in getting any more calls, email, or advertisements, you can put an end to the majority of them. The FTC websites says that you can call 1-888-5-OPTOUT (1-888-567-8688) or visit www.optoutprescreen.com in order to have your name removed from these lists. Your request will be processed within five days, but it may take as long as 60 days before you start seeing a stop to the calls and mailings. If you and your spouse are both listed on your mortgage contract, you will probably both want to call and get your respective names removed from the lists.

Another step that the FTC recommends is to register your phone number with the federal government's National Do Not Call Registry. This will reduce telemarketing calls in general as well as those specific mortgage offers. The number is 1-888-382-1222 or you can register by visiting www.donotcall.gov. Your number will stay on this registry for five years or until your number is disconnected. Neither of these measures will totally eliminate unsolicited offers, but they can dramatically reduce the volume of calls and mailings you get.