

FTC Facts

For Consumers

March 2011



FEDERAL TRADE COMMISSION
FOR THE CONSUMER

www.ftc.gov ■ 1-877-ftc-help

Prescreened Offers of Credit and Insurance

Mail Call: Bills, a letter from your Aunt Mary, a circular from a local department store, your monthly bank statement, and an offer for a new credit card that says you've been "prescreened" or "prequalified."

A "prescreened" offer of credit? What's that?

Many companies that solicit new credit card accounts and insurance policies use prescreening to identify potential customers for the products they offer. Prescreened offers — sometimes called "preapproved" offers — are based on information in your credit report that indicates you meet criteria set by the offeror. Usually, prescreened solicitations come via mail, but you also may get them in a phone call or in an email.

How does prescreening work?

Prescreening works in one of two ways:

- a creditor or insurer establishes criteria, like a minimum credit score, and asks a

consumer reporting company for a list of people in the company's database who meet the criteria; or

- a creditor or insurer provides a list of potential customers to a consumer reporting company and asks the company to identify people on the list who meet certain criteria.



Can prescreening hurt my credit report or credit score?

No. There will be "inquiries" on your credit report showing which companies obtained your information for prescreening, but those inquiries will not have

a negative effect on your credit report or credit score.

Can I reduce the number of unsolicited credit and insurance offers I get?

If you decide that you don't want to receive prescreened offers of credit and insurance, you have two choices: You can opt out of receiving them for five years or opt out of receiving them permanently.

To opt out for five years: Call toll-free 1-888-5-OPT-OUT (1-888-567-8688) or visit **www.optoutprescreen.com**. The phone number and website are operated by the major consumer reporting companies.

To opt out permanently: You may begin the permanent Opt-Out process online at **www.optoutprescreen.com**. To complete your request, you must return the signed *Permanent Opt-Out Election form*, which will be provided after you initiate your online request.

When you call or visit the website, you'll be asked to provide certain personal information, including your home telephone number, name, Social Security number, and date of birth. The information you provide is confidential and will be used only to process your request to opt out.

If you don't have access to the Internet, you may send a written request to permanently opt out to each of the major consumer reporting companies. Make sure your request includes your home telephone number, name, Social Security number, and date of birth.

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

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

Equifax, Inc.
Options
P.O. Box 740123
Atlanta, GA 30374-0123

Innovis Consumer Assistance
P.O. Box 495
Pittsburgh, PA 15230-0495

Why would someone opt out — or not?

Some people prefer not to receive these kinds of offers in the mail, especially if they are not in the market for a new credit card or insurance policy. They may prefer to opt out to limit access to their credit report information for credit and insurance solicitations, or to reduce some mailbox “clutter.” However, some companies send offers that are not based on prescreening, and your federal opt-out right will not stop those kinds of solicitations.

As you consider opting out, you should know that prescreened offers can provide many benefits, especially if you are in the market for a credit card or insurance. Prescreened offers can help you learn about

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what's available, compare costs, and find the best product for your needs. Because you are pre-selected to receive the offer, you can be turned down only under limited circumstances. The terms of prescreened offers also may be more favorable than those that are available to the general public. In fact, some credit card or insurance products may be available only through prescreened offers.

Does opting out hurt my credit score?

Removing your name from prescreened lists has no effect on your ability to apply for or obtain credit or insurance.

If I decide to opt out, how long will it be before I stop getting prescreened offers?

Requests to opt out are processed within five days, but it may take up to 60 days before you stop receiving prescreened offers.

What if I opt out and then change my mind?

You can use the same toll-free telephone number or website to opt back in.

Will calling 1-888-5-OPTOUT or visiting www.optoutprescreen.com stop all unsolicited offers of credit and insurance?

Calling the opt-out line or visiting the website will stop the prescreened solicitations that are based on lists from the major consumer reporting companies. You may continue to get solicitations for credit and insurance based on lists from other sources. For example, opting out won't end solicitations from local merchants, religious and charitable associations, professional and alumni associations, and companies with which you already conduct business. To stop mail from groups like these — as well as mail addressed to “occupant” or “resident” — you must contact each source directly.

What other opt-out programs should I know about?

The federal government's National Do Not Call Registry is a free, easy way to reduce the telemarketing calls you get at home.

To register your phone number or to get information about the registry, visit www.donotcall.gov, or call 1-888-382-1222 from the phone number you want to register. You will get fewer telemarketing calls within 31 days of registering your number. Telephone numbers on the registry will only be removed when they are disconnected and reassigned, or when you choose to remove a number from the registry.

Removing your name from prescreened lists has no effect on your ability to apply for or obtain credit or insurance.

The Direct Marketing Association's (DMA) Mail Preference Service (MPS) lets you opt out of receiving unsolicited commercial mail from many national companies for five years. When you register with this service, your name will be put on a "delete" file and made available to direct-mail marketers and organizations. This will reduce most of your unsolicited mail. However, your registration will not stop mailings from organizations that do not use the DMA's Mail Preference Service. To register with DMA's Mail Preference Service, go to **www.dmachoice.org**, or mail your request with a \$1 processing fee to:

DMACHoice

Direct Marketing Association
P.O. Box 643
Carmel, NY 10512

The DMA also has an Email Preference Service (eMPS) to help you reduce unsolicited commercial emails. To opt out of receiving unsolicited commercial email from DMA members, visit **www.dmachoice.org**. Registration is free and good for six years.

The FTC works to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or get free information on consumer issues, visit **ftc.gov** or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. Watch a video, *How to File a Complaint*, at **ftc.gov/video** to learn more. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

*Federal Trade Commission
Bureau of Consumer Protection
Division of Consumer and Business Education*

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