Common Social Media Compliance ERRORS You Need to Correct

BY JANET CHURCH

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It has been over five years since the FFIEC issued their final supervisory guidance, Social Media: Consumer Compliance Risk Management. During this time, mortgage companies have adopted reasonable governance processes to adhere to the guidelines and even implemented monitoring tools to help keep companies compliant. However, as a digital governance professional, I see a lot of common mistakes in the average social media compliance program. It's my goal to address these areas of concern so you can quickly advance your digital compliance procedures and truly be audit-ready!

There are three key areas where social media and digital compliance programs are commonly missing some steps. These are:

1. Monitored Digital Landscape is Insufficient
2. Categories of Account in Addition to Mortgage Loan Officer (MLO) Accounts
3. Compliance and Audit Process Errors and Omissions

Let's take a look at the errors and omissions that are common in each key area.

1. MONITORED DIGITAL LANDSCAPE IS INSUFFICIENT

For the most part, compliance departments have been focused on the active social media properties of corporate-owned, branch, and loan officers on the key social media networks (Facebook, Twitter, and LinkedIn). However, these properties are only part of the digital landscape that should be addressed. Make sure that you are requesting ALL points-of-presence from an MLO by calling out some of these digital platforms:

- **Social media is more than Facebook, LinkedIn, and Twitter.** Many people, when asked if they have a social media account, think only of Facebook, LinkedIn, and Twitter. They often forget that YouTube, Instagram, Pinterest, and even Yelp are social networks. As is Snapchat and other new networks that are yet to launch. If an MLO is making any statement about where they work on any social platform, it should be monitored.

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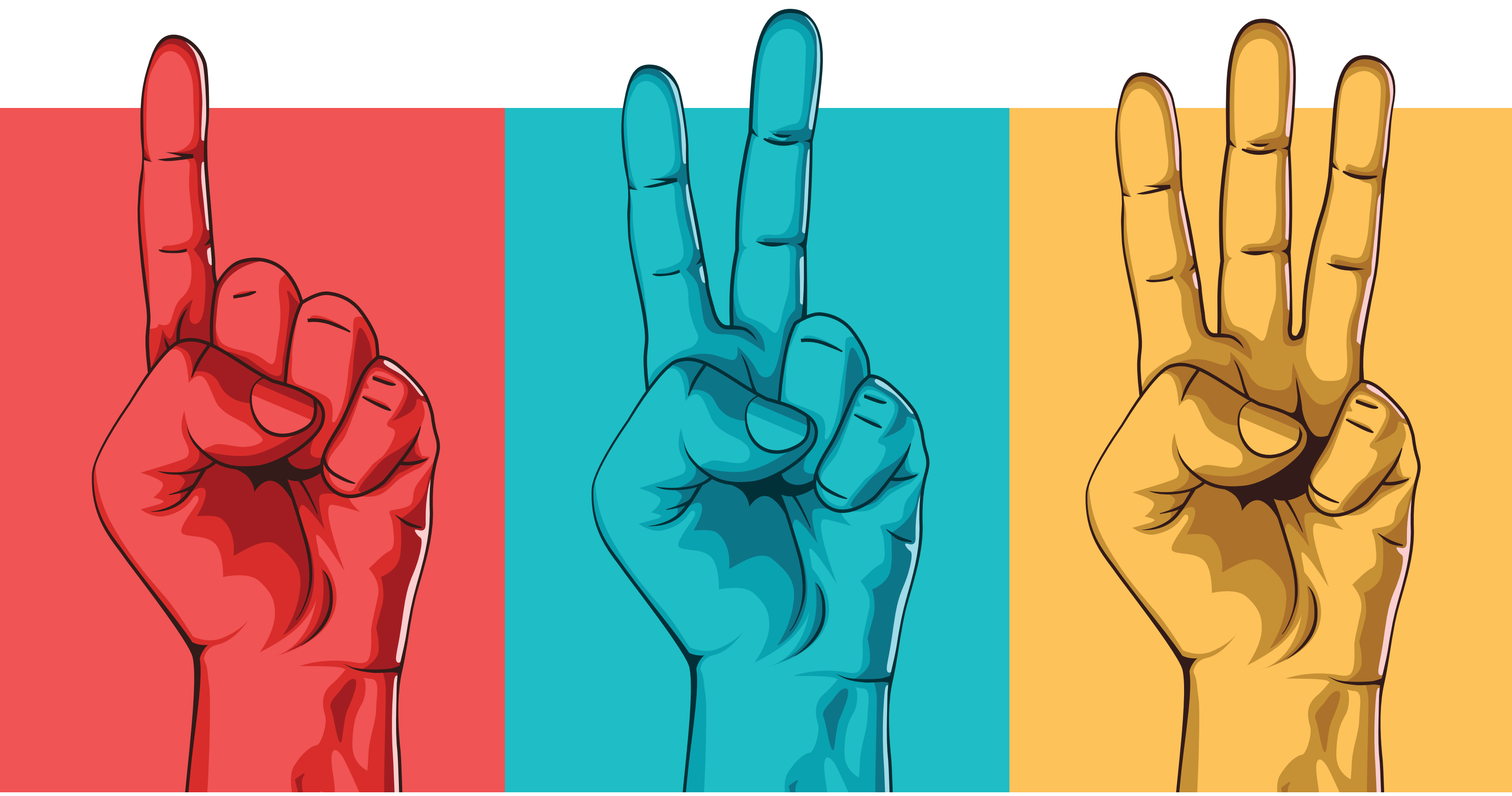

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- **Industry platforms and social networks**, which help customers with real estate choices and provide promotional space for MLOs and companies should be monitored. Good examples are Zillow, Redfin, Lender411, and Houzz. Mortgage companies and mortgage loan officers can place micro pages promoting their services on these websites. Other common platforms include Reach150, ActiveRain, and About.me, which are considered online advertising and should be monitored for compliance.
- **Digital advertising is more than social media**. Be sure to collect websites and blogs as part of an MLOs digital portfolio.

2. CATEGORIES OF ACCOUNTS IN ADDITION TO THE MLOs

The major challenge is certainly around monitoring MLO accounts; however, don't forget to watch other categories of accounts, which may include:

- **Corporate sites including branch sites**. It is not uncommon that an employee at a branch location creates and manages the branch social media. However, it should be considered corporate property and have the same standards as your main corporate accounts. Make sure that corporate marketing has these credentials and is responsible for password security. Granting posting rights to a branch employee to "keep it local" is fine. These accounts should also be monitored for compliance.
- **Platform auto-generated pages and URLs** which are automatically created often without the consent or knowledge of the business. For example, Facebook-generated Place Pages where anyone can post to that page; think of each branch office having a Place Page created when someone checks-in. These pages can be merged to the branch Facebook page to prevent continued regeneration. Wikis can also generate pages.
- **Rogue accounts** are employee created accounts that are floating on the web long after that employee has left the company. Find these accounts and shut them down.
- **Fraudulent websites or accounts**, which are created by cyber criminals and counterfeiters to steal data and phish customers. These websites aren't part of your digital ecosystem, but you certainly want to have them shut down and ensure a regulatory body is not including it in an audit.

3. COMMON COMPLIANCE PROCESS AND AUDIT ERRORS

Once you have the right inventory of accounts and process for collecting MLO points-of-presence, here are some common audit errors and processes to keep in mind.

- **Document your compliance process and keep a historical record**. Your online compliance monitoring program and process should be thoroughly and well-documented. This is part of the guidance and having the ability to show your process of compliance is important, especially when you can show the amount of time and attempts to shut down an account that is still on the web. It is also important to keep historical date-stamped records of your compliance process and communications.
- **Focus compliance audit on profile data**. The required compliance data should be in the profile area of a social account. This is the data that can be described as "description and information" and includes the cover art, the avatar, and all text in the profile (not part of the content stream). Based on my customers' experiences, about 95 percent of the compliance issues are associated with the profile data and not what the MLO is posting. So, auditing the profile data is the priority and posts secondary.
- **Audit MLO accounts more than once per year.** People make changes to their profile. You need to ensure that social media accounts and other digital properties stay compliant, even if they have been approved. Automated systems help you with this task.
- **Audit ex-employees for removal of affiliation.** The industry, as a norm, has a high MLO turnover rate which keeps the compliance machine in perpetual motion. Monitoring ex-employees accounts for the removal of any affiliation to your company is also part of compliance.
- **Audit platform changes**. You may think that a

platform will not change a profile template, but this is not always the case. Let's take Facebook's recent addition of Page About Story, which is different than Facebook Stories. Page About Stories was released late 2018 and Facebook used the Long Description area of the profile to populate the unpublished Page About Story. When they did this, the Page About Story area was not visible to the consumer as well as the Long Description. Many MLOs have used the Long Description to list much of the needed compliance data; so, in essence, Facebook had made a change to the platform that then made many previously compliant pages non-compliant, which was done with no notification to the user. Those MLOs who are very active on their Facebook pages did publish their Page About Story, but it was not the majority. Six months later, Facebook made the Long Description area visible again. However, it seems that it is only visible on accounts that originally had the Long Description. For anyone creating a new business page, the option of Long Description is not presented, which means that you may be monitoring MLO Facebook accounts differently, unless you guide all MLOs to change over to the Page About Story feature.

TRAIN YOUR MLOS FOR COMPLIANCE, BRAND EQUITY, AND SALES

We have addressed some of the most common digital and social media compliance errors and omissions. But another area that can be strengthened in most mortgage companies is the training procedures for MLOs. Sales via social media is on the rise, so training MLOs to not only be compliant but to be strong brand advocates is well worth the time. When sales people understand the company's brand standards, corporate policies, compliance requirements, and have access to meaningful content, sales can increase as well as the company's brand equity! Consider using some of these best-practices in your training program:

1. Comprehensively document employee training processes.
2. Identify the optimal training methods and tools to cover policies, compliance, and procedures (e.g. webinars, on-site training for new hires, certification programs, etc.). Communicate the location of training materials to MLOs.
3. Determine approved social media and digital platforms. Ensure that training requires MLOs to create professional business pages and not use a personal account for business.
   - Create templates for each platform to guide MLOs on creation of brand approved and compliant accounts.
   - Define how a blog or team website should look for brand and regulatory compliance.
4. Establish training goals and metrics to measure effectiveness (e.g. "certify 70 percent of MLOs complete training," or "MLO portfolio compliance within 2 weeks of onboarding," etc.).
5. Make necessary adjustments for different learning stages (e.g. new, partially trained, long-standing employees, etc.).
6. Create training that includes: brand standards, regulatory requirements (including a list of words that can't be used in profile OR content), content library access to use for publishing, common risk scenarios with escalation process for help, and general governance items.
7. Train MLOs on cyber risks and include password protocol suggestions.
8. Clearly inform employees if/how their personal accounts will be monitored as part of the social media governance plan.
9. Review training program annually, although adjustments should be made throughout the year based on training goals.

Take a look at your social media and digital compliance processes and see if you can improve your governance practices. Governance is never a completed task. However, using best-practices can help to reduce audit risks as well as increase sales. MCM

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