

Social Media Compliance: Eliminating Risk with Effective Monitoring

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Comerence by Optimal Blue

The idea of exponentially increasing a loan officer's origination potential without incurring additional expense sounds too good to be true. It is and it isn't.

Today's most successful loan officers have learned to leverage the marketing power of social media to promote their brand, engage with current and potential customers, and communicate in an innovative, modern and influential way.

Every financial institution with member-facing employees should take advantage of the abundance of opportunity available through social media. In today's dynamic landscape, these platforms serve as an extremely powerful business development tool for lenders looking to gain market share and the implementation of a robust social media strategy—both at the corporate and loan officer level—is a huge competitive differentiator.

SOCIAL MEDIA FALLS UNDER COMPLIANCE REGULATIONS

However, it is important to note that actively using these communication channels is like any other form of print or digital advertising, and therefore, subject to strict compliance regulations. An organization will always be held responsible for any representations made on social media by an em-

ployee on their personal accounts, past employees included.

Further, there are seven requirements under the Federal Financial Institutions Examination Council (FFIEC) Guidelines for social media compliance, and each one plays a role in contributing to an effective compliance program.

When evaluating a social media compliance platform, today's leading credit unions look to known, trusted brands that have designed technology specifically for the mortgage industry--developing a fully automated, single solution for social media monitoring, audits, collaboration and publishing.

Flexible configurations support unique policy, procedural and operational needs,

while simultaneously aiding the organization to effectively monitor activity and stay ahead of compliance requirements.

In order to successfully expand visibility on the numerous social media platforms, an organization needs to develop real-time monitoring capabilities that instill management confidence. This is best achieved with dedicated tools and resources, whether proprietary, third-party technology solutions or outsourced third-party services. Ensuring proper oversight is simply too cumbersome to be effectively managed otherwise.

WHY MONITORING IS IMPORTANT

Monitoring is the backbone of any social media compliance program, as it is the foundation for an organization to effectively manage numerous internal practices and external regulations.

The introduction of monitoring capabilities can produce substantial benefits, allowing an institution and its employees to safely promote activity that generates more leads, creates business opportunities and extends market reach.

With a proactive approach, monitoring will highlight potential risks, escalate applicable issues and create valuable training opportunities.

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PRIORITIZING A MONITORING PROGRAM

The prospect of monitoring all loan officer social activity can seem endless at the onset. When preparing a monitoring program, it is important to complete thorough due diligence to ensure the structure of the program is well organized.

If an organization's due diligence has been thorough, then it will know which activities and loan officers should be prioritized for monitoring purposes. Although it is important to monitor all actions and staff, there will always be a select few that represent the majority of risk to an organization.

The first factor of a robust monitoring platform to consider is activity-honing in on the 20% to 30% of loan officers that are most active on social networking channels. Be aware of what they have posted in the past, as well as what they continue to post after the compliance policy training is complete.

The more active a loan officer is, the more attention that will be required.

Significant activity does not necessarily correlate to more compliance violations. In fact, many find that the social media-savvy loan officers are often the best at following compliance policies. Therefore, careful and thorough monitoring of ALL employees remains critical to the success of a monitoring program, policy administration and risk prevention.

MONITORING: WHAT TO LOOK FOR

Every company's social media compliance policy will differ to a certain extent. Some regulations are industry-wide, while some are program or geographically specific. As a result, an organization's compliance practices and policies are unique to that company and brand.

Robust, real-time monitoring of trigger terms and relevant keywords, backed by a detailed policy, remains the most effective way that an organization can manage these areas and avoid potential violations while protecting corporate reputation



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and public perception.

Potential violations can include:

Non-Compliant Activity. Ideally, an organization will employ a social media compliance platform that can quickly recognize non-compliant activity so that it can be promptly addressed and future problems can be circumvented in advance.

Policy Changes. External regulations will change, social media channels will advance, and internal policies will need to reflect this evolution. Policy changes should be understood

and effectively communicated to all employees.

Repeat Offenders. It is common for mistakes to happen or for an employee to have an occasional lapse in judgment, irrespective of solid policies and training. It is important to take the necessary time to isolate those that are repeatedly not adhering to policy, as this information may be used to create additional training opportunities and aid in disciplinary action, if necessary.

MONITORING VS. AUDITING

Social media compliance monitoring has traditionally entailed an internal management process that is designed to oversee corporate digital marketing, a presence on social media platforms and related online activities.

However, with social media outlets and activities expanding at an exponential rate, coupled with the oversight of varied regulatory governing bodies, monitoring has quickly grown to also encompass a loan officer's professional and personal social media use.

As such, financial institutions are instructed to develop programs that monitor information posted on social media sites, as well as create audit functions that ensure ongoing compliance with internal policies, applicable laws and regulation.

Auditing, although similar to monitoring, is a separate process entirely.

Whether conducted in-house or by a third-party auditor, this function is

more specific in its capacity to track historical activity, collect data, and recognize potential concerns. Thoughtful and careful analysis to identify what audit data is important to the corporate brand and compliance oversight will help maximize monitoring results.

This rearview perspective allows an organization to readily analyze trends, prevent re-occurrence, and minimize potential violations.

USING AUTOMATED SYSTEMS TO STREAMLINE PROCESSES

More and more financial institutions and compliance managers are taking advantage of the latest technology to aid in monitoring, as well as auditing and reporting processes. Technology not only allows an organization to manage more activity, it also provides informative data to assist in securely growing a corporate social media presence.

Most internal monitoring procedures can be readily automated with custom parameters set to clearly recognize violations on the national, state and corporate levels. Simultaneously arming origination teams with the right technology and training to manage consistency, compliance and brand recognition is worth the investment.

Whether an organization is currently evaluating its own social media compliance strategy or just getting started, it is imperative to employ a proactive policy that addresses necessary guidelines and ensures that compliance is in place. As programs and organizational needs evolve, be sure to update policies based on what is learned in the process and always monitor based on policy.

This full circle approach will help guarantee an institution realizes the full potential social media has to offer. ▲

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