

ACUIA – Social Media 2020



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Social Media: As with Websites in the late 90's Credit Unions have jumped into social media using the general "just do it" methodology that we seem to always apply. So, let's (1) Go back and discuss how website and social media compliance fits into your overall compliance strategy; (2) Identify the most common website and social media compliance violations; (3) Learn how to avoid violating compliance requirements on your website and social media; (4) Discuss Policy and Procedure considerations; (5) Revisit Useful/Recommended Disclosures; and (5) Consider some risk management tools that every Credit Union should consider.



What is Social Media?

In 2013, the Federal Financial Institutions Examination Council issued guidance on the use of social media on behalf of its members, which include the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corp., the National Credit Union Administration, the Consumer Financial Protection Bureau and the State Liaison Committee.

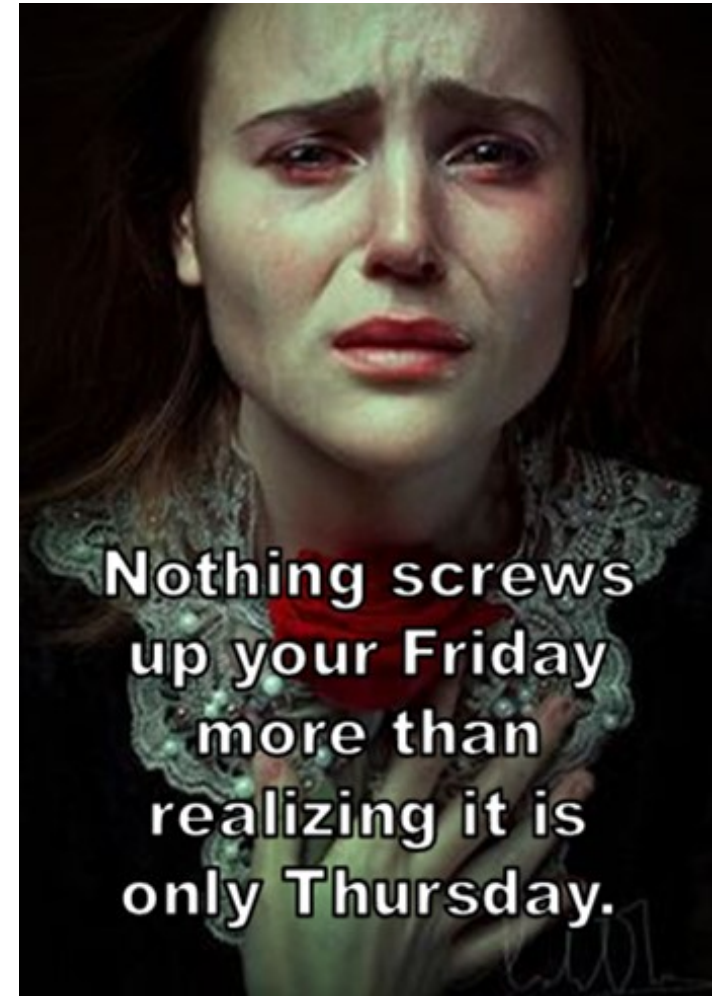
In that guidance, the FFIEC defined “social media” as “a form of interactive online communication in which users can generate and share content through text, images, audio and/or video.”¹

The FFIEC identified the interactive nature of social media as one of its defining features and excluded traditional electronic mail or text messages from the definition.

Intro: First – There Are No Exceptions

If any rule of compliance would apply outside of social media for any activity you engage in – then it applies to the social media activity

No if, and or buts marketing people!



Intro: Second – Why?

It's about promoting your brand; and reaching markets.

Social media network users reached 2.77 billion in 2019 and are projected to hit 3.1 billion in 2021, according to Statista. No financial institution — regional, national or global — can afford to ignore the immensity of that market reach. While few are ignoring the potential, many financial institutions are unsure how to position themselves on social media even though they realize how important it is to be active on Facebook, Twitter and other social channels.



Intro: Who Does it Well(s)?

Engage Millennials: Wells Fargo

Facebook – 1.1M followers

LinkedIn – 816K followers

Twitter – 309K followers

Instagram – 63K followers

Banking can be a very boring. Wells Fargo, however, combines the perfect mix of videos and images on in its social media accounts. The third-largest U.S. bank, long a digital banking pioneer, covers a wide range of topics on social media channels — with topics of interest not only to Millennials, but even academic audiences. The mix of social media content includes events, financial tips, quotes, and fun facts.

Wells Fargo 
17.2K Tweets

Get free personalized guidance from a Financial Health Banker
This is 

Wells Fargo 
@WellsFargo

Welcome to our Twitter page! Here we provide financial education, community news and more. For customer service, please contact [@Ask_WellsFargo](#).

 San Francisco, CA  [wellsfargo.com](#)  Joined March 2007

330 Following 309.2K Followers

Intro: Who Does it Well(s)?

With social media it's essential to know your target audience. Wells uses a different strategy for each social media channel to increase its reach. Millennials are one of its primary targets.

Other financial marketers seeking to improve their social media presence should first determine their target audience and then shape their social media voice and channel to best communicate with those potential customers. LinkedIn, for example, is a more formal channel than Twitter or Instagram, although all the channels continue to evolve, so marketers have to review their approach regularly.

If a major focus of your social media audience is Millennials, you could heed the advice of HSBC U.S.'s Head of Innovation, Jeremy Balkin, and use **“ABCD communications” to reach them (Authenticity, Brevity, Context, Digital)**. As he explains in Forbes, this approach involves getting straight to the point, getting rid of banking jargon, and explaining why and how your service or product works. And, of course, be sure it's all presented digitally.





Read More:

<https://thefinancialbrand.com/86628/bank-social-media-marketing-financial-brands/>

<https://www.smartbugmedia.com/blog/bank-social-media-advertising>

NOTE 2– Even a Small Credit Union Can Do It.

<https://www.youtube.com/channel/UCX2JEjkv7qakF33xmK1nZPQ>

The screenshot shows the YouTube channel page for USCommunityCU. At the top left is the channel logo, a stylized 'U' with a colorful gradient, and the text 'USCommunityCU' with '30 subscribers' below it. To the right is a red 'SUBSCRIBE' button. Below the header are navigation tabs: HOME (selected), VIDEOS, PLAYLISTS, CHANNELS, and ABOUT, followed by a search icon. The main content area features a video thumbnail of people in large, colorful inflatable suits (yellow, purple, red). The video title is 'Sumo Suits? Money Machine? Dance Party? Credit Union?'. Below the title, it says '20,193 views · 1 year ago'. The description reads: 'USCCU, AYYYY! This credit union is the place to be! Check out our new music video with Austin and Colin from the "Welcome to Nashville" videos. We guarantee you've never seen a financial institution do this before. We keep the popcorn poppin!'. There is a 'READ MORE' link. Below the video is an 'Uploads' section with a 'PLAY ALL' button. It contains six video thumbnails with titles and view counts: 1. 'How to Use USCCU Mobile Check Deposit' (26 views · 3 weeks ago, 1:11); 2. 'How to Use a USCCU Night Deposit Box' (168 views · 1 month ago, 0:59); 3. 'Keeping Our Members Safe! Cleaning During COVID-19.' (14 views · 1 month ago, 0:50); 4. 'Getting a Mortgage Loan in Nashville TN!' (13 views · 4 months ago, 1:35); 5. 'Pursuing Your Financial Goals: US Community Wealt...' (12 views · 4 months ago, 0:50); 6. 'Opening a Credit Card at US Community Credit Union' (16 views · 4 months ago, 1:08).

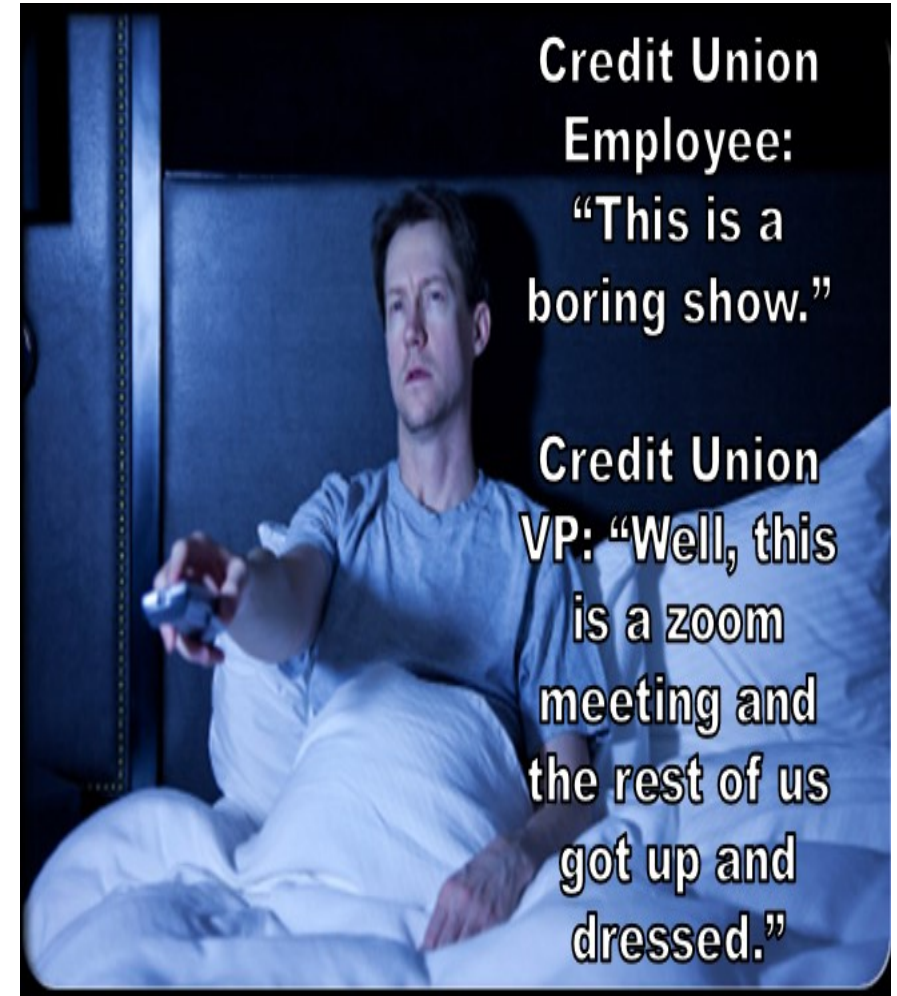
Start with FFIEC Guidance

https://www.ffiec.gov/press/PDF/2013_Dec%20Final%20SMG%20attached%20to%2011Dec13%20press%20release.pdf

Risks Associated with Using Social Media

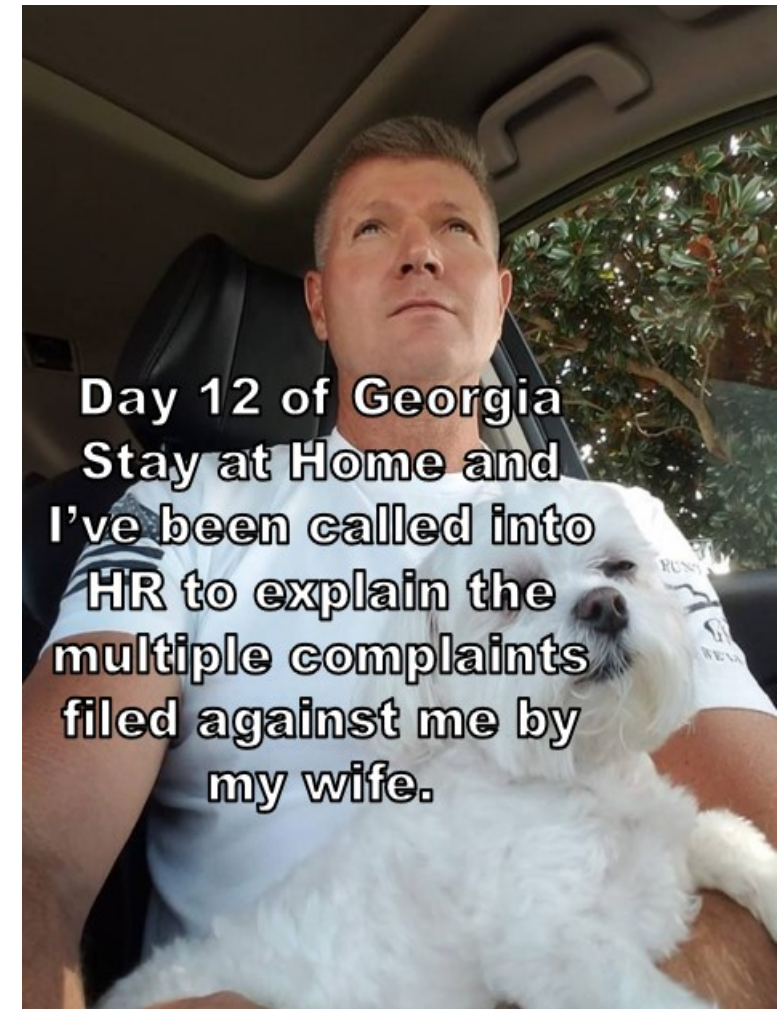
The FFIEC outlines three areas of risk: **compliance and legal risk**, **reputation risk**, and **operational risk**.

Reputation risks arise from negative public opinion. Operational risks are associated with inadequate or failed processes, people or systems. Compliance and legal risks arise from the potential for violations of, or nonconformance with, laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards. These risks also arise in situations in which the financial institution's policies and procedures governing certain products or activities may not have kept pace with changes in the marketplace.



Start with FFIEC Guidance

Social media has been defined in a number of ways. For purposes of this Guidance, social media is considered to be a form of interactive online communication in which users can generate and share content through text, images, audio, and/or video. Social media can take many forms, including, but not limited to, micro-blogging sites (e.g., Facebook, Google Plus, MySpace, and Twitter); forums, blogs, customer review web sites and bulletin boards (e.g., Yelp); photo and video sites (e.g., Flickr and YouTube); sites that enable professional networking (e.g., LinkedIn); virtual worlds (e.g., Second Life); and social games (e.g., FarmVille and CityVille). Social media can be distinguished from other online media in that the communication tends to be more interactive. **For purposes of this Guidance, messages sent via traditional email or text message, standing alone, do not constitute social media**, although such communications may be subject to a number of laws and regulations discussed in this Guidance.



Start with FFIEC Guidance

Use Defines Risk and Compliance considerations:

Current Uses

- marketing
- providing incentives,
- facilitating applications for new accounts,
- inviting feedback from the public, and
- engaging with existing and potential customers, for example, by receiving and responding to complaints, or providing loan pricing.



Start with FFIEC Guidance

The Federal Financial Examinations Institute Council (FFIEC) requires every bank or credit union with a social media presence to have a risk management and compliance program that identifies, measures, and controls the risks related to social media.

Regardless of whether your Credit Union is big or small, advertises financial products or just engages with your community, the FFIEC social media guidance requires you to cover certain risk areas via your financial institution's social media risk management program.



FFIEC Guidance - Corporate Governance:

You first need to have clear roles and responsibilities for managing social media risks. You should have a formal risk management program that establishes controls and ongoing assessment of risk arising from social media activities.

Included in this: Policies and procedures (either stand-alone or incorporated into other policies and procedures) regarding the use and monitoring of social media and compliance with all applicable consumer protection laws and regulations, and incorporation of guidance as appropriate. Further, policies and procedures should incorporate methodologies to address risks from online postings, edits, replies, and retention.



TRAINING:

Employees must receive training on your social media policies and procedures, so they understand how to use social media safely. At a minimum, you should have annual training programs for your marketing department as well as a Credit Union-wide employee training program.

Consider addressing a code of conduct as well as do's & don'ts, **and** consequences.



Social Media Employee Policy Code of Conduct

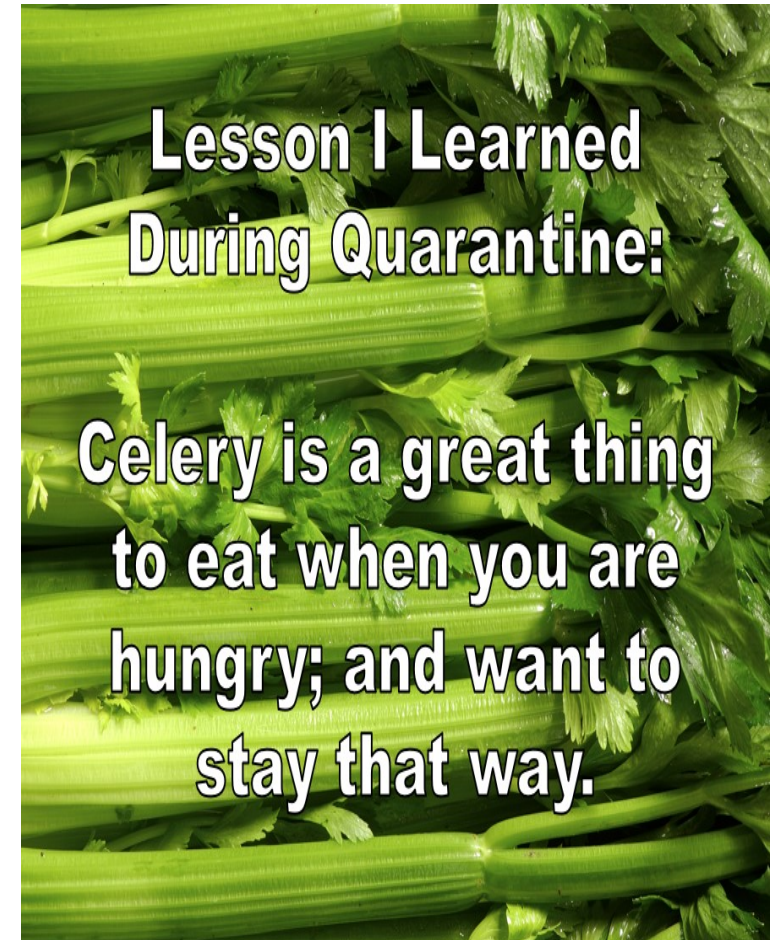
Social Media Employee Policy Code of Conduct

Be honest — Disclose your affiliation and position with the organization. Try to always speak honestly, and if you do write something that is false, correct it as soon as possible.

Be wise — Some topics invite confrontation, and so should be avoided; Politics, religion, sexuality, or anything polarizing/controversial. If you would feel uncomfortable bringing it up at a business luncheon, then you should avoid it on social media.

Be kind — Honor people's differences. Respect other people's opinions. Discriminatory behavior is **NEVER** tolerated.

Be trustworthy — Don't disclose confidential or personal information. This includes numbers, legal documents, promotions, plans, and consumer information. If you have doubts, ask _____ before you post.



Social Media Employee Do's

- Do feel free to be active on social media. We just ask that you keep it to a respectable minimum at work and not engage with it in the presence of a customer (or member).
- Do ask for help. We don't expect you to be a social media expert, and if you have any questions, we'd love to work with you.
- Do speak up. You are the eyes and ears of the organization. If you notice a problem or are concerned with any communications, please bring it to the attention of HR and the social media team.
- Do clarify what is your opinion. We encourage you to mention us in your profile, however, we ask that you also include a disclosure that all opinions are your own. Example "I work at [ORGANIZATION] but all opinions are my own."
- Do listen before you speak. Learn how each social media network works before you jump into the conversation.
- Do assume everything you write is public and permanent. Expect your posts to be brought up in meetings or sales calls. This includes posts you've deleted.
- Do familiarize yourself with the terms of service and privacy policy of all social media sites you wish to participate on.
- Do understand your rights. We respect our employees and want them to understand both our policy and their rights as individuals. We encourage you to read the NLRA's policy on employee's rights on social media.

Social Media Employee Don'ts

- Don't publish material that is under copyright or is confidential.
- Don't cite or reference customers, clients, or partners without their approval.
- Don't attempt to provide customer service through your personal account.
- Don't prioritize social media over the quality of your work.
- Don't list your work email on your personal profiles. This can cause confusion for the consumer about which channels are official.
- Don't leave accounts logged in on a public or unlocked machine.
- Don't comment on any mention of our organization in the news unless you are authorized as a representative.



Social Media Employee Consequences

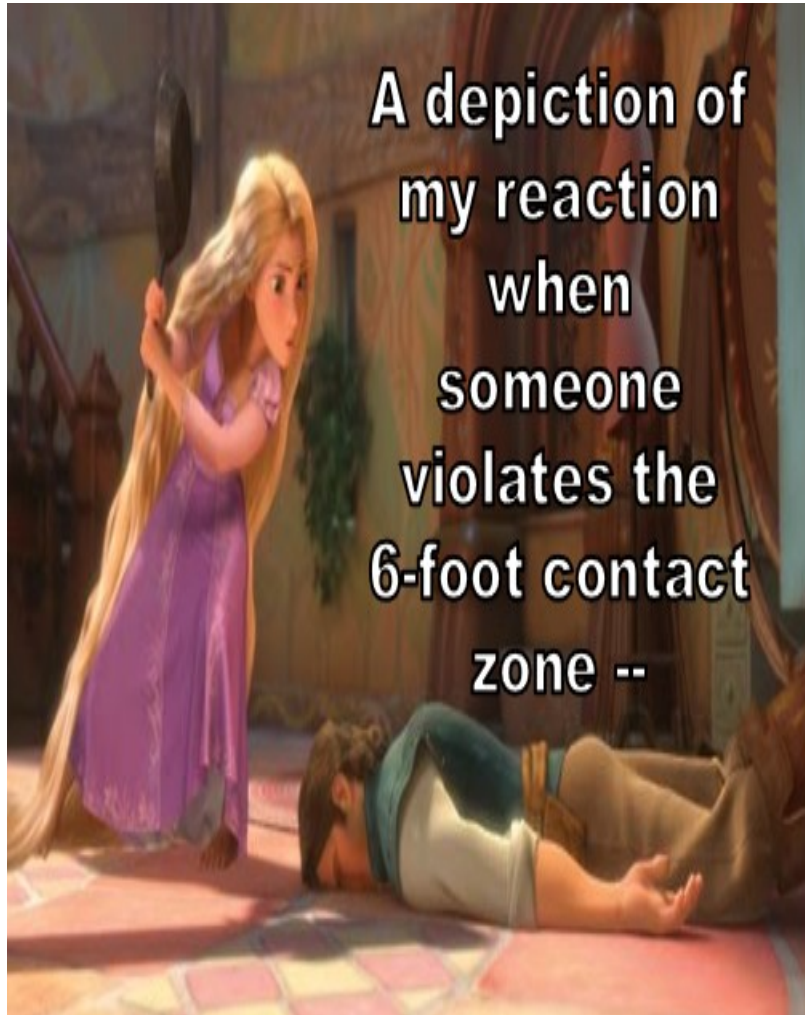
It's important to be clear about the consequences of violating policies established in the social media employee policy. When you prepare this section, be sure to consult the NLRB social media guidelines. Some employee activity is protected and prohibiting this behavior can put your bank or credit union at risk.

Here is an example of describing consequences in your social media employee policy:

Violating any of the social media employee policy guidelines could result in your termination, expose our institution to risk, or cause damage to our consumers. Any violation will be reported to HR and, depending on the severity, could result in a write-up, suspension, or termination.



Social Media – Train Everyone



Back to FFIEC Guidance:

Third Party Risk Management: If any third parties are involved in your social media activities, such as advertising agencies or technology vendors, you must have a risk management process for selecting and managing these relationships to ensure they follow financial and data privacy rules.

Oversight & Preservation: Every Credit Union needs to regularly monitor their social media profiles, respond to all comments in a timely manner, and archive social media content on a regular basis.

Compliance Audits: You must conduct periodic audits of your social media content and activities to ensure ongoing compliance with internal policies and all applicable laws and regulations.

Reporting: Senior management must receive reports on a regular basis on the performance of your social media activities and how risks are being managed.

Me looking outside to see what chapter of Revelation we're doing today.



Legal / Compliance:

Pages 3-8 Address this of an 11-page Guide.

All the issues that apply to daily compliance – apply to Social Media.

NCUA Sign:



Comment: If the Credit Union will allow members to make deposits using online banking resources, then the full NCUA Sign must be placed (only on the home page if this is a service you offer). All other pages may have the abbreviated statement.

Fair Lending Logo



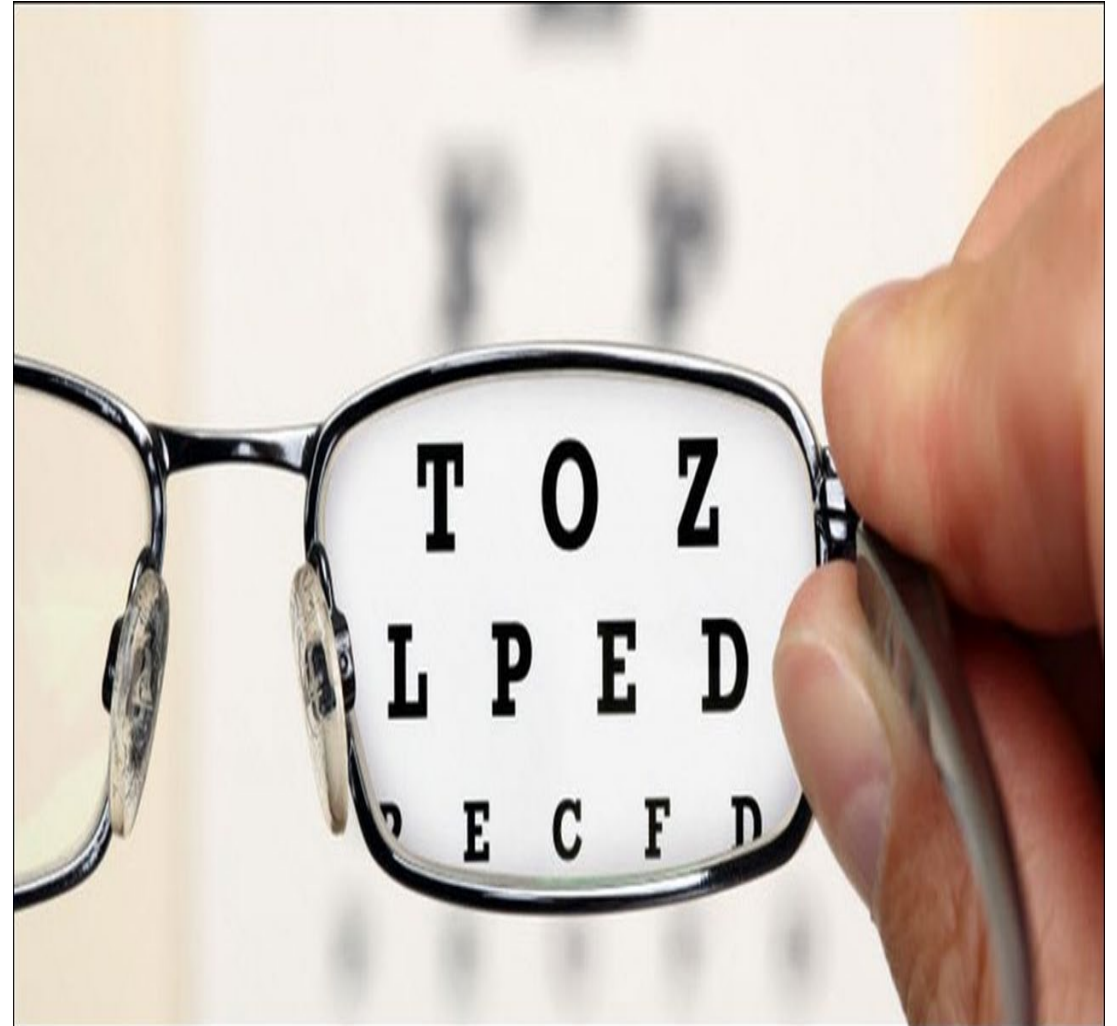
Comment: It is subjective, but one should be able to easily read the language below the sign:



Legal / Compliance II:

- ◆ **UDAAP Clear and Conspicuous Standards – Not Misleading, Etc..**
- ◆ **Third Party Links**
- ◆ **Disclaimers**
- ◆ **Privacy**

See: Advertising Guide 2020



Legal / Compliance III:

Consider a financial institution that uses Instagram, LinkedIn and Twitter as its only social media platforms. The financial institution creates an advertisement for a special reduced rate product that it wants to post to the three social media outlets. It considers Regulation Z's advertising disclosure requirements and drafts an advertisement that adequately discloses the annual percentage rate and other features of the product.



Legal / Compliance IV:

The Credit Union starts its post for Twitter only to discover that the very short character limitation eliminates half of the message, including the required disclosures.

Also Consider Can-SPAM /TCPA (Messaging Options) and COPPA (Organic Issues or Third Party Reliance) --



I know the Church has great intentions, but handing out a roll of toilet paper with a meal can give one pause about what that meal might do to the recipient of the gift.

Legal / Compliance V:

Be ECOA/FHA Savvy:

The Equal Credit Opportunity Act, 15 U.S.C.A. § 1691, prohibits any creditor from discriminating against any applicant with respect to any aspect of a credit transaction on the basis of race, color, religion, national origin, sex, marital status or age. One way that a creditor can violate the ECOA is via disparate impact — when a facially neutral policy or practice that has an adverse impact on a member of a protected class.

28% of white U.S. adults use LinkedIn, but only 16% of Hispanic U.S. adults use LinkedIn. Moreover, 67% of U.S. adults ages 18-29 use Instagram, while only 23% of U.S. adults ages 50-64 and 8% of U.S. adults ages 65 and over use Instagram.

Let's say the Credit Union decided to run an advertisement only on LinkedIn and Instagram. It is possible that the use of only these two outlets, over time, could lead to disparate impact on the basis of both race and age because of the differences in the percentage of Americans who use each site.

In other words, a 65-year-old individual could claim that the use of Instagram to promote an exclusive offer violates the ECOA because such advertising discriminates against individuals not using the site — specifically adults over the age of 50.

Likewise, a Hispanic American could make the same argument using the exclusive offer or advertisement promoted on LinkedIn. Thus, what the financial institution thought were good, compliant advertisements may end up violating relevant regulations simply because of the institution's failure to consider the outlet on which the advertisements were placed.

Legal / Compliance VI:

Posting the event pics.

Question: My Credit Union often sponsors local events or joins other events in setting up a table/tent. If we take a picture that depicts members, do we need to have each member sign our consent form? What about taking pictures of crowds? Can we post these without consent from every single person?

Answer: First, let's address the children. I wouldn't recommend posting organic pictures that contain children (unless they are yours). Pictures of children pose a higher level of risk. Even with signed waivers or releases you may run into issues with federal and state children's privacy laws and regulations.

As for the adults, reasonability—or what some call common sense—should come into play. Because Credit Unions are held to strict privacy laws and regulations, I would be cautious of posting pictures (including group or crowd photos) where it might not have been clear to the subject person that not only are they in a photo, but that it may be posted to public SM platforms. Since the beginning of time we've heard stories of someone not being where they said they were, and with not who they said they were with.

Consumers undoubtedly hold their FIs to a higher standard of privacy than the local hardware or grocery store for example. So, if it isn't obvious, then obtain waivers or don't post.

Legal / Compliance VII:

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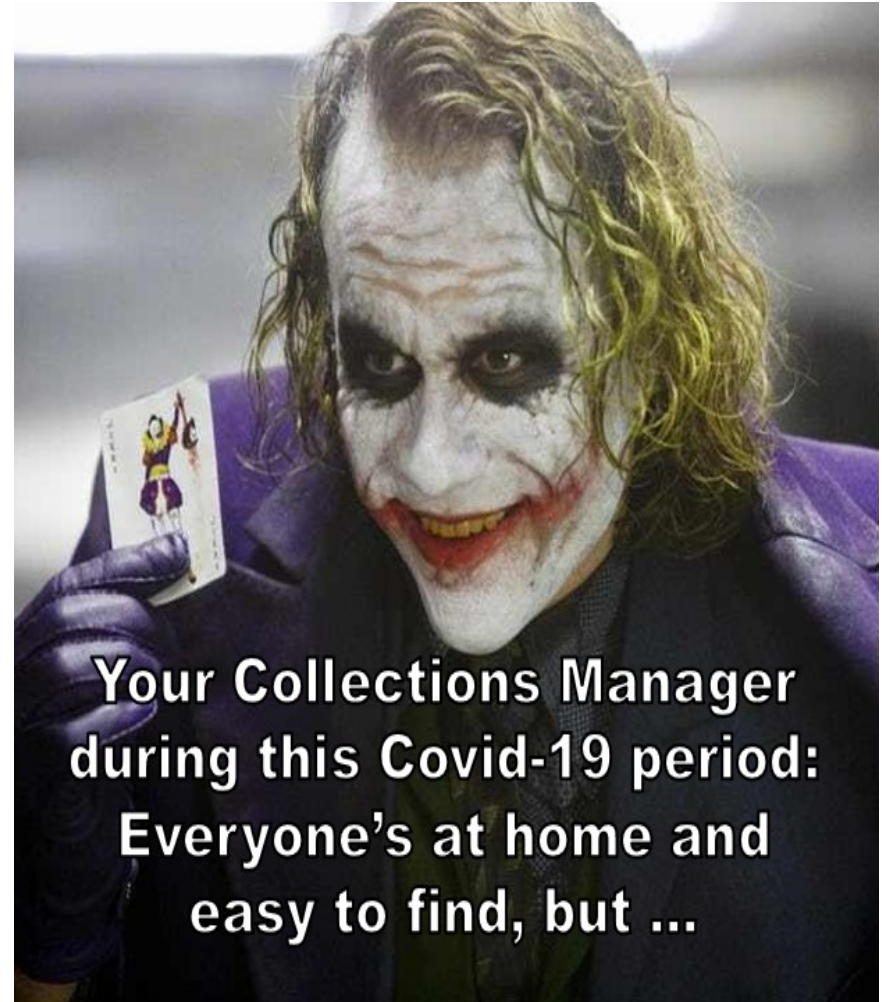
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Legal / Compliance VIII:

Using Social Media and Collections?

Credit Reports, Membership-Account Eligibility, Other Credit Union Services and Social Media:

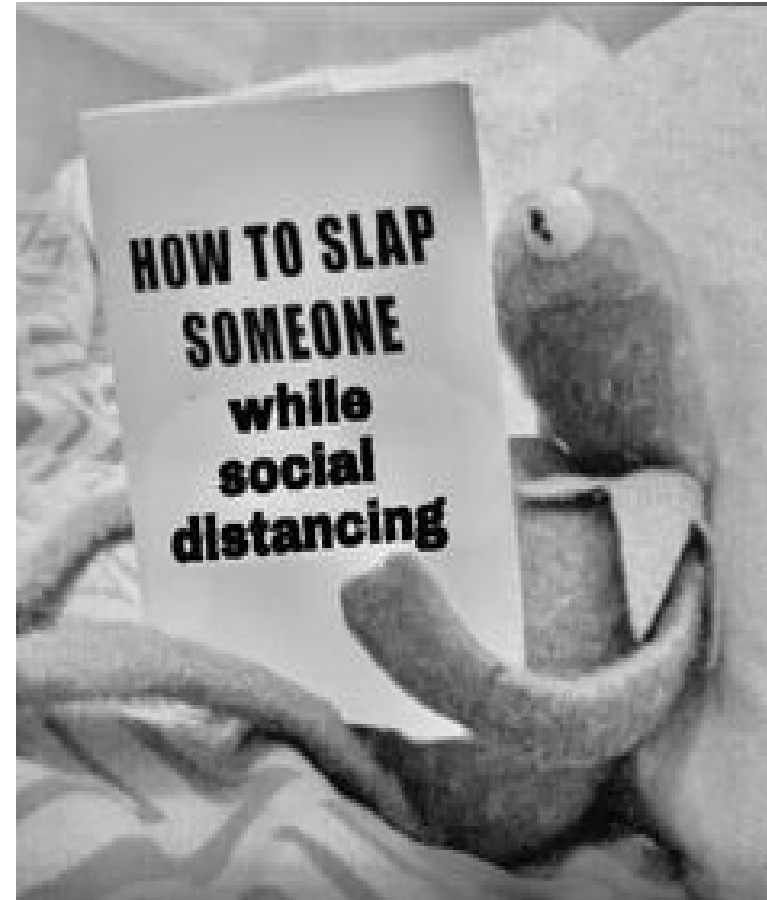
You also understand that you may elect from time to time to use Credit Union or other parties' social media tools and sources; that there is no claim of privacy or privilege regarding information shared or discernible from such use or sharing; and the use of such information by us does not violate your privacy or other rights. If you have consented to communicating with us via social media we may use any social media addresses you may establish from time to time.



Plan for “When Social Media Attacks”

Reputation Risks:

- ◆ Fraud and Brand Identity
- ◆ Third Party Concerns
- ◆ Privacy Concerns (Expand to Include Permissions / Releases-Consents)
- ◆ Consumer Complaints and Inquiries



Plan for “When Social Media Attacks”

Assess Promptly and Develop “The Right Plan”

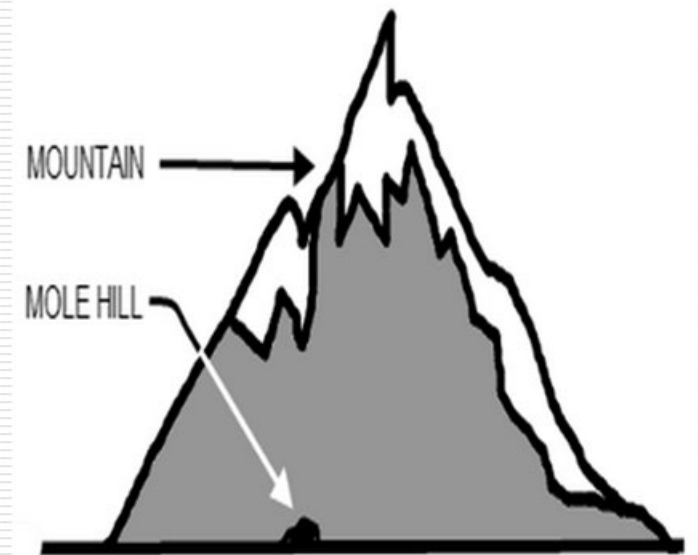
**The Hardest Advice:
“The Streisand Effect”**



Direct Approach:



Avoid FIASCO Approach:



Plan for “When Social Media Attacks”

Prevent in the First Place



Questions?

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