Training Loan Officers to Follow Your Social Media Compliance Policies

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Exponentially increasing your loan officers' 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 use the marketing power of the internet via social media. The cost of cultivating business on social media platforms is best spent when implementing your social media compliance policies.

Simultaneously arming your origination team with the right technology and training to manage consistency, compliance and brand recognition is worth the investment. Overlooking the importance of taking a strong offensive position with effective training, can force your institution to take a defensive position down the road, entailing exam issues, fines, possible enforcement action and more. Don't let poor training practices prevent your institution from realizing the full potential social media has to offer.

Having a program to effectively train loan officers on the numerous regulations and policies that are impacted every time they are on the internet is an art form. As with any training program, you need to engage your team, create a clear understanding of the obstacles and opportunities, monitor related activities to create real life examples of do's and don'ts, and last but not least, provide ongoing education and reinforcement of the benefits of policy adherence.

As discussed in previous sections of this series, the percentage of loan officers actively using social media to generate leads is behind the curve. With only 20 to 30 percent considered "highly active" nationwide, according to information presented at the Mortgage Bankers Association conference, the opportunity to increase borrower prospecting on social media platforms is significant.

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To reap the benefits of the internet and tap the rewards that social media offers in lead generation, retention and increased application volume, the secret is to successfully engage your loan officers. Acknowledge their ability to impact prospects in a positive manner and help them develop content that is strategic and hooks potential leads. Let your loan officers see that they can leverage the strength of your company and still maintain their personal attributes on the web.

Remember that the CFPB, FDIC and other examiners spend time on the web looking for possible regulatory and policy infractions. Despite the complexity of today's regulatory landscape and the difficulty in monitoring your employee's social media activities, their posts, tweets, likes, etc., they are all a direct reflection on the organization and you can be held responsible for their actions.

Tips to Promote Social Media Activity

Collaborate with your loan officers as you implement policies with these four tips to help promote social media activity:

1. **Understand where your loan officers are online**
   Learn what platforms your team is using today, what works for them and what doesn't. This will help to more fully engage your team.

2. **Encourage your loan officers to link to the corporate website**
   Whether it's tweets, Facebook, blogs or some other channel, make sure loan officers provide a link back to your website.

3. **Foster social media communication**
   Make sure your loan officers respond to prospective borrowers promptly. Generating enthusiasm via social media falls flat if no one responds once a prospective borrower shows interest.

4. **Clearly and concisely explain social media risks**
   Provide loan officers with easy to use tools that let them know how to avoid the most common pitfalls.

Defining Social Media Policies

Creating and defining workable social media compliance policies, as presented throughout this series, should be the backbone of your corporate social media strategic plan. Make certain policies reflect your corporate culture and executive strategy, as well as the needs of your front-line loan officers. Your policies should encompass a broad spectrum of activities, including all marketing channels from web content to online networking by individual staff. The key to success in this area is to have a policy that covers your institution from a regulatory examination perspective and is flexible enough to evolve as new social media platforms are introduced, as well as when your team becomes more engaged in regular use.

Management's involvement is critical to your institution's success. The management team needs to understand key compliance concerns, perform regular risk assessment and show their support of policies that prevents compliance violations, fines and reputational damage. A compliance manager, or team, should be assigned to oversee policy administration, implement training and handle monitoring and reporting of social media activities.

How to Train Loan Officers on Compliance Issues

Post financial crisis compliance is not an easy subject and social media compliance can be extremely complex. With social media platforms and activities expanding at an exponential rate, coupled with the fact that most policies that regulate social media must be dissected out of broader term regulations and are subject to interpretation, creating a training program for your staff can be an immense challenge. There are federal, state and investor regulations that directly affect your company and employees, as well as your own corporate policies. This information must be organized and presented in a manner that is both meaningful and digestible.

Your social media compliance policy will help dictate the training, therefore ensuring you have a complete policy that encompasses applicable regulation and current social media activities is critical. Loan officers will need to have a clear understanding of what they can and cannot say in their online posts, as well as the consequences when violations occur. Provide examples of posts that may be flagged by regulators and content templates that will help generate leads without creating potential violations. Solicit feedback from your loan officers on content development and lead strategies, as well as successes and challenges they've experienced. This will keep your team engaged, as well as offer learning opportunities. Today's loan officer is required to be knowledgeable in many facets of the mortgage industry. Appeal to their professionalism and make training concise and clear, with tools that allow them to do what they do best - prospect for borrowers and generate application volume.

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Ongoing Training and Monitoring

Social media compliance training is not a one-time event. It requires reinforcement, updating and monitoring. Your training program should be ongoing and a constant source of discussion. Bear in mind that regulations and guidelines will change, and your policies will evolve. Additionally, new social media platforms will be introduced; some moving rapidly to the forefront with new features and expanded use. Your target market will also change, impacting which rules are important and what platforms are most relevant.

Updating policies is fairly straightforward, albeit multi-faceted, however, staying on top of your employee's social media use is anything but. The ability to successfully monitor their activities requires sophisticated technology that benefits both your organization and the loan officer. Social media compliance technologies, should enable swift attention to problematic content, the ability to remediate the published material and then generate a log and archive of all transactions, illustrating oversight and adherence to a larger risk management program. Folding in what you learn from any available monitoring tools into your training will help maximize the effectiveness and engagement level of your program.

Ongoing Compliance Training Ideas

1. **Change Forums**
As regulations or internal policies change, you need effective forums for communication to ensure both loan officer understanding and assimilation of policy into activities. This may include surveys, group discussions, or one-to-one meetings between the manager and employee.

2. **Regular Meetings**
Plan social media compliance meetings once a week, month and/or quarter. This is particularly important when implementing policy. Keep your team informed and engaged with regular discussions about compliance.

3. **Collaborative Feedback**
Whether it's part of training, regular meetings or separate discussions, let your loan officers speak up and share their feedback, challenges and ideas. The more they feel like they are part of the process, the better they will react to policy changes.

4. **Personal Reviews**
You will be monitoring social media activity, especially for the most active employees. Set up regular review sessions with them to go over what constitutes successful activity and what is potentially risky about their postings. Recognize instances where loan officers have avoided red flags or violations.

Training New Employees vs. Existing Employees

In most cases, it is easier to train a new employee on company policies, including social media compliance, than existing employees. New personnel come in fresh and are more committed to following the rules, especially during their probationary period.

On the other hand, it can be a challenge to train existing employees, particularly those that are highly active on social media and/or have been successful in cultivating leads on various social media platforms on their own. This often makes it difficult to change potentially damaging practices, as well as alter approaches to posting and communication on the web. It takes time and follow-up training to be sure new policies sink in. If problems persist, punitive policies may need to be enforced. It is important that all levels of personnel understand the potential risks to the organization, from reputational damage to fines and enforcement actions.

Discussing Privacy Concerns

One of the most significant issues with today's social media compliance management is privacy. Bear in mind that you are monitoring and reporting activity on your loan officers' social media accounts and it's extremely important that they understand it is a regulation requirement to monitor and that only posts related to the Company, should be reviewed. Presenting a clear picture of the benefits and importance of monitoring for both the organization and employee, will go a long way in ensuring policy compliance.

Policies and monitoring procedures are put in place to protect all parties, including your loan officers.

As your loan officers expand on their use of social media to generate leads and attract business for themselves, they will become subject to numerous compliance regulations. Compliance policies and monitoring procedures are put in place to protect all parties, including your loan officers, from inadvertently committing violations and incurring fines.

"Loan officers may feel uncomfortable when your company first enacts a social media compliance policy," says Michael Stallings, VP, Comergence. "Discuss the circumstances openly and honestly. With the right approach to training and communication, everyone wins."

Typical Mistakes Made by Loan Officers

A loan officer posts promotional content on their LinkedIn page without including their NMLS ID

- Violation of… S.A.F.E. Act (Secure and Fair Enforcement of Mortgage Licensing Act/Regulation G)
- A loan officer must display his/her NMLS ID, name as it appears in the NMLS, as well as company name, ID and address on any social media profile.

A loan officer 'likes' a post on Facebook by ABC realtor, who is representing a mutual borrower

- Violation of… RESPA (Real Estate Settlement Procedures Act/Regulation X)
- A loan officer cannot like, follow or promote in any way a third-party provider on the provider's social media profile; this extends to settlement service providers and realtors.

Most Common Compliance Violations

TILA (Truth in Lending Act/ Regulation Z)	It is a violation to include content that references payment amounts, amount of finance charges, and/or down payment information without providing required disclosures.
RESPA (Real Estate Settlement Procedures Act/Regulation X)	It could be construed as a violation to promote a third-party provider, especially a settlement service provider, by liking, following or endorsing them.
FTC Act (Federal Trade Commission Act)	It is a violation to misrepresent or omit facts when presenting (advertising) loan products, such as content discussing fees, APRs, savings and/or loan terms, or improper disclosure.
SAFE Act (Secure and Fair Enforcement for Mortgage Licensing Act)	It is a violation to omit the loan officer's NMLS ID on social media communication and profiles. The loan officer name as it appears in the NMLS, company name, ID and address are also required.

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