

# HOW TO SELECT AND MANAGE THIRD-PARTY SOCIAL MEDIA PROVIDERS

Why Social Media Compliance Needs to Be at the Forefront of Your Marketing Relationships



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Social media is a pivotal component of retaining and expanding your market share. Ensuring your financial institution is prepared to successfully engage the growing population of adults on the internet, particularly millennials, requires a strategic marketing plan that leverages social media. Whether it's loan officers prospecting for new borrowers or improving your brand visibility, tapping the benefits of social media platforms is no longer the alternative means for marketing communications, but rather the norm. Social media channels are full of excellent marketing opportunities that enable you to generate more leads. Your company should be proactively engaging prospects online and across all relevant platforms. This approach extends to the company as a whole, pushing a strong brand message that builds value in the minds of your targeted consumers.

Likewise, financial institutions will want to utilize social media and powerful web content at the regional, branch and loan officer levels. The strategic value in this level of interaction ensures your organization will have the ability to engage past and present customers through intriguing content, while simultaneously attracting new customers with effective brand messaging strategies. Loan officers in particular, should be urged to stay professionally active on social media. At the 2017 MBA Legal Issues and Regulatory Compliance Conference, it was reported that 20 to 30 percent of loan officers are currently creating leads via social media platforms, a percentage that ought to be even higher when you consider today's culture. Furthermore, direct promotion from your loan officers engages potential borrowers on a personal level. This ability to directly connect with an individual at your company is more likely to elicit a response that eventually leads to an application.



*Direct connection to a loan officer is more likely to elicit a response leading to an application.*

Social media represents a meaningful way to increase brand awareness, engage consumers and readily expand your market reach. Effectively posting on the more commonly used platforms presents a relatively inexpensive opportunity to increase business. Your company can make the most of social media marketing with highly targeted content and engaging posts that entice prospective borrowers to explore your website and/or contact your loan officers to learn more about doing business with you. It's that simple.

Conversely, it is also important to remember that any level of social media activity is subject to compliance regulation. Actions and content must be monitored carefully to prevent violations, avoid costly fines and enforcement action, or damage to your industry standing and credibility.

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## Using Third-Party Social Media Providers

Most financial institutions begin their foray into social media by tasking their marketing department with creating a plan that leverages the various social media platforms. This typically involves adding the ability for potential borrowers to connect with your company via Facebook, Twitter and LinkedIn. Corporate pages on Facebook and LinkedIn are fairly easy to maintain at the internal level; however, employees and followers then have free reign to post content, which can quickly create administratively intensive review requirements. Managing your social media presence also encompasses regular posting of marketing content to multiple platforms, as well as online advertising and blogs. If your financial institution has a regional brick and mortar presence or franchise offices, the marketing team should be prepared to develop and manage marketing efforts and content for these locations, as well as individual loan officers. Although many loan officers and branch offices will generate their own campaigns and postings, it is important to protect consistency in brand and messaging.

As your financial institution's social media activities grow, third-party providers can be instrumental in amplifying your presence and capacity to engage prospective borrowers. Third-party providers are available to generate marketing content and campaigns, to assist in leveraging your CRM to target prospects and track data, as well as helping you monitor and analyze social media activity - and much more.

The key to finding successful third-party providers is to validate their track record in working with financial institutions that bear some similarity to your organization in size, service offering and strategic direction. Whoever you partner with in your social media activities, on any level, providers must have a working knowledge of the Federal Financial Institutions Examination Council (FFIEC) guidelines, as well as applicable laws, regulations and administrative polices that govern your institution.



*Third-party providers can be instrumental in amplifying your presence.*

- Generate Content
- Track Data
- Leverage CRM
- Monitor & Analyze



*Validate their track record in working with financial institutions that bear some similarity to your organization in size.*

## Why Have Third Party Social Media Relationships?

It's easy to understand why many financial institutions, branch offices and individual loan officers turn to marketing experts to handle their social media and online marketing services. It's often more cost effective to outsource various marketing activities to third-party providers that have subject matter expertise in areas that are vital to your online marketing plan. Your marketing team understands your business and your brand, but this doesn't always coincide with a meaningful knowledge of social media platforms and the nuances that will get your company noticed, or how to successfully engage targeted demographics.

Likewise, your marketing and compliance teams are not typically experts on the numerous policies, regulations and laws that apply to online business, dependent on what, where and how you use social media to communicate with consumers.

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Although, your financial institution cannot pass off this latter responsibility, it is extremely advantageous to work with third-party providers that have a working knowledge of guidelines and governing regulation in social media. Forging a compliant, productive partnership with a third-party provider will require inclusion of your social media compliance policy as a part of any marketing services contract, or other contract securing services tied to social media activities. Clear expectations on policy adherence, oversight processes, risk management and communication will help solidify productive third-party relationships.

### What to Look for in a Social Media Provider

Finding a third-party social media provider that realizes the importance of following your social media compliance policies and adhering to industry compliance requirements, is of the utmost significance. However, this should not be the only determining factor. You want an online marketing company, or individual provider, that understands social media and knows how to maximize engagement opportunities across each of the different platforms.

Social media marketing becomes more and more complex as time goes on. Platforms evolve and add advanced functionality on a regular basis. Advertising methods become more sophisticated and targeted. There are new platforms entering the market with growing frequency and you want a provider/partner that is prepared to take advantage of applicable social media marketing opportunities. Expertise in social media practices will generate more leads and the business growth potential can be exponential. Ideally, you will find a third-party provider that has the requisite expertise in their field while offering the versatility to meet both your marketing and compliance goals.

### Communicating the Goals of Your Social Media Compliance Policy

When dealing with a third-party social media provider, it is important to clearly communicate compliance guidelines. There are multiple facets of compliance requirements that will need to be addressed at the beginning of the provider engagement and factored into all ongoing aspects of the client-provider relationship. These include but are not limited to the following:

- 1 General Compliance Guidelines**  
Rules and regulations that apply to your institution/industry as outlined by outside forces. Federal, state and investor compliance guidelines need to be provided and discussed.
- 2 Company-Specific Policies**  
The guidelines set forth in your institution's social media compliance policy that often extend beyond the general guidelines referenced above.
- 3 Compliance Goals**  
Defining social media compliance goals should be a proactive effort, and you will want to make sure these goals are helping drive social media marketing and other services outlined by your provider.

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## Compliance Monitoring, Audits and Reporting

Just as you would need to monitor, audit and review the social media activity of your employees, you will want to have systems in place to track the activity of any third-party social media provider. In addition to industry vendor management requirements, your provider oversight should extend to compliance risk and reputational risk management. There should be a designated individual or team within your organization tasked with administering and overseeing your risk management process for selection and management of third-party social media service providers. A core component of this process ought to be dedicated to reputation risk alone. The capacity to be sensitive to, and appropriately handle negative public opinion, is critical when managing reputational risk. Monitoring for damaging commentary and ensuring quick resolution will help your institution effectively leverage the benefits of social media, without being handicapped by adverse postings. It is crucial that your third-party providers follow a corrective course of action and that corresponding requirements for managing risk are made a part of your social media compliance policy.

Activity and event reports should be generated regularly and an action plan to resolve issues needs to be established with any third-party providers. Timely response and resolution to potential violations is critical for ensuring compliance and avoiding costly fines or enforcement. Action should be expedient and take shape as soon as problematic activity is uncovered. Service contracts should also be in place with any third-party social media provider, addressing who is responsible in cases of content compliance violations and/or fines.



*Service contracts need to address who is responsible in cases of content compliance violations and/or fines.*

Third-party marketing providers are representing your institution in the same manner as an employee and likewise, need to be carefully monitored for all social media activity. An automated system to streamline monitoring, auditing and reporting can be used to accomplish this objective.

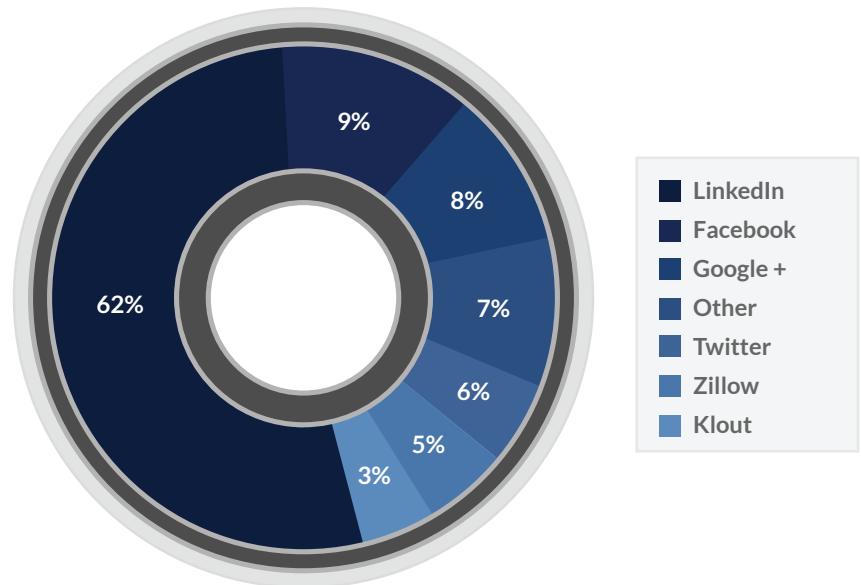
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## Where Is Social Media Marketing Taking Place?

### Loan Officer Social Media Presence

A current snapshot of Comergence research on loan officer social media accounts, illustrates which sites have the most penetration.



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### About Optimal Blue

Optimal Blue operates the mortgage industry's Digital Marketplace, connecting originators, investors, and providers with a single, unified technology and value-added services platform. Optimal Blue's Digital Marketplace enables originators to automate their entire secondary marketing operation, from content through commitment, provides investors with network access and an array of compliance and business intelligence tools, and offers innovative providers API-based access to the Optimal Blue platform. Together, these originators, investors, and providers form a unique, multi-sided network touching one of every four mortgage loans closed nationally each year. For more information, visit [www.optimalblue.com](http://www.optimalblue.com).