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TO: Kansas Chartered Credit Unions
SUBJECT: Social Media

SOCIAL MEDIA

Does it seem like the world revolves around social media these days? As I am sure you know, most of your members' individual worlds revolve around that little 3x6 electronic device in their pocket. Chances are your credit union is right there with them when it comes to an online presence.

There are so many questions! Do you have a social media policy? Maybe two? If your credit union does have an online presence, do you have a policy outlining how staff posts, tweets, shares, etc.? Does that policy address how to handle the dispute a member posts on your Facebook page? How about a policy for your employees? If credit union staff identify themselves as an employee of your credit union, do you restrict or monitor their online presence? What if an employee is communicating with a member via social media about a loan product? Are the appropriate disclosures being provided?

In December 2013, the FFIEC issued [guidance](#) advising that all consumer protection and compliance laws apply to social media activity. The FFIEC wanted to help financial institutions, including credit unions, understand potential consumer compliance and legal risks associated with the use of social media, along with expectations on how to manage those risks. This guidance consists of 19 pages of what your credit union needs to know. For purposes of this guidance, "social media" is defined as "...a form of interactive online communication in which users can generate and share content through text, images, audio and/or video."

The FFIEC expects a credit union to have a risk management program allowing it to identify, measure, monitor and control the risks related to social media. The size and complexity of the program should be commensurate with the extent of the credit union's social media engagement. This structure should include individuals from compliance, technology, [information security](#), legal, human resources and marketing. Of course, to make it all work, there should be employee training and continual oversight.

For example, if your marketing staff designs an awesome ad for a new deposit product, is it reviewed by compliance staff for compliance with the [Truth in Savings Act](#)? Have you considered the advertising requirements of the [Truth in Lending Act](#)? These are all applicable to your online presence.

The guidance also addresses Bank Secrecy Act/Anti-Money Laundering (BSA/AML) surveillance. Do you have online banking? Online account opening? Convenience for prospective members, but increased risk for the credit union. Have you done a risk assessment? Do you have a policy in place?

Of course, as with anything a credit union does, there is reputation risk. Your credit union's reputation can be lost in seconds but will take years to rebuild. The recommendation for your credit union is to take social media seriously, do a risk assessment and manage appropriately.