

# MGIC Training

# Social Media Compliance

# Today's Agenda



Social Media Stats

Laws to Follow on  
Social Media

One Click Rule

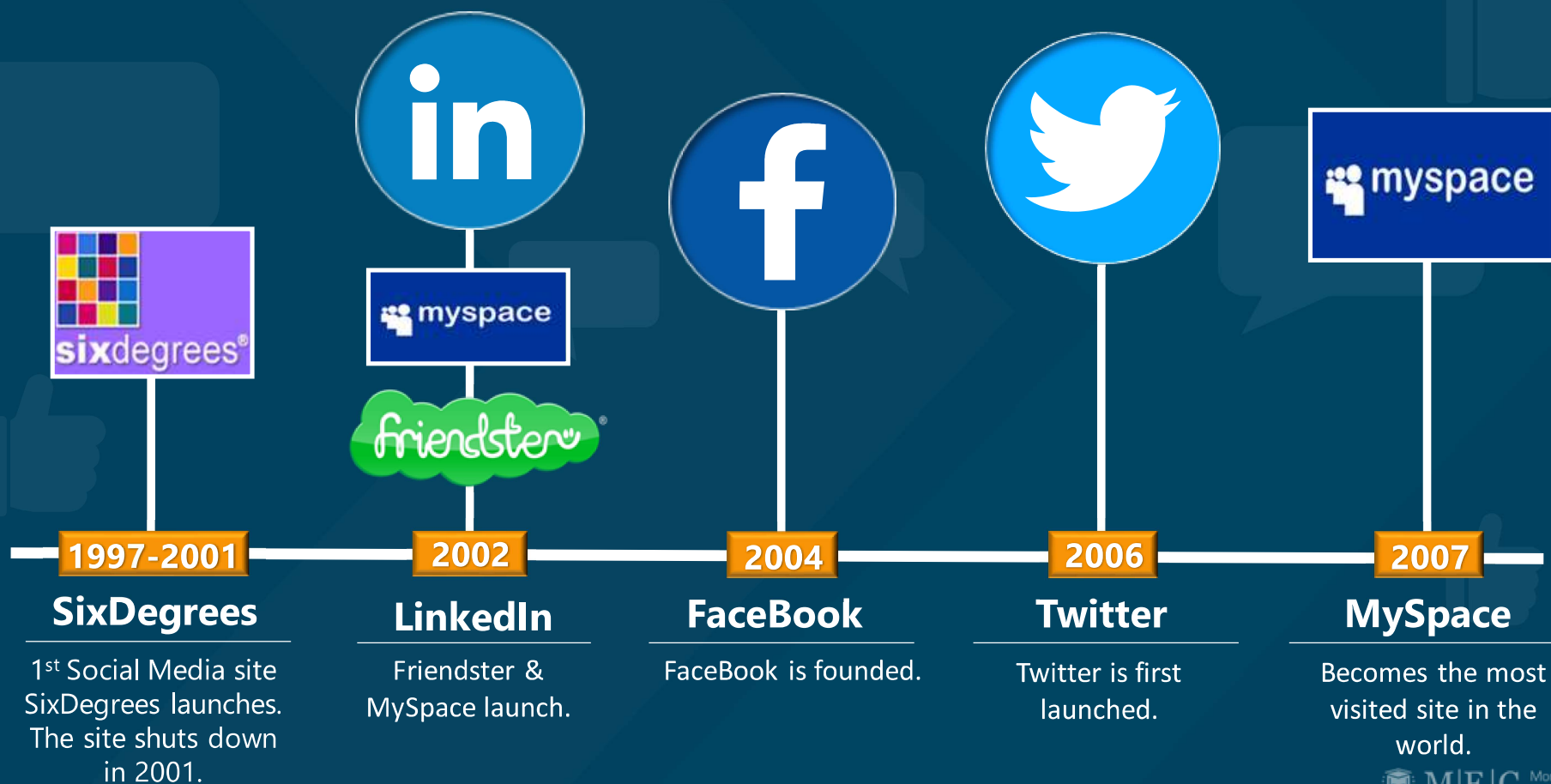
Compliance Issues

# Social Media Stats

- Nearly 4.8 billion social media content users
- Users have almost 7 different social media networks used regularly
- Spend nearly 2 ½ Hours a DAY on social media
- 81% of businesses use social media for brand awareness

Source: <https://www.searchenginejournal.com>

# Social Media Timeline



# Social Media Timeline



2008

**FaceBook**

Moves past MySpace as the "Most visited site in the world."



2010

**Instagram**

Launches in the market.



2011

**Snapchat**

Snapchat officially Launches



2015

**Friendster**

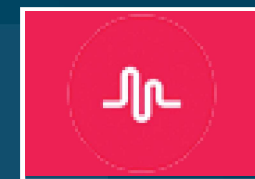
Services are Suspended



2017

**TikTok**

TikTok launches In fall.

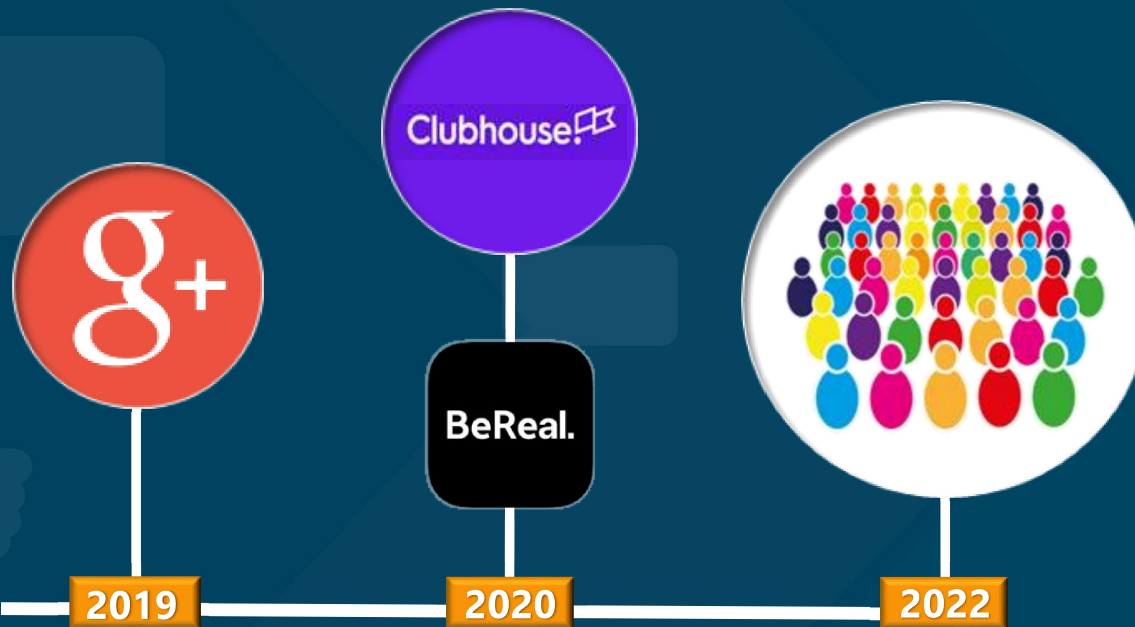


2018

**Musical.ly**

Musical.ly shuts down. Migrates users to TikTok

# Social Media Timeline



## Google +

Google +  
officially shuts  
down.

## Clubhouse & BeReal

Launches in the  
market.

Social Media  
Compliance  
Best Practices  
Let's Review

Equal Credit Opportunity Act (ECOA) Regulation B

Fair Housing Act (FHA) Part 109 Fair Housing Advertising

Mortgage Acts and Practices Advertising (MAP) Reg. N

Truth in Lending Act (TILA) Regulation Z

UDAAP

## Equal Credit Opportunity Act (ECOA) Regulation B

- Addresses discrimination and discouraging narratives in advertising. It also looks at targeted marketing, including redlining and reverse redlining.

## Fair Housing Act (FHA) Part 109 Fair Housing Advertising

- All advertising of residential real estate for sale or financing should contain an equal housing opportunity logo, statement or slogan.



## Mortgage Acts and Practices Advertising (MAP) Reg. N

- Prohibits being "deceptive and misleading" in all communications, similar to deceptive and abusive under UDAAP.

## Truth in Lending Act (TILA) Regulation Z

- Clearly and conspicuously disclose costs and terms of credit. It can also include "unfair, deceptive, and abusive" in the TILA requirements.

## UDAAP

- Unfair, Deceptive, Abusive Acts and Practices

# Equal Credit Opportunity Act (ECOA) Regulation B

## Prohibited

- Discrimination
- Discouraging Narratives
- Targeting
- Redlining
- Reverse Redlining

**Compliance Concerns:** Any parameters that will limit a potential viewer from seeing your post on social media, including demographic details, specific locations, income levels, etc.

# Fair Housing



Fair Housing Act (FHA) Part 109 Fair Housing Advertising

- Requires an Equal Housing Opportunity Logo, Statement or Slogan.
- **Compliance Best Practice**, having the main page contain all the information required for the mortgage industry.

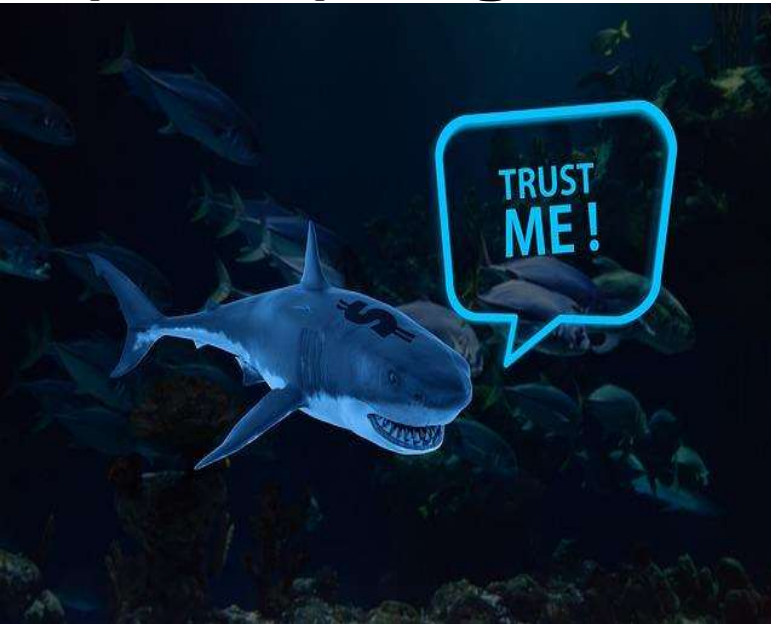
# One Click Rule



## One click away rule requires:

- Hyperlink clearly labeled that goes **directly to the required disclosures.**
- Not a series of hyperlinks, **one click means one not two or more.**
- QR codes are **not one click away**, because if the person is using their phone they may need to use another device to reach the disclosures using a QR code.

# Mortgage Acts and Practices Advertising Rule (MAP) Regulation N



Best Rates, Best Service,  
Fastest Closings in Town

Prohibits deceptive and misleading communications.

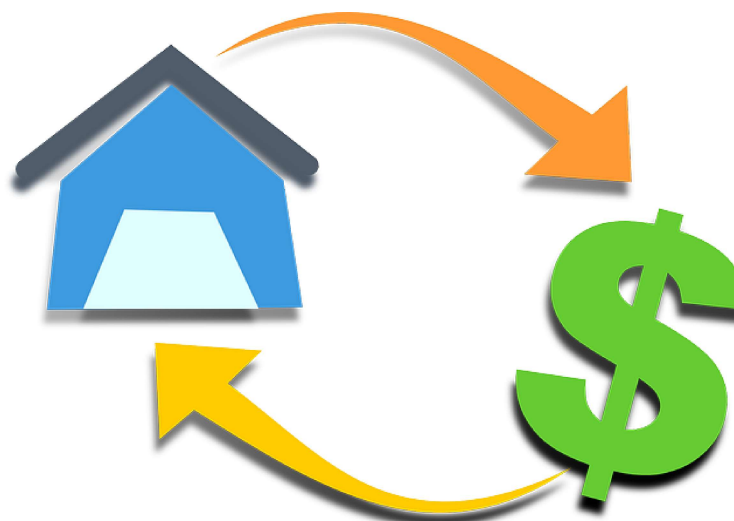
**Compliance Best Practice:** Make sure the products, programs and rate are actually available, and any special conditions are clearly stated in the social media post.

# Truth in Lending Act (TILA) Regulation Z

Clearly and conspicuously disclose costs and terms of credit

## Trigger Terms

- Downpayment Amount
- Payment Period
- Payment Amount
- Finance Charge

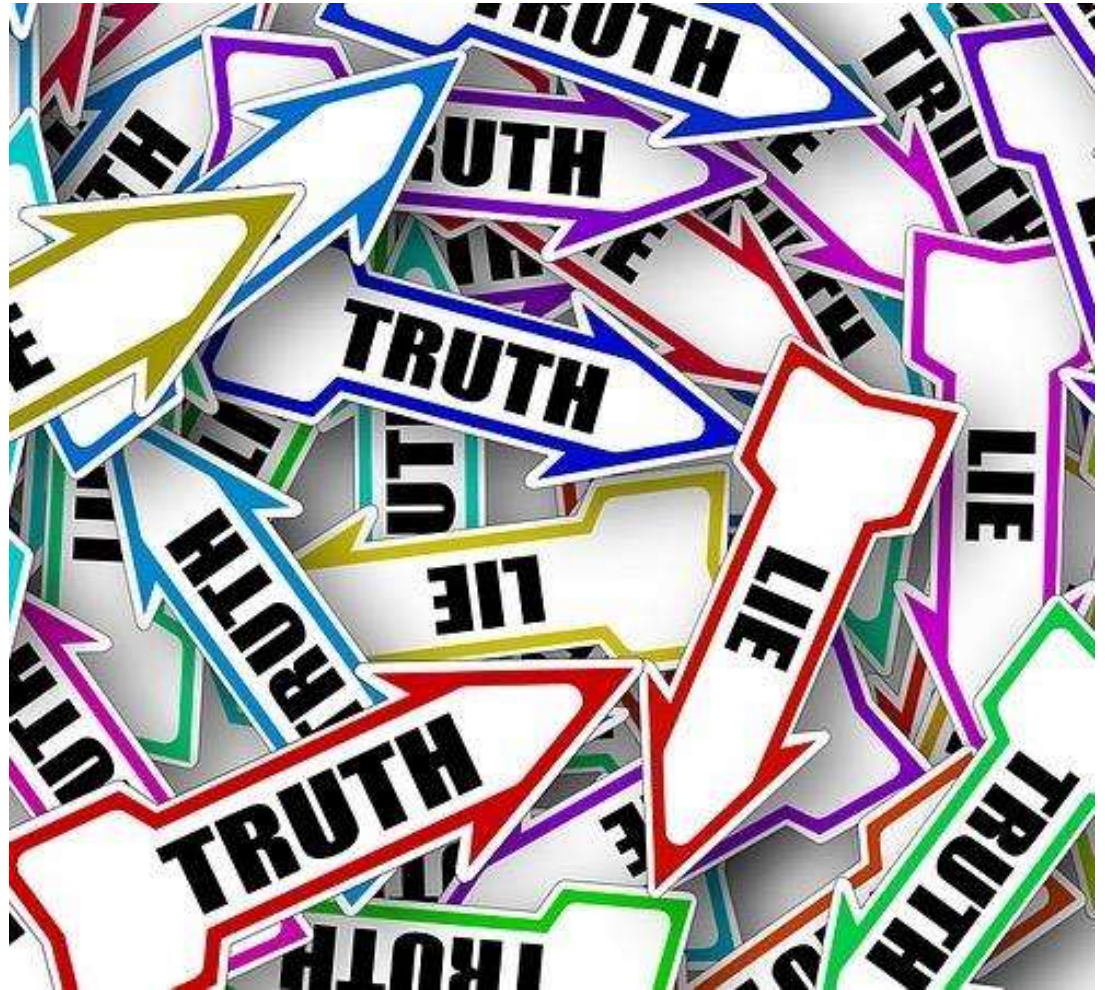


Once triggered, must include the “annual percentage rate” or APR, downpayment and term of repayment.

# UDAAP

Prohibits the use of unfair, deceptive, and abusive language in advertising.

- Prominence
- Placement
- Presentation
- Proximity



# SAFE Act



- Include NMLS ID #
- Use a Business Page
- Personal Page used for Business Activity is NOT advisable
- Include MLO Information
- Office Address (required in some states)





## Consumer Review Fairness Act

The Consumer Review Fairness Act (CRFA) protects people's ability to share their honest opinions about a business's products, services, or conduct, in any forum, **including social media.**

# Social Media “Do’s”

- ✓ Consider turning off comments
- ✓ Share happy client testimonials & closings
- ✓ *Highlight new mortgage products*
- ✓ Explain mortgage terms
- ✓ Share charity events, market stats, “Top 10” tips
- ✓ Share inspirational or funny quotes



# Social Media “Don’ts”



- ✓ Forget to **ask permission**, tag clients and realtors
- ✓ Quote interest rates, APR, or specific mortgage terms without TILA
- ✓ Make claims of reducing debt
- ✓ Comment on likelihood of approval
- ✓ Use “best,” “lowest,” “most competitive,” or “unbeatable”, “no costs” or “no fees”
- ✓ Quote facts, figures, graphs or statistics without sourcing

# Risk Management



- Establish Controls for Social Media Content
- Policies and Procedures
- Employee Training
- Clearly Define Impermissible Activities
- Oversight Process
- Social Media Monitoring
- Audit and Compliance

# Data Privacy and Security



Need to protect your business from having client's personal, confidential or sensitive information posted to a social media page.

**Compliance Tip:** Control the content and make sure there is NO personal information that can identify a client.

# Create an Advertising/Marketing Review Checklist

## ADVERTISING/MARKETING REVIEW CHECKLIST

GENERAL REQUIREMENTS	N/A	YES	NO	COMMENTS
Company Name*				Required all advertisements
Corporate Address				Some states have specific requirements
Corporate Phone Number				Some states have specific requirements
Corporate NMLS ID*				Required all advertisements
CORPORATE WEBSITE ADDRESS				
Branch Address				Not required
Branch Phone Number				Not required
Branch NMLS ID				Not required
Loan Originator Title (BM, MLO or LO)				Not required
Loan Originator NMLS ID				Required if name is listed and some states have specific requirements
Loan Originator Email Address				Not required
Equal Housing Opportunity logo*				Required



## Consumer Financial Protection Bureau

CFPB Press Release 2023

**“As social media platforms, banks, landlords, employers, and other businesses that choose to rely on artificial intelligence, algorithms and other data tools to automate decision-making and to conduct business, we stand ready to hold accountable those entities that fail to address the discriminatory outcomes that too often result,”** said Assistant Attorney General Kristen Clarke of the Justice Department’s Civil Rights Division. **“This is an all-hands-on deck moment and the Justice Department will continue to work with our government partners to investigate, challenge, and combat discrimination based on automated systems.”**



## Algorithmic Marketing and Advertising:

- The CFPB issued an interpretive rule about using **digital marketers**. If their actions, such as using an algorithm to determine **who to market products and services to, violate federal consumer financial protection law, the MLO can be held accountable.**



# The Future of Social Media

As the generations that grew up on social media look to own a home they will be relying on the networks they trust to guide them in these financial decisions.

**“For Gen Z, social media has replaced the internet and traditional search engines.”**

Learning how to be compliant with mortgage regulations on social media is important to your success now and in the future.

# The Future of Social Media

- The average daily user spends over 2 hours on social media each day. Gen Z spends almost 3 hours per day.
- The average number of social media accounts accessed by millennial or Gen Z users is 7.1

# What Does Our Audience Want?



# How To Create Compelling Content?


FOCUS ON...

INTENT

IMPACT

AUTHENTICITY

# Content... How To Stand Out!

 Fannie Mae

## Desktop Underwriter/Desktop Originator Release Notes

### DU Version 11.1 Nov. Update

Oct. 4, 2023

During the **weekend of Nov. 18, 2023**, Fannie Mae will update Desktop Underwriter® (DU®) Version 11.1, which will include the changes described below. Unless specified below, the changes in this release will apply to DU Version 11.1 loan casefiles **submitted or resubmitted** on or after the weekend of Nov. 18, 2023.

The changes in this release include the following:

- LTV Ratios
- HomeStyle® Energy
- Social Security Number Message Retirement
- Liability Payment includes Taxes and Insurance Indicator
- Updates to Align with the *Selling Guide*

### LTV Ratios

To expand access to credit and provide support for affordable rental housing, the maximum allowable LTV, CLTV, and HCLTV ratios for two- to four-unit, principal residence, purchase and limited cash-out transactions will be updated to 95%. This change will not apply to high-balance mortgage loans and loans that are manually underwritten. The table below highlights the updated LTV ratios.

Standard Eligibility Requirements – Desktop Underwriter Version 11.1		
Excludes: High LTV Refinance, HomeReady®, HomeStyle® Renovation, and Manufactured Housing		
Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV
<b>Principal Residence</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97% ARM: 95%
	2 Units	FRM/ARM: 95% (currently 85%)
	3 – 4 Units	FRM/ARM: 95% (currently 75%)

# Content Hacks...

Advanced Data Analysis ⓘ

SH: What are first time home buyers searching online?

First-time homebuyers often have a lot of questions and concerns, so they tend to search for a wide range of information online. Here's a rundown of some common topics they might be googling:

### Financial Aspects

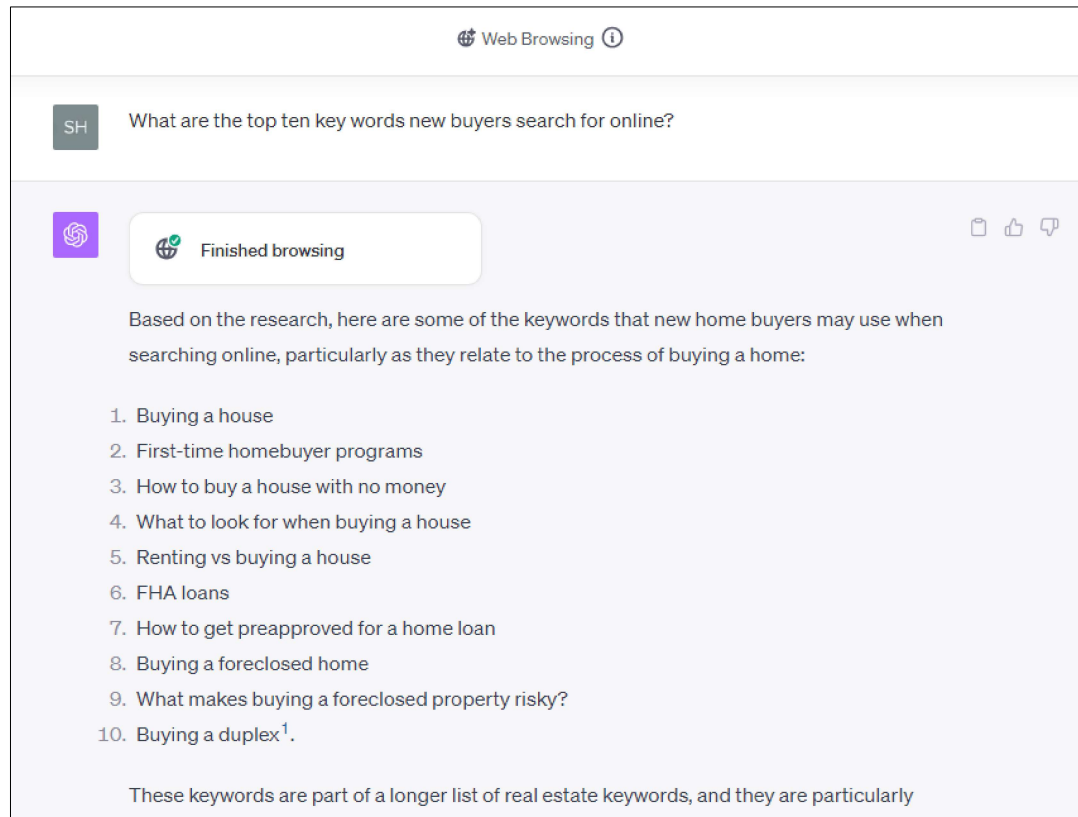
1. **Mortgage Rates:** Understanding current interest rates and how they affect monthly payments.
2. **Down Payment:** How much is needed and options for lower down payments.
3. **Mortgage Pre-Approval:** How to get pre-approved and why it's important.
4. **Closing Costs:** What are they and how much to budget for them.
5. **First-Time Homebuyer Programs:** Grants, tax breaks, and other financial assistance.

### The Home Search

1. **Local Housing Market:** What homes are going for in desired areas.
2. **Home Listings:** Sites like Zillow, Redfin, Realtor.com for available properties.
3. **Neighborhood Safety:** Crime rates, school quality, etc.
4. **Home Inspections:** What they cover and why they're necessary.





### The Buying Process

# Content Hacks...



Web Browsing ⓘ

SH What are the top ten key words new buyers search for online?

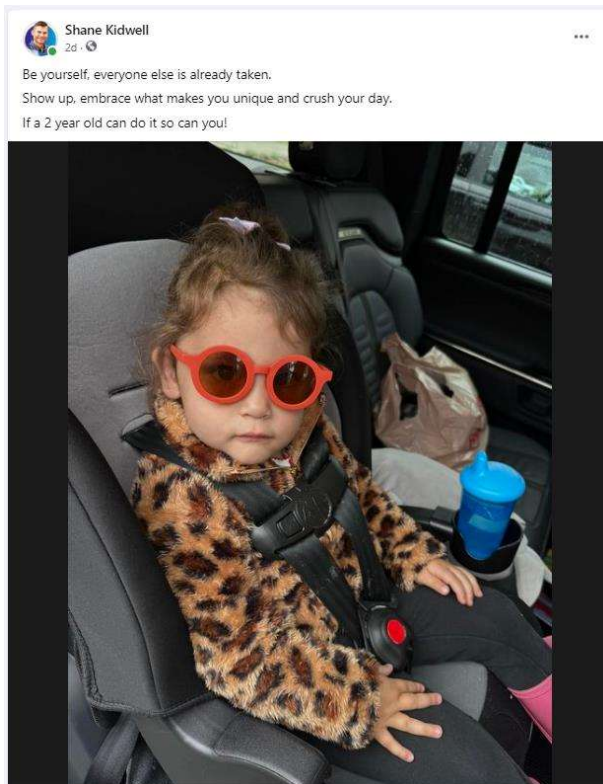
 Finished browsing   

Based on the research, here are some of the keywords that new home buyers may use when searching online, particularly as they relate to the process of buying a home:

1. Buying a house
2. First-time homebuyer programs
3. How to buy a house with no money
4. What to look for when buying a house
5. Renting vs buying a house
6. FHA loans
7. How to get preapproved for a home loan
8. Buying a foreclosed home
9. What makes buying a foreclosed property risky?
10. Buying a duplex<sup>1</sup>.

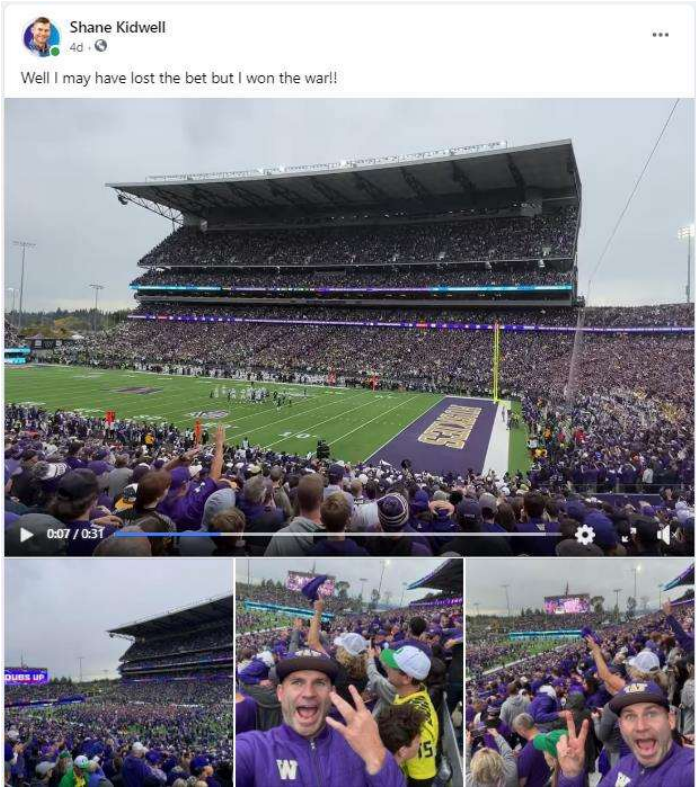
These keywords are part of a longer list of real estate keywords, and they are particularly

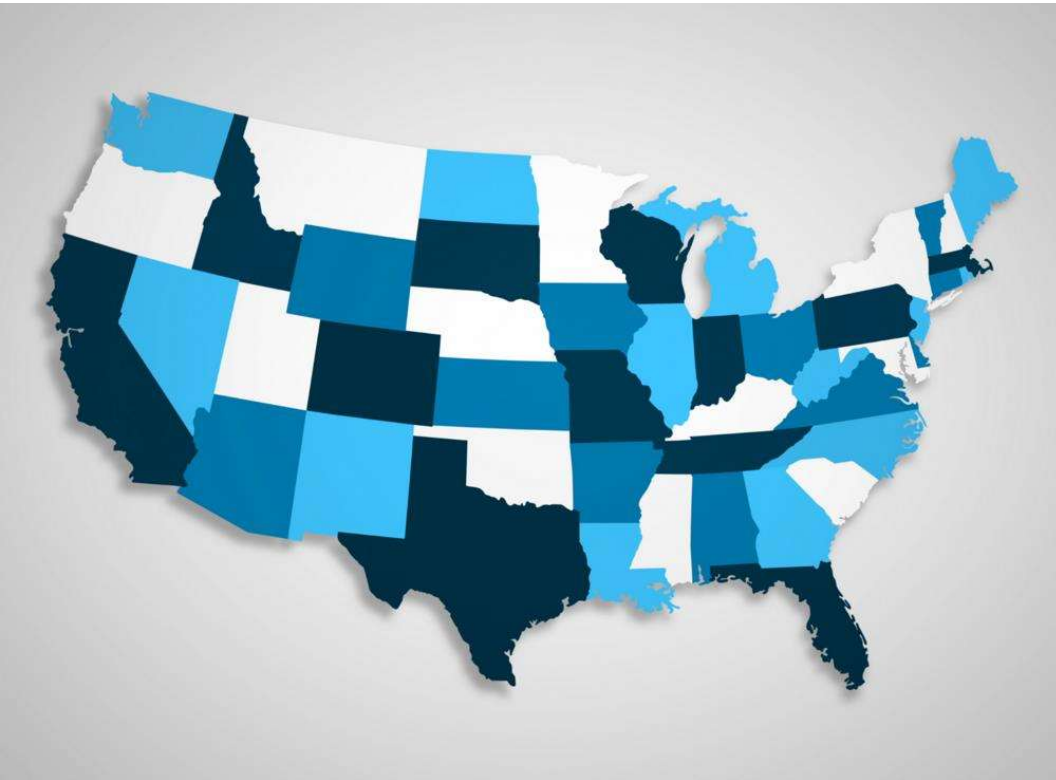
# Authenticity is The Secret Sauce





# Just Be Yourself...





**Time is Running Out for 2023 CE Sign Up Today!**

Visit: [MortgageEducators.com/CE](https://MortgageEducators.com/CE)



**THANK  
YOU!**