

Federal Reserve Bank of San Francisco  
101 Market Street, San Francisco, California 94105

December 17, 2013

To State Member Banks, Bank  
Holding Companies, Financial Holding  
Companies, Savings and Loan Holding Companies,  
and Foreign Banking Offices  
in the Twelfth Federal Reserve District

**CA 13-22 Social Media: Consumer Compliance Risk Management Guidance**

On Wednesday, December 11, 2013, the Federal Reserve issued the attached interagency guidance, *Social Media: Consumer Compliance Risk Management Guidance* (Guidance) through [CA 13-22](#), to address the applicability of federal consumer protection and compliance laws, regulations, and policies to activities conducted via social media by financial institutions. Financial institutions are using social media as a tool to generate new business and interact with consumers. Social media may more broadly distribute information to users of financial services and may help users and providers find each other and match products and services to users' needs. The use of social media to attract and interact with customers can impact a financial institution's risk profile, including risk of harm to consumers, compliance and legal risks, operational risks, and reputation risks. Increased risk can arise from poor due diligence, oversight, or control on the part of the financial institution. The Guidance is intended to assist financial institutions in understanding potential risks associated with the use of social media, along with expectations for managing those risks.

The Guidance begins with a description of important elements of a compliance risk management program for social media, which should be commensurate with the extent to which an institution participates in social media. In order to highlight the potential risk areas financial institutions should encompass within the risk management program, the Guidance continues with a discussion of compliance and legal risk to highlight a number of laws and regulations that can apply to interactions within social media. The last two sections of the Guidance address reputational risk and operational risk. This guidance does not impose additional obligations on financial institutions, but instead highlights existing legal requirements that apply to social media forums.

**Resources**

The Federal Financial Institution's Examination Council (FFIEC) agencies have scheduled an interagency financial institution teleconference to discuss the guidance, which is scheduled for December 19, 2013, from 1:00 p.m. to 2:30 p.m. EDT. To register for the December 19<sup>th</sup> banker teleconference on social media, please visit the following link: <https://fdicsurvey.inquisiteasp.com/fdic/cqi-bin/qwebcorporate.dll?idx=Y5D5JD>

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>.

For additional information, please contact:

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**Attachment:** [Social Media: Consumer Compliance Risk Management Guidance](#)