Farm Credit Administration

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INFORMATIONAL MEMORANDUM

April 10, 2014

To: Chairman, Board of Directors
Chief Executive Officer
All Farm Credit System Institutions

From: Samuel R. Coleman, Director and Chief Examiner
Office of Examination

Subject: Social Media: Consumer Compliance Risk Management Guidance

On December 11, 2013, the Federal Financial Institutions Examination Council (FFIEC) issued the attached final supervisory guidance entitled "Social Media: Consumer Compliance Risk Management Guidance" (Guidance). The purpose of this Informational Memorandum is to communicate the Farm Credit Administration's expectations regarding the Farm Credit System's (FCS or System) use of this Guidance. Although the FCA is not an FFIEC member, the FCA will utilize this Guidance as part of its examination process in evaluating a System institution's use of social media. The Guidance does not impose any new requirements on financial institutions. Rather, it is a guide to help financial institutions understand the applicability of existing requirements and supervisory expectations associated with the use of social media.

The purpose of the Guidance is to address the applicability of federal consumer protection and compliance laws, regulations, and policies to activities conducted via social media. The use of social media to attract and interact with customers can increase a financial institution's risk. The Guidance is intended to help financial institutions understand potential consumer compliance and legal risks, as well as related risks such as reputation and operational risks associated with the use of social media. The Guidance also provides expectations for managing those risks. System institutions are encouraged to use this Guidance in their efforts to ensure that their policies, procedures, and practices provide oversight and controls commensurate with the risks posed by their involvement with social media.

If you have questions about this memorandum, please contact your designated examiner-in-charge or Operations Risk Program Manager Michael Anderson at (720) 213-0909 (andersonm@fca.gov).

Attachment