

Top 10 Issues Found in **AcuClixDirect**® Reviews

Here are the top 10 issues that we have identified in doing AcuClixDirect® social media reviews for our clients. This list does not purport to explain or expand into the necessary requirements or the regulatory underpinnings, but merely to point the compliance professional in the right direction.

1. Testimonials:

We have found violations of the FTC guidelines concerning the use of testimonials in advertising in virtually all the reviews we have conducted. This is a very common marketing concept and is used by almost all MLOS. Many of the violations we found were inadvertent, yet violations non-the-less.

2. Loan officer team approach:

Compliance risk includes UDAP regarding appearing to be a separate licensed mortgage company as well as reputation risk and dilution of corporate branding. The violations that we identified included separate logos, tag-lines, color scheme, and titles of staff members that made it appear to be a totally separate mortgage company. Generally the sites made a passing or buried reference to the licensed company which made it virtually impossible for a consumer to identify as not a team of the company but rather a separate company.

3. Description of Reverse Mortgage:

There is specific required language mandated by various regulators. Many sites omit the required language and depict the HECM as a “Senior Loan”, government benefit or no loan at all.

4. Credit repair issues:

MLOS describe credit requirements and then expand into ideas and procedures to improve credit scores. Some sites indicated that the MLO would help in this endeavor and or refer to other sources.

5. Referral relationship with realtors:

This is very common. The concern are violations of RESPA regarding joint marketing materials and or non-complaint referral relationships.

6. Sales of additional products:

MLOs advertised other products or services promoting. These ranged from sale of books, how to guides, credit repair services, and general marketing services. There were also situations where the MLO was identified as employed in positions that were a conflict of interest or against company policy.

7. Improper titles:

MLOS attempt to make their position more of a financial planner or counselor. They use title such as: “Senior Advisor”, “Financial Consultant”; Financial Planner” “Financial Counselor”. There are other instances where the MLO attempts to inflate his/her position with the company, with “Branch Owner”, or Vice President, Executive VP etc.

8. Improper educational designations:

There are marketing programs which promote the MLO as having advanced professional skills and or training. The MLO pays a fee to the marketing company and is then able to use its designation. This can be seen as UDAP.

9. Improper description of interest rates:

A very common error is quoting rates. This leads to serious potential risk. The regulators require that the advertised rate be available at the time it is advertised. Social media is always advertising, so therefore, the specific rate must be available all the time.

10. Language implying consultation and or financial planning:

We have found the tenor of the social media/website to be more as consulting in nature. The MLO states in words or substance that he/she operates in the “best interests” of the borrower, and or will obtain the “best rate and terms” for the borrower. This is clearly a UDAP violation by purporting to establish a fiduciary relationship which does not exist.